

THE HENRY L. STIMSON CENTER

**Report of the Study Group on
Multilateral Arms Transfer
Guidelines for the Middle East**

Alan Platt, Project Leader

Report No. 3 May 1992



Pragmatic steps toward ideal objectives



Copyright © 1992 by
The Henry L. Stimson Center
21 Dupont Circle, NW
Washington, DC 20036
(202) 223-5956 Fax(202) 785-9034

**REPORT OF THE STUDY GROUP ON
MULTILATERAL ARMS TRANSFER
GUIDELINES FOR THE MIDDLE EAST**

Table of Contents

Introduction	3
Previous Arms Transfer Restraint Efforts in the Middle East	8
The Challenge of Establishing Arms Transfer Guidelines for the Middle East	15
The Right Time for Arms Transfer Guidelines	29
Study Group Guidelines	36
Conclusion	48
Notes	50

About the Authors

Howard Berman, congressman from California, serves on the House Committee on Foreign Affairs.

Joseph Biden, senator from Delaware, serves on the Senate Committee on Foreign Relations.

Charles Grassley, senator from Iowa, serves on the Senate Committee on the Budget.

Vin Weber, congressman from Minnesota, serves on the House Committee on Appropriations.

Barry Blechman is chairman of the Henry L. Stimson Center.

James Fluhr is vice-president of Ferranti International Inc.

Paul Freedenberg, former under secretary of Commerce, is associated with Baker and Botts.

Ellen Frost, former senior official with Westinghouse and United Technologies, is a senior fellow at the Institute for International Economics.

Kim Holmes is director of foreign policy and defense studies at the Heritage Foundation.

Martin Indyk is executive director of the Washington Institute for Near East Policy.

Michael Krepon is president of the Henry L. Stimson Center.

General Richard Lawrence (USA, Ret.) is vice-president of the Institute of Advanced Technology.

Sam Lewis, former U.S. Ambassador to Israel, is president of the United States Institute of Peace.

Michael Nacht is dean of the School of Public Affairs at the University of Maryland.

Janne Nolan is a senior fellow at the Brookings Institution.

Robert Oakley, former U.S. Ambassador to Pakistan, is coordinator of Middle East Studies at the United States Institute of Peace.

Andrew Pierre is a senior associate at the Carnegie Endowment for International Peace.

Alan Platt, leader of this project and former senior ACDA official, is a consultant on international and security affairs.

James Roche is vice-president of the Northrop Corporation.

Bernard Schwartz is chairman and chief executive officer of the Loral Corporation.

Introduction

For the Bush administration, the aftermath of the Gulf War and the demise of the Soviet Union and its empire have given new currency to enduring U.S. objectives: the creation of a stable Middle East and the pursuit of a durable regional peace. At present, the current military balance in the region is generally conducive to stability and the well-being of the most responsible states in the region. Yet the defeat of Iraq by the coalition forces is no cause for complacency. Assisted by the unregulated flow of arms into the region by outside supplier states, Iran and Syria are seeking to build up their forces at a substantial rate; Iraq under Saddam Hussein represents a continuing threat.

Left unchecked, unrestrained arms transfers could have the effect of dramatically altering the balance of power in the region in a way that could upset regional stability and increase the possibility of yet another Middle Eastern war. As a result, a multilateral arms transfer guidelines regime agreed to by the key arms-exporting states is in the interest of both regional stability and the United States' friends in the Middle East. President George Bush, speaking before a joint session of Congress on March 6, 1991, explicitly acknowledged this and observed: "It would be tragic if the nations of the Middle East and the Persian Gulf were now, in the wake of the war, to embark on a new arms race." Thus, at this time, establishing international agreement on concrete multilateral arms transfer guidelines for the Middle East makes sense, despite all of the difficulties in their realization.

Yet almost as soon as President Bush said it was necessary to reduce the arms flow to a region his administration had declared "already over-militarized," the United States announced its intention to renew arms sales to Saudi Arabia and the Gulf Emirates, prompting one commentator in *Foreign Affairs* to write: "The tentativeness of the arms control proposals unveiled for the region last May are more suggestive of past failures than future promise."¹ If this is the case, a potentially unique and even historic opportunity to forge an arrangement in the Middle East that ends the vicious cycle of wars and ever-increasing expenditures on arms may be squandered. Moreover, there is a sense of urgency for multilateral action: it is unclear how long this current balance of power favorable to regional stability will last.

A careful analysis of the risks and benefits of establishing multilateral guidelines for arms transfers to the region and the difficulty of implementing such guidelines paints a more complex picture than is sometimes suggested by supporters of arms control. Arms transfers to the Middle East are not the cause of regional problems, which themselves are the product of deep-seated ethnic, religious, and sectarian rivalries; instead, the acquisition of arms are the result of deep-seated and unresolved tensions between Israel and the Arab world and between and within Arab states themselves. Resolution of these varied and hostile relationships will only come about through concerted diplomatic measures and negotiated peace

agreements. Nonetheless, the Study Group on Multilateral Arms Transfer Guidelines for the Middle East has concluded that the establishment of multilateral arms transfer guidelines for the Middle East can play an important role in fostering greater stability in the region, thereby strengthening the prospects for peace in the Middle East. Consequently, the group believes that the establishment of concrete, multilateral guidelines should be accorded higher priority and sustained attention by the U.S. government.

But what kinds of guidelines—qualitatively and quantitatively—are most likely to further the interests of the United States, the world's other major arms suppliers, and the countries in the region? What are the alternatives to such guidelines, and what would be their impact? What participants are necessary to make the implementation of multilateral guidelines successful, and how might they be induced to take part in a regime? And, finally, how best can the United States exercise leadership in establishing meaningful multilateral arms transfer guidelines for the Middle East?

Building upon President Bush's May 1991 arms control initiative, which called for "supplier guidelines for conventional arms exports" to the Middle East, the world's five major arms suppliers are currently discussing general guidelines to govern the flow of conventional arms into the region. Progress has been made, notably in the first-ever agreement among the Great Power arms suppliers to exercise, in principle, arms transfer restraint. The next and significantly harder step is to provide greater specificity to the agreed upon, general guidelines. It is with this objective, of helping the major arms suppliers to agree on concrete, multilateral arms transfer guidelines for the Middle East, that this study group was convened.

In its work the group has been acutely aware of the military, political, and economic complexities associated with establishing and implementing multilateral arms transfer guidelines. The group recognizes that guidelines are a blunt instrument. Guidelines do not discriminate between countries in the region, a factor that on its face is considered a significant drawback by those who rightly worry that the United States' allies and friends might comply strictly with guidelines, while irresponsible states might evade them—with little penalty.

The group's approach takes into account this difficulty. The guidelines proposed here are based on the following assumptions: First, no combination of Middle East nations hostile to Israel should be allowed to gain military power such that they pose a direct threat to Israel's survival. Second, Iraq, Iran, and Syria should not be allowed to obtain sufficient military power to establish hegemony over the Persian Gulf. Third, Iraq, Iran, and Syria should not be allowed to gain military power such that any one or combination of the three can threaten to destabilize Turkey to the north or any of the subregions of the Middle East as a whole.

In the collective judgment of the group these goals will be fostered by the recommendations contained in this report. First, concrete, multilateral guidelines implemented jointly by the world's five major arms suppliers will reinforce the regional stability that exists at this time. Second,

no major arms supplier can be held accountable to the proposed guidelines if another of their number breaks ranks in a way that undermines the overall purposes of the guidelines regime. If a major arms supplier chooses to act in ways that foster instability in the region, other suppliers can be expected to take steps to reinforce regional stability. It would be far better for peace and stability in the Middle East, however, if all of the world's major arms suppliers adhered to agreed upon arms transfer guidelines.

The group has primarily focused on the five major arms suppliers—the United States, Russia, France, the United Kingdom, and the People's Republic of China (PRC)—because this first tier of countries accounts for 90 percent of all arms flowing into the Middle East. Moreover, the arms of the Big Five nations are qualitatively more advanced than those of the second-tier supplier states, as was vividly demonstrated in the Gulf War. In varying degrees the technological sophistication and the numbers of arms the second-tier suppliers produce lag significantly behind those of the Big Five. Although the potential impact of second-tier suppliers should in no way be minimized, the fact remains that they are unable to alter the qualitative or quantitative military balance in the region in the near term in any way that closely approximates the capacity of the Big Five. If, however, the world's five major arms suppliers can successfully agree to an arms transfer guidelines regime, this could provide a powerful foundation from which to pressure second-tier suppliers to cooperate.

For this reason, the group notes with concern that the PRC, in particular, is currently standing in the way of a Big Five consensus on even modest steps toward a guidelines regime, thereby making the achievement of more dramatic initiatives that much more remote. It is imperative that the United States, Russia, the United Kingdom, and France make a concerted effort to bring about the full participation of the PRC in any guidelines regime. France itself has demonstrated lukewarm enthusiasm for arms transfer restraint, and its support must be heightened if a multilateral regime is to be effectively implemented. The group believes that the full cooperation of other members of the Big Five could be enhanced by U.S. arms transfer restraint.

The study group is acutely mindful that its recommendations must be capable of garnering bipartisan support at home, must not be conceived in a political vacuum, must build upon the common interests of the supplier states, and must be formulated and carried out multilaterally. The group does not rule out unilateral, limited gestures by the United States, but this is no substitute for compliance by the Big Five suppliers. Reliance on unilateral action, even if just to set an example, could prove self-defeating if it undermines regional stability. Moreover, it is essential that supplier guidelines be supported by the recipient nations in the Middle East—if not at the outset, then soon thereafter. Consequently, it is desirable that the states of the Middle East come to view any supplier guidelines as being in their respective national interests. It is also important that there be not only effective means of verification to monitor compliance but also a reliable expectation of concerted action to address imbalances occurring as a result of a major exporter's breaking ranks.

The group does not propose an immediate, multilateral halt of arms transfers to the Middle East. As a practical matter, it acknowledges that some arms must continue to be transferred into the region for the foreseeable future, consistent with regional security and enhanced stability in the Middle East. The group, however, does favor a reduction in the flow of conventional and unconventional arms to the region. The issue is not one of merely limiting the introduction of certain new systems into the Middle East. To begin with, some new systems, in limited quantities, may find their way into the region even under the soundest guidelines; however, it is critically important that the floodgates are not wide open, allowing the unbridled introduction of arms that could alter the relatively stable balance of power now existing in the region. In addition, the group's recommendations seek to ensure that arms transfers are governed by strategic logic geared toward promoting a more stable and peaceful Middle East. This, not the generation of hard currency, warm production lines, or job security, must be the driving force. Furthermore, the group seeks to shift the burden of proof for certain arms sales to their proponents, away from their critics, as the group believes that only in this way can the dynamic behind unbridled, multilateral arms transfers be eventually curtailed.

The group notes that it is almost impossible to constrain new—and destabilizing—transfers to potential enemies by other supplier states without also constraining some new transfers to U.S. friends and allies in the region. Thus, the effort needs to be multilateral, both for exporters and importers. The sine qua non of the group's recommendations is that they are conditional and verifiable. They can work only if the Big Five agree to join and if, ultimately, the second-tier suppliers and the recipient nations are supportive as well. The group recognizes that if one or more members of the Big Five violates agreed upon guidelines, then the United States will ultimately have to employ arms transfers consistent with U.S. security interests and regional stability.

The group believes that the recommendations and observations in this report can assist the U.S. government in its efforts to reduce regional instability in the Middle East, to diminish the chance of yet another costly war, to strengthen regional security, to provide incentives for Middle Eastern states to be more amenable to lower levels of arms, and to focus their respective resources more on economic and social needs and less on military expenditures. Further, the group hopes that this report will stimulate greater attention to the components of a successful arms transfer restraint policy in other exporting states. Although all members of the study group agree with the principal themes contained in this report, group membership does not necessarily imply a member's endorsement of all of the report's specific proposals and recommendations.

This report begins with a historical assessment of previous arms transfer restraint efforts in the Middle East. It then analyzes the problems arising out of continued arms transfers, including their impact on the nature of potential conflict in the region. A discussion follows of the viability of establishing effective compliance with multilateral arms transfer guidelines and the factors that make the institutionalization of such guidelines not just

desirable, but doable. Finally, the report sets forth the group's recommendations for multilateral arms transfer guidelines for the Middle East.

Previous Arms Transfer Restraint Efforts in the Middle East

The history of arms control in the Middle East has principally been driven by external rather than internal stimuli. Unless and until arms control becomes an imperative for states within the Middle East, external stimuli can have only limited impact. As mentioned earlier, arms are fundamentally a product of tensions between the states in the Middle East, not a cause of these tensions. Regional ambitions, as well as insecurities and fears, continue to drive the pursuit of arms by countries in the Middle East. Only when the perceived threat to security has clearly diminished will these countries reduce their present reliance on large quantities of lethal weaponry. But the manifold and varied perceived threats for each country make it virtually impossible to define an adequate level of armaments. For this reason, external stimuli will remain imperative until states within the region reach the conclusion that arms control is in their own interest, or until they negotiate peace agreements among themselves. Because even marginal constraints can promote regional security, continuing efforts are warranted to promote multilateral arms transfer guidelines for the Middle East.

Two previous, systematic attempts to restrain the flow of conventional arms to the Middle East, in the early 1950s and again in the late 1970s, failed. Beyond that, conventional arms control efforts have been largely rhetorical. A brief overview of these attempts, and the obstacles they confronted, provides some useful lessons for contemporary initiatives.

The Tripartite Declaration

The 1949 Rhodes armistice agreement that followed the 1948 war of Israeli independence was not followed by a full-fledged peace agreement. In 1950, with diplomatic efforts at a standstill, the three major Western powers, which were also the region's major arms suppliers—the United States, France and the United Kingdom—issued the Tripartite Declaration, designed to foreclose a destabilizing military competition in the Middle East. The declaration expressed the opposition of the three powers to any attempt to revise existing armistice lines by force, further committed the three to rationing arms shipments to the area, and stated that neither side could expect to obtain arms from the three powers beyond what was needed for defensive purposes. Administered by the Near East Arms Coordinating Committee (NEACC) for five years, the declaration was initially successful and helped to maintain a rough balance of power in the region. During this time, although border incidents between Israel and its Arab neighbors were frequent, war was effectively deterred.²

In 1955, as tensions between the Arab countries and Israel mounted and as Egypt aspired to greater regional influence, President Gamal Abdel Nasser sought a major infusion of modern weapons from the United Kingdom. The justification Nasser offered the West for doing so was a

French shipment of advanced aircraft to Israel in 1954, which, he claimed, exceeded the limits of the NEACC. Bound by the Tripartite Declaration, London refused, supplying only a shipment of Centurion tanks. Nasser, deeming this inadequate, declared he would look elsewhere for assistance. He found a willing supplier in the Soviet Union, using Czechoslovakia as a proxy. All told, Egypt received in 1955 roughly \$200 million worth of Soviet and Czech military equipment, including 530 armored vehicles, some 500 artillery pieces, and 200 fighter, bomber, and transport aircraft.³ Nasser declared that this weapons transaction constituted a major first step toward the decisive battle for the destruction of Israel. Moreover, the deal enabled the Soviet Union, in its bid for influence in the region vis-a-vis the West, to gain a significant foothold in the Middle East.

The 1956 Sinai war ensued shortly thereafter. Although the reasons for the outbreak of war were varied and complex, the breakdown of the inhibitions on weapons acquisitions embodied in the Tripartite Declaration was clearly a contributing factor. Two historians of the period, writing in 1957, just after the war, explained the aftermath of the breakdown of the rationing agreement as follows:

The instinct of the Western powers had been right when they decided that the best way of keeping tension low in the Middle East was to keep the region as starved for weapons as was possible. But after the summer of 1955 this course was no longer possible. Should the West try to offset the arms deliveries to Egypt by supplying arms to Israel? That, it was said, would cause an arms race. So although in the end the Israelis obtained some countervailing weapons from France, the arms balance was allowed to become unbalanced. The growing pile of tanks, aeroplanes, and ammunition caused new fears, new rashness, new aggressiveness by the Arabs, and a new conviction in Israel that, if Israel waited until the Arabs were fully armed, doom would inevitably come upon it.⁴

An arms race did indeed follow. Syria and the Soviet Union entered into a significant arms deal shortly thereafter. France resupplied Israel and sold the country a nuclear reactor without providing any safeguards about its use. Nadav Safran succinctly summed up the aftermath of the Egyptian-Soviet arms deal: "There is no doubt that President Nasser's deal with the Soviets in 1955, which destroyed the limitations of the Tripartite Declaration, burst the dam, and let the flood sweep in."⁵

Two lessons emerge from the failure of the Tripartite Declaration. First, to be successful, any supplier restraints have to be multilateral and include all potential significant suppliers. Second, chances of success are vastly enhanced if there is willing compliance among the recipient states. In this instance Egypt was not committed to the status quo as proposed by the Big Three powers, and its collaboration with the Soviet Union doomed the Tripartite Declaration to failure. In addition, a new pattern emerged that

was to frame future efforts to restrain arms transfers to the Middle East: the U.S.-Soviet rivalry would complicate all restraint efforts for the next thirty-five years, as the countries of the Middle East became willing proxies in the cold war conflict.

The 1960s: Failed Attempts

Perfunctory attention was given to controlling the arms competition in the Middle East during the 1960s, but public statements were not taken seriously and met with little success. In an October 9, 1962 address to the United Nations General Assembly, then-Israeli Foreign Minister Golda Meir appealed to the superpowers in the Middle East, among other things, to "find a way to disarmament." More pointedly, she said, "Since the danger of war still looms over every dispute, we are constantly burdened with defense expenditures to the detriment of our development needs."⁶ The next year President John F. Kennedy's coordinator for disarmament activities, John McCloy, went to Israel and Egypt to try to help broker an arms limitation agreement. McCloy hoped both to persuade Egypt not to acquire sophisticated ground-to-ground missiles from West Germany and to obtain assurances from Israel that it would not develop nuclear weapons. Rebuffed by Nasser in Egypt, McCloy canceled the leg of the trip that would have brought him to Israel.⁷

By 1964 conventional arms acquisitions in the Middle East had begun to spiral. Egypt, Israel, Jordan, Iraq, Saudi Arabia, and Syria were spending higher percentages of their Gross National Product (GNP) on defense than any other countries in the world except the Soviet Union, including powers with global responsibilities, such as the United States, the United Kingdom, and France.

By the mid-1960s the Soviet Union had already become an active supplier of arms to the Middle East. The United States officially eschewed the role of arms merchant to the region, but this declaratory policy was belied by the facts. As the *New York Times* reported on October 26, 1967, U.S. arms sales to the Middle East and South Asia grew from \$7.7 million in fiscal year 1962 to \$333 million in fiscal year 1967. French support of Israel waned after the 1967 Arab-Israeli war, and the United States soon became Israel's primary source of weapons and military technology. Overall, conventional weapons sales to the Middle East grew from \$2 billion between 1945 and 1955 to \$9.25 billion in the decade that followed.

The next major Middle East arms control effort followed the 1967 Arab-Israeli war. Soon after the end of the fighting, the United States announced its intention to seek an embargo on arms supplies to the region, to include Israel and Saudi Arabia, and proposed an arms transfer restraint agreement with the Soviet Union. Washington also called for a United Nations sponsored agreement to register and limit arms shipments to the region. At the same time, the United States delayed delivery of F-4 Phantom aircraft to Israel in the hope that this would be a tangible symbol of U.S. sincerity about negotiating restraints on arms sales to the Middle East. These proposals all fell on deaf ears. Continuing the pattern begun in 1955,

the Soviet Union viewed arms sales as an important and effective means of maintaining influence in the Middle East and fighting the cold war through proxies. The U.S. initiatives for negotiated restraints and joint action were rejected.⁸

In 1970 the pattern of arms sales by the Soviets was alarming enough that *Strategic Survey*, the report of the Institute of Strategic Studies in London, stated: "The sheer volume of Soviet military support for the United Arab Republic (Egypt and Syria) during 1970 was without any precedent. Never before had the Soviet Union injected anything like the quantity of sophisticated military equipment into a non-communist country in such a short time." A few figures tell the story. At the beginning of 1970 there were no Soviet pilots or missile crews in Egypt. By the year's end, more than 200 Soviet pilots were flying MiG-21J interceptors, and roughly 15,000 Soviet officers and soldiers were manning some 80 surface-to-air missile (SAM) sights. No less than 6 Egyptian airfields were exclusively manned by Soviet personnel.⁹

The 1970s: Internationalization of the Arms Market

In many ways the 1970s represented a sea change in the world of arms transfers, significantly affecting later efforts to curb the arms flow to the Middle East. The change was structural and psychological as much as it was policy-based.

After the Marshall Plan and the creation of the North Atlantic Treaty Organization (NATO) alliance, U.S. military aid and arms transfers were designed principally to assist allied countries in countering communist aggression and promoting regional stability. With the advent of the Nixon Doctrine, however, the United States undertook to help friendly countries help themselves, thereby presumably diminishing their dependence on U.S. armed forces. This strategy necessitated the promotion of greater self-defense capabilities among friendly countries. As a result, arms transfers evolved—from being one of a number of military, political, and diplomatic means for supporting U.S. security goals, to representing a leading instrument in the conduct of U.S. foreign policy. Although the policy appeared sound in theory, its implementation was to cause many unforeseen problems.

The Nixon Doctrine and Soviet arms transfers, among other factors, led the United States to depart from the practice in the 1950s and 1960s of transferring only surplus, obsolescent, or relatively unsophisticated items to developing countries. The United States now began to transfer or sell some of its most advanced weapons and technologies to the Middle East. In the context of the cold war struggle these transfers were frequently made for reasons of realpolitik. Evidence of this was the U.S. strategy of promoting "two pillars of stability" in the region, by arming Iran and Saudi Arabia with many of the most advanced weapons the West had to offer while helping to build very sophisticated communications and support facilities.

The Soviets meanwhile accelerated their policy of transferring military technology to the Middle East as a means of gaining influence and securing allies against the West. As in the U.S. case, this was often done less for reasons of political compatibility or to assist so-called movements of national liberation than for the purpose of creating a bulwark in the East-West confrontation. Soviet arms transfers to Algeria and Egypt, to name but two examples, highlighted this fact; both countries, which actively suppressed communist movements, had little sympathy for Marxist-Leninist goals but were seen as potentially valuable Soviet allies in countering Western influence in the region.¹⁰

Another factor that came to the fore in the 1970s was the growing competitiveness of the international arms market. In one sense this was a natural outgrowth of Europe's economic recovery and the development of industrial capabilities by Third World countries. The virtual monopoly of the arms market enjoyed by the United States, the Soviet Union, and a handful of West European states came to a close, and a growing number of still developing countries were able to vie for arms sales.

This structural change in the international system had profound implications for the nature and volume of arms supplied to the Middle East. In earlier decades the dependence of Middle Eastern countries on Great Power military assistance afforded at least some leverage over client states. The diffusion of the international arms market helped to change this. Developing countries still depended on the Great Powers for maintenance, spare parts, and the most sophisticated of armaments, but they were now able to gain a degree of independence by either buying or threatening to buy arms from alternative suppliers. The competition fueled arms sales, as traditional arms suppliers sometimes made concessions simply to prevent new competitors from gaining access to traditional markets or to demonstrate loyalty to recipient states.

The enduring lesson of the Tripartite experience—that universal adherence was needed among major suppliers if supplier restraints were to succeed—was vastly complicated by the systemic changes in the international arms market in the 1970s. By the mid-1970s sophisticated arms were flowing into the region at a record pace, and the increasingly diverse international market in arms was seemingly outstripping the ability of policymakers to control it.

The Carter Administration and Conventional Arms Transfer Restraint

With these concerns in mind, the United States sought in the late 1970s to limit the flow of conventional arms to the Third World, including the Middle East. Jimmy Carter, upon assuming the presidency, undertook the most ambitious arms sales restraint effort since the Tripartite Declaration of 1950. Carter declared that “spiraling arms traffic” threatened world peace, and he committed the United States to taking the “first step” toward reducing the global arms trade. He declared that his administration would view arms transfers “as an exceptional foreign policy implement.” Thus,

plans were set in motion to reduce the dollar volume of U.S. government-to-government arms sales. The United States also pledged not to be the first supplier to introduce newly developed weapon systems into a region and imposed other guidelines that were intended to limit exports of U.S. weapons. Finally, the United States initiated Conventional Arms Transfer (CAT) negotiations with the Soviet Union and related consultations with other suppliers.

The formal Carter administration effort to negotiate restraints with the Soviet Union produced four meetings in twelve months, beginning in December 1977. Although some headway was made, the talks soon foundered. There was no clear-cut consensus within the U.S. Government about the talks' ultimate objective. And the talks inevitably suffered as a result of different U.S. and Soviet strategic objectives in the Middle East. After 1978 the talks foundered as U.S.-Soviet relations deteriorated following aggressive Soviet probes in the Horn of Africa, the Middle East, and Central America. All hope of negotiated superpower limits on conventional arms transfers ended with the Soviet invasion of Afghanistan in December 1979.¹¹

The Carter administration's experience with conventional arms transfer restraint, notwithstanding its overall failure, yielded some valuable insights for the future. As with the experience of the Tripartite Declaration, the Carter administration's unsuccessful unilateral and multilateral arms transfer restraint efforts underscored that guidelines can be successful only insofar as they are adhered to multilaterally. As important, efforts to limit transfers of advanced armaments could neither solve nor substitute as a solution for the regional issues underlying U.S. national security concerns. Indeed, the more the arms transfer discussions strayed into the realm of political issues, the more difficult and sensitive they became, a factor that ultimately led to their collapse.

Finally, based on the Carter administration's experience, it is clear that for international talks to succeed, there must be well thought-out objectives backed up by an internal government consensus that enjoys broad domestic political support. Internal divisions within the U.S. government and unclear goals made failure in the CAT talks almost inevitable.¹² In hindsight the heating up of the cold war in the late 1970s, which President Carter recognized and responded to belatedly, and the structural changes in the international arms trade, made the Carter administration's objectives to restrain conventional arms transfers almost impossible to achieve.

The 1980s: Arms Sales As an Extension of Foreign Policy

In the 1980s there was little formal U.S. effort to establish restraints on the sale of conventional arms to the Middle East, or anywhere else for that matter. Indeed, the Reagan administration self-admittedly had little interest in limits on conventional arms transfers as explicit policy itself. For the Reagan administration, the not unfounded fear was of a Soviet power grab in the Middle East to take advantage of local conflict in the region, and arms restraints were viewed as part of an overall security policy

there. Thus, such immediate strategic issues as the Iran-Iraq war and the raging conflict in Afghanistan took precedence, and the Middle East emerged as the world's major market for the sale of U.S. as well as other suppliers' sophisticated weapons and technology. President Ronald Reagan, during the first year of his administration, signaled this approach when he approved a multi-billion dollar package of weapons for Saudi Arabia that included AWACS aircraft and advanced fighters. (A similar sale to Iran had been slated by President Carter but was called off after the overthrow of the shah.) The Reagan administration significantly increased arms transfers to Israel and Egypt and allowed sophisticated U.S. technology to make its way to the Iraqi military, and even to the fundamentalist regime in Iran.

On a few occasions the United States temporarily held up arms transfers to Israel as a means of expressing displeasure with Israeli government policies. In 1981, for example, deliveries of advanced aircraft were delayed for some months after Israel's destruction of Iraq's nuclear reactor at Osirak. Comparable actions were taken after the Israeli incursion into Lebanon in 1982. These were isolated actions, however, and were not intended as arms control measures or as elements of an arms transfer restraint policy. For its part, the U.S. Congress evinced greater concern about the accelerating pace of arms to the region, especially those that were viewed as threatening to Israel's security, and sought to place limitations on some U.S. sales to the Middle East. Thus, congressional action blocked the transfer of mobile air defense systems to Jordan and certain advanced fighter aircraft and advanced tactical missiles to Saudi Arabia and the Gulf states.

On the whole, Washington did not focus on problems associated with large-scale arms transfers to the Middle East during the 1980s. Ultimately, the unrestrained competition among suppliers, based largely on purchases from the Soviet Union, allowed Iraq to build up a massive military capability. And it was not until the close of the decade, with Iraq's August 1990 invasion of Kuwait and subsequent missile attacks on Israel and Saudi Arabia, that the question of formulating multilateral arms transfer guidelines for the region once again became a high-priority policy issue.

The Challenge of Establishing Arms Transfer Guidelines for the Middle East

From the outset, the task of establishing broadly supportable, multilateral arms transfer guidelines for the Middle East must take into account three factors: the benefits and limitations of arms control per se within the political context of the Middle East; the current military balance in the region and the potential risks posed by continuing sales of advanced arms; and the manner in which arms control efforts might affect peace negotiations in the region.

The Middle East Context: The Dilemma of Arms Control and Arms Transfers

Traditionally, a principal goal of any arms control effort is to reduce the likelihood of war, whether by design or perceived necessity. Consequently, effectively designed arms control initiatives do not seek to limit or reduce arms per se, but, more important, to strengthen deterrence and foster a stable balance of power that makes war less likely. Secondary benefits of arms control can be to help reduce the scope, destructiveness, or duration of war should it break out, as well as limiting and reducing the costs of preparing for war. The prevention of arms competitions that could complicate peace negotiations and fuel regional tensions is another possible benefit.

In the unique environment of the Middle East, however, there is little experience with arms control measures. The Middle East is torn by ethnic, religious, and nationalistic hatreds and conflicts, many stretching back as far as a thousand years. It is generally characterized by three active zones of tension, each marked by continuing arms competition and political rivalry. The Arab-Israeli conflict is the longest-lived source of war. Five times—in 1948, 1956, 1967, 1973, and 1982—Arab armies and the Israelis have gone to war. In addition, the 1970 war of attrition between Israel and Egypt along the Suez Canal bordered on becoming a full-scale conflict, and there have been countless incidents between wars. The Persian Gulf has been a second source of bitter conflict—the eight-year Iran-Iraq war, which claimed a million lives, and Iraq's invasion of its former ally, Kuwait, being just two examples. The third and least overtly dangerous area, what could be called the Syrian-Iraqi-Turkish triangle, nonetheless remains a source of potential conflict that plays a role in regional balance considerations.

None of these conflicts can be viewed in isolation. Any arms transfer guidelines for the Middle East must address all three military balances and the instabilities that result from the interaction among them. Virtually every country in the Middle East believes itself to be surrounded by enemies. Israel, for example, can only view with concern arms acquisitions by Arab states with which it is still technically in a state of war. For

instance, equipment provided to Jordan for defense against possible Syrian or Iraqi threats have been used against Israel and must be considered in any military balance calculations. Israel believes the same could happen with Saudi Arabia and the Gulf Cooperation Council (GCC) states. For their part, Arab states view Israel's acquisition of conventional weapons with concern, particularly given Israel's demonstrated successes on the battlefield. Further, a number of Arab states in the Middle East maintain regional hegemonic claims, not just against Israel but against each other. Iraq has staked its claim to parts of Iran, all of Kuwait, and other areas. Syria still claims historical rights to a greater Syria, including Lebanon and Israel. It vies with Iraq for the role of regional Arab superpower. An uneasy truce exists between Egypt and Libya, and between Egypt and the Sudan. Saudi Arabia and Yemen to this day have equally uneasy relations, and border disputes and clashes continue. Iran, which was once regarded as the West's pillar of stability in the Middle East, sees itself threatened by, and in turn threatens, every other country in the region, with the sole exception, perhaps of Syria.

Thus, efforts to promote stability and provide for a state's "legitimate self-defense" consistent with arms transfer guidelines must be analyzed in the context of these broad, continuous, and frequently shifting rivalries. The sobering reality is that no one rivalry can tidily be divorced from the others; similarly, one regional arms race, or arms constraint scheme, will likely be affected by other, interconnected considerations. Given this alone, promoting stability through arms transfer guidelines is a very complex undertaking—a fact that is not likely to be lost on the states within the region. To name but one example, any far-reaching arms transfer guidelines regime among the Arab states and Israel that does not include Iran could easily become irrelevant.

Middle East Defense Mores and Regional Deterrence

Any conventional arms transfer guidelines regime designed to strengthen regional stability and strengthen the security of the United States' friends and allies in the Middle East must also take into consideration that the norms and mores of deterrence and defense in the region do not lend themselves easily to defense calculations prevalent in other parts of the world. External efforts to bolster mutual deterrence must first confront the reality that not all of the countries in the Middle East are status quo powers. Even more daunting is that in the Middle East, where conflicts are based on deep ethnic, religious, and nationalistic antagonisms, such Western intellectual concepts as "deterrence," "balance of power," "unacceptable damage in war," and "wasteful defense spending" are often abstractions with little application. For instance, few Western analysts believed that the Iran-Iraq war could continue for eight years. They were equally caught off guard, as were the Arabs themselves, by the full-scale Iraqi invasion of Kuwait so soon after the end of the Iran-Iraq conflict, and by Saddam Hussein's refusal to be coerced out of Kuwait by the huge coalition buildup and military presence in the region.

Indeed, the common interest of all sides in the Middle East in avoiding the high costs of war is obscured by a number of factors. These include, but are not limited to, extreme fundamentalist views espoused by radical Muslim leaders, fundamentalist regimes, and such secular leaders as Saddam Hussein and Hafiz al-Assad, who play by their own rules and calculations. Accordingly, "rational calculations" for deterrence of conflict and dispute resolution in the Middle East do not necessarily correspond to those in the West.

It is equally instructive to recall what Anwar el Sadat, the sole Arab leader to make peace with Israel, revealed in his memoirs about the 1973 war. Sadat wrote: "I used to tell Nasser that if we could recapture even four inches of Sinai territory . . . [it will] remove the humiliation we have endured since the 1967 defeat."¹³ With these professed, limited aims, Sadat launched a war that had consequences reaching far beyond the Middle East, to the superpowers themselves, who hovered on the brink of confrontation. In holding on to the Sinai territory, Sadat almost brought about the destruction of his entire Third Army and occupation of the Egyptian heartland. Yet Egypt's successful use of surface-to-air missiles in the fighting and the performance of Egyptian forces, more effective than in the 1967 war, enabled him to claim "military victory."¹⁴ In short, the cultural and psychological context of conflict in the Middle East can confound even the most well thought-out and well-crafted Western efforts to enhance stability, whether through arms restraints or other measures, in the region.

Despite all of the difficulties mentioned above, outside efforts to stabilize competition and to strengthen deterrence through arms restraint efforts in the Middle East are not automatically doomed to failure. Most leaders in the region are not irrational and understand the dangers of offensive or aggressive military action against unfavorable military balances. The concept of deterrence, so ingrained in the East-West competition, also has application in the Middle East. A few examples bear this out.

After the 1973 war, Sadat came to the conclusion that war was no longer a viable instrument of policy against Israel—in short, Israeli military deterrence was a major factor ultimately leading Sadat to make peace with the Jewish state. And as much as President Hafiz al-Assad of Syria professes to oppose the status quo in the Middle East, he has studiously avoided direct conflict with the Israelis, observing de facto military rules of the road so as to diminish the likelihood of a full-blown, Syrian-Israeli conflagration. According to one study, "Stability will result from both military and diplomatic components. Syria's motives for launching an attack will be restrained by Israel's . . . military edge."¹⁵ Similarly, Saudi Arabia seems to avoid any military actions that Israel would deem provocative, including forward basing of military equipment. The nature, composition, size, and capabilities of the different Middle East arsenals are clearly taken into account by regional leaders and military planners. Decisions bearing on war and peace do not depend solely on military balances within the region, but stabilizing balances can help promote peace and make recourse to war less likely.

A Region Awash in Arms

The trend lines associated with Middle East arms purchases are not encouraging; the Middle East has emerged as the largest arms market in the world.¹⁶ Numbers tell only part of the story, but they nonetheless give an important insight about the gravity of the problem. If these trend lines continue, an unrestrained conventional arms competition that upsets the balance of power could lead to increased instability while assisting aggressive states in the region, such as Iran, Syria, or, in the future, Iraq, to prepare for offensive military action.

The Middle East comprises but 3 percent of the world's population. Nevertheless, during the 1980s, more than \$200 billion in weapons, or roughly two thirds of all arms exports to the Third World, were sent to the Middle East.¹⁷

Throughout most of the 1983-90 time frame, the war between Iran and Iraq created an urgent demand by both belligerents for conventional weapons of all kinds, whether unsophisticated battlefield consumables, spare parts, or more advanced combat vehicles, missiles, and aircraft. The large volume of arms transfers to the Middle East in the 1980s was not, however, owing solely to the Iran-Iraq war. For instance, from 1983 to 1990 Iraq and Saudi Arabia—the latter a non combatant—were the top two arms purchasers in the world. They concluded arms transfer agreements totaling \$30.4 billion and \$57.3 billion, respectively, accounting for 10 percent and 19 percent, respectively, of all Third World arms transfers. Saudi Arabia's weapons contracts increased by more than 62 percent during this period, totaling \$35.5 billion in 1987-90 alone. Indeed, five of the world's top-ten largest arms importers in 1987-90 were Middle Eastern countries. During these years, Saudi Arabia was the largest purchaser in the world; Iraq, the second largest; Iran, the third; Egypt, the sixth; and Syria, the seventh. As *The Economist* has noted, during the past decade, the countries of the Middle East collectively spent a greater percentage of their national products on arms than any other nations. When most NATO countries were spending 3-4 percent of their GNPs on defense, Israel, Jordan, and Syria were spending 10-15 percent; Saudi Arabia, 20 percent; and Iran and Iraq, roughly 25 percent.¹⁸

The 1990s: A New Decade of Less Restraint?

These trends have, on the whole, accelerated during the 1990s. Saudi Arabia received more than \$14.5 billion in arms deliveries in 1990 alone; almost half of these transfers, about \$6.1 billion, occurred before the Iraqi invasion of Kuwait. While remaining outside the community of civilized nations, Iran received almost \$1.5 billion worth of arms deliveries. Even Iraq received more than a known \$1.1 billion in arms deliveries before the United Nations embargo that began on August 6, 1990. Overall, 1990-91 arms transfer figures give credence to the view that arms sales to the Middle East are an issue that demands serious international scrutiny and multilateral action, especially because of the general pattern of political

instability and shifting alliances that characterize Middle East politics. Today's ally may well be tomorrow's adversary, as was the case with Iraq and Iran.

An investigation of the types of equipment recently delivered to the region provides increased cause for concern. While available data do not provide a current breakdown of the extent of the equipment delivered, they do show clear trends of ever more capable classes of aircraft, ships, ground weapons and associated munitions.¹⁹ Given the propensity of states in the region to resort to warfare, the quality and quantity of arms entering the Middle East cannot be viewed with equanimity. Rather the extent and types of equipment entering the region pose a potential threat to the peoples of the Middle East and to Western interests, and U.S. and allied forces run the risk, if they ever must be reintroduced into the area, of having to face these weapons.

As a result of these transfers, four Middle East countries now possess more main battle tanks than the United Kingdom or France. The quality of munitions available to the Royal Saudi Air Force is equal to the best found in Western Europe, and Saudi planes are equipped with air-launched munitions in quantities rarely found in NATO countries. Indeed, Saudi Arabia has sufficient munitions to fight a war lasting sixty days, something no NATO country would be able to do. For many in the West, arms transfers to Saudi Arabia do not pose a problem given the basing and military support the royal kingdom made available to the allied forces fighting Saddam Hussein. Arms transfers to Syria do not generate a similar reaction. The Syrians not only have greater numbers of missile batteries and self-propelled anti-aircraft guns than former non-Soviet Warsaw Pact countries, but they also have a more complete version of the integrated Soviet air defense system.²⁰ When putting these kinds of deliveries in a historical context, it is sobering to recall that long before any recent arms buildup in the region, in 1973, the Egyptian-Israeli Sinai tank battle in the Yom Kippur War was the second largest in history, after the battle of Kursk on the Eastern front during World War II.

Future Trends, Future Concerns

It appears that neither the end of the cold war nor the end of the Gulf War is, in itself, likely to lead to any significant decrease in the influx of arms into the Middle East. Indeed, without the establishment of some multilateral arms transfer guidelines, the Gulf War, in particular, may well prompt further increases in the flow of arms into the region. One Wall Street aerospace industry analyst has estimated that during the next five years, Middle East buyers, including Israel, will spend upwards of \$50 billion on tanks, fighter planes, missiles, and other, related weapons.²¹ Another recent analysis reported that Western nations could sell as much as \$54.6 billion worth of arms by 1995; sales of combat jet aircraft alone could total \$12.6 billion; tanks and armored personnel carriers, \$13.1 billion; tactical missiles, \$5.2 billion; helicopters, \$3.2 billion; and fixed-wing aircraft of all other types, \$2.7 billion.²²

The nature of this post Gulf War arms purchasing spree has been underscored by a recent Congressional Research Service survey of conventional arms transfers since the end of the Gulf War. Its findings indicate a trend of continued sales and potentially growing regional instability.²³ In 1991, to the extent known, Iran ordered nearly \$3 billion worth of weapons and took delivery of \$1.4 billion, including MiG-29 aircraft. Other weapons on order include 1,500 tanks, rockets, and surface-to-surface missiles. Israel plans to move forward with new advanced aircraft purchases, despite unprecedented domestic economic pressures from newly arrived Soviet immigrants. For its part, Syria, which has 4,350 main battle tanks, has recently ordered enough T-72 tanks to more than double its first line tank strength over the next two years. As part of a \$2 billion package since the end of the Gulf War, Syria has also ordered as many as 75 MiG-29 and Su-24 fighter-attack aircraft, as well as early warning radar and command and control equipment from the former Soviet Union. Its missile purchases from the PRC raise a number of disturbing questions, as does its receipt of Scud missiles from North Korea. Libya is one of the few exceptions to the regional trend, although as Senator John McCain (R-Ariz.) has recently observed, "It already has so much armor and so many combat aircraft that nearly 50 percent are in storage or rotting in the desert."²⁴

There is no question that this continuing, massive inflow of sophisticated arms into the Middle East, partly fueled by large U.S. arms transfers, can work at cross-purposes with Western security interests in the region and potentially undermine the security of friendly Middle Eastern states. It may not be possible to address these potential problems effectively by simply increasing arms transfers to friendly states, since these transfers may help stimulate more troubling transfers to countries hostile to Western interests. As Senator Robert Graham (D-Fla.) has noted, "I am concerned that, without any strategic rationale, we continue to pump billions of dollars [worth of weaponry] into this volatile region."²⁵ One defense analyst summed up recent trends in total arms sales to the Middle East as follows:

As 1990 and 1991 made brutally clear, the end of the Cold War was scarcely the "end of history" for the arms trade. The full bill for the Gulf War may take years to appear, but it is already apparent that the Southern Gulf nations alone ordered in excess of \$20 billion worth of arms in 1990, and that Egypt, Israel and Syria also have signed new major arms sales agreements. The total agreements of developing countries in 1991 are likely to approach \$40 billion.²⁶

These assessments suggest that, even if overall world arms expenditures decline, arms transfers to the Middle East are likely to continue to be robust. To begin with, shrinking defense sectors in supplier countries do not necessarily mean that arms sales will decline commensurately. Indeed, as defense production decreases, owing to downsizing at home, efforts to expand exports are increasing, and market demand for sophisticated arms is likely to remain high in the Middle East for the foreseeable

future. In this regard it is worthwhile noting a recent assessment by the Office of Technology Assessment: “The United States and other major exporters are gradually losing control of the weapons transferred as [well as] the technology and industry necessary to produce and support them.”²⁷ And indigenous defense capabilities in the Middle East, especially in Israel and Egypt, are likely to grow, only further compounding the situation.

Arms Transfers: Failures and Successes

Reconciling security assistance to friends in need while seeking to avoid unnecessary transfers that threaten regional stability remains an ongoing dilemma for U.S. policymakers, as well as those of the other major arms suppliers. Clearly, certain arms sales to strengthen friends against aggression will be necessary and useful in enhancing deterrence, even if at a limited level. But as has been demonstrated, deterrence is not a simple proposition in the Middle East, and the transfers of arms to this region can have multiple consequences. This is why a multilateral approach with agreed upon guidelines holds promise at this time for enhancing stability in the region.

In this regard arms sales have often been a frail policy reed, as was most apparent in the recent Gulf crisis. Despite extensive U.S. arms sales to Saudi Arabia and the GCC states—more than \$70 billion worth of the most sophisticated weapon systems in the world over the last fifteen years—the Gulf states were completely unable to protect themselves. They were unable to mount a credible deterrent, let alone a defense, in the Gulf crisis. Kuwait was overrun by Iraq in a matter of hours. As further Iraqi aggression loomed as a very real possibility, it was clear that the Saudis would be unable to deploy their high-technology arsenal and provide for their own protection. (Both their oil reserves and U.S. weapons were precariously close to falling into Iraqi hands.) At that point Saudi Arabia had little choice but to reverse its long-standing policy against a large-scale foreign presence on its soil—the kingdom was saved only by the massive, unprecedented U.S. and European military effort in its behalf.

It has been noted that the facilities and logistical support available to U.S. forces in Saudi Arabia “did not magically appear overnight; they were the result of a carefully scripted policy of providing military capabilities to Saudi Arabia, while upgrading the Saudi potential to host an American deployment *in extremis*.” The implication is that the presence of this extraordinary infrastructure appears to have been linked to U.S. commitments to transfer arms to the royal kingdom.²⁸ Yet the insuperable point remains: a massive infrastructure and large-scale arms transfers are insufficient to protect Saudi Arabia from significant external threats. In Alvin Rubinstein’s words, “The gulf crisis demonstrated that unaided they [Saudi Arabia and the Gulf Emirates] are prey to covetous neighbors.”²⁹

The United States does not go so far as to justify arms sales to Saudi Arabia by claiming that the Saudi military will then serve as a cornerstone of defense on its own. It remains understood that arms sales to the Saudis may enable them to “blunt an attack” by a future aggressor, until “outside

reinforcements," that is, Americans, arrive. As Secretary of Defense Richard Cheney has repeatedly told Congress, the United States' goal is to help our friends like the Saudi Arabia and the Gulf States have sufficient capability to defend themselves long enough for us to be able to get back. In sum, it is unlikely that future arms transfers would in any significant way reverse the vulnerability of the Gulf states to any serious threat—now or in the foreseeable future. Paradoxically, in providing a justification for other countries' sales to the enemies of the Gulf states, including to Syria, to Iran, and perhaps eventually to Iraq, Saudi Arabia's security may actually be diminished as a result. In the final analysis, Saudi and Gulf security may require limits in the amount of sophisticated arms delivered to potentially hostile, and aggressive, states in the region.

In the case of Saudi Arabia and the Gulf, arms transfers did not help. In the case of Iran, they backfired. In the 1970s the United States envisaged the shah of Iran as "the guardian of the Gulf" and undertook an ambitious program in military assistance to Iran. Iran's arms imports, beginning with a \$135 million arms transfer program in 1970 and spurred by a historic arms deal between President Richard Nixon and the shah right after the 1972 Moscow summit meeting, tripled between 1971 and 1975 and doubled again between 1975 and 1977. In all, Iran received \$20 billion worth of U.S. conventional weapons during the 1970-78 period.

When the shah was abruptly overthrown in 1979, the country came under the grip of Islamic fundamentalism. Overnight, one of the two pillars of U.S. policy in the Persian Gulf region became a primary source of instability in the region. Iranian ambitions remain a primary source of concern in the Middle East and the West to this day.

Indeed, regime stability is the other side of the coin that undermines the benefits of arms transfers. The other "pillar of stability," Saudi Arabia, faced a localized uprising by a small fanatical group in the takeover of the mosque in Mecca in 1979, which led a number of observers to call into question the staying power of the more moderate royal family. Since then the royal family has successfully maintained a relatively broad power base by balancing careful adherence to Islamic tradition while seeking to modernize Saudi society. The introduction of Western forces during the Gulf War, however, raised new strains of modernity and highlighted internal contradictions and stresses that Saudi society will have to continue to confront. In view of the rising tide of Islamic fundamentalism in other Arab nations, including Algeria and, to a lesser degree, Jordan, there are doubts about the long-term staying power and Western orientation of the current Saudi regime. This is likely to become an increasingly nettlesome issue in the upcoming decade.³⁰

Iraq provides yet another sobering lesson about the dangers of arms transfers. Saddam Hussein's invasion of Kuwait and defiance of the U.S.-led coalition demonstrated that it need not be a coup or regime change that leads a previously pro-Western ally to become hostile to U.S. interests. As a recent OTA report dryly, but accurately, put it, "As the war with Iraq has shown, arms may outlast the good will of the leaders to whom they were supplied."³¹ The consequences are reflected in the following statis-

tics: At the start of the war, after Iraq had spent some \$50 billion on arms and technology in the 1980s, aided primarily by the Soviet Union and France, it was fielding an arsenal that included 5,000 tanks and thousands of artillery pieces, hundreds of advanced combat aircraft, as well as surface-to-surface missiles, and ambitious chemical, biological, and nuclear weapons programs. It had the fourth largest army in the world. The country that had been viewed by the West as a counterweight against Iran suddenly emerged as the dominant threat to Western interests, one that cost the West nearly \$100 billion to defeat. Even now, revelations about the scope and nature of the Iraqi war machine that the industrialized world helped build are made almost daily.

The former Soviet Union has experienced the pitfalls of arms transfers to the Middle East. It was the principal supplier of Egypt from the mid-1950s until 1972, and in the final years of the early 1970s it pumped more weapons into Egypt than any of its individual Warsaw Pact satellites. As mentioned earlier, this activity included shipments of its most modern MiG-21J aircraft and more than 80 sophisticated SA-3 missile batteries, as well as the upgrading of 6 Egyptian airfields. The Soviet commitment was buttressed by the presence of some 15,000 Soviet advisers and officers, who assisted the Egyptians in deploying these weapons. Yet in 1972, with little warning, the Soviets were unceremoniously expelled from Egypt.

This is not to say that arms transfers as a foreign policy instrument have always had perilous outcomes or that they have not served the West's interests. In certain instances they have been extremely helpful, the most notable example being their role in solidifying the Egypt-Israel peace treaty following the Camp David Peace Accords. Furthermore, limited arms transfers have been helpful in staving off potential hostilities by states with aggressive designs—for example, by signaling the United States' resolve to protect Saudi Arabia against Iran.

On the whole, however, arms transfers have resulted in only limited peace and limited influence. They have played an important, perhaps even vital role in helping stabilize peace between Israel and Egypt, and they have had a limited effect in deterring Iran and Iraq from making a bid for the Saudi oil fields. But in the final analysis, Saudi Arabia and the Gulf states were incapable of defending themselves without outside military intervention. And in both the case of Iran and Iraq, Western forces ultimately found themselves facing their own arms and their own technology. The conclusion is that until there are more firmly entrenched and more stable and democratic pro-Western governments in the Middle East, unregulated flows of sophisticated arms into the Middle East will carry significant risks.

The Changing Battlefield

Beyond the sheer growth in the numbers and types of weapons flowing into the Middle East, the changing nature of the battlefield is yet another pressing reason to establish multilateral arms transfer guidelines to govern the flow of arms into the region. In a comprehensive study of the future Middle East battlefield, Hirsh Goodman and W. Seth Carus con-

cluded that the development and acquisition of new military technologies will, over time, revolutionize the regional battlefield, substantially increasing the lethality of future wars in the region. Writing before the Gulf War, they noted: "Relationships within the Arab world can quickly undergo fundamental transformations and alliances can shift in unexpected ways . . . the Middle East can be highly unstable and the strategic realities of today can be overtaken by unexpected developments."³² A conclusion of their study is that stability in the region as a whole could be imperiled by the widespread introduction of emerging military technologies in the region, such as smart munitions, advanced reconnaissance, surveillance and target-acquisition systems, and deep-strike systems.

In the short term it is unlikely that Arab states will be able to exploit quickly these increasingly sophisticated technologies, especially in light of their continuing dependence on foreign expertise and the number of links in the chain required for the successful use of modern force multipliers. Effective deployment of new military technologies will depend not just on components and systems technology but on extensive and complicated systems training and operational experience. Nevertheless, the situation is hardly static, and incremental changes can make a difference. For example, Egypt and Syria have mounted impressive tank-upgrade programs. These and comparable efforts presage an era in which Arab military forces will try to make effective use of advanced weapons and undertake increasingly indigenous weapons modifications to enhance systems performance.

For their part, the Israelis have already obtained major benefits by replacing simple systems with more expensive, more sophisticated alternatives. In the 1982 Lebanon war, to take one example, Israeli Merkava tanks equipped with sophisticated sensors were able to destroy Syrian tanks at ranges of up to 4,000 meters, using only a few shots to obtain each kill. These capabilities, in combination with Israel's technologically superior air power, proved decisive in the fighting.³³

In short, even if dramatic breakthroughs in the full panoply of the modern battlefield are a ways off, the introduction of modest advanced-strike capabilities poses serious concerns for the Middle East. It will create unease in population centers, heighten concerns about increased casualties, and raise the specter of increased difficulties for Western forces that may have to come to the aid of friendly states in the region in a future crisis. Gerald Steinberg, for one, believes that the short distances involved in a Middle East armed with modern missiles could lead to highly unstable "launch on warning" policies.³⁴ Under these conditions, the continuing transfer of highly-sophisticated arms and technologies could dramatically erode stability in the region and increase the risk of war in upcoming years.

Pursuing Arms Transfer Guidelines And the Peace Process in Parallel

Efforts to establish multilateral arms transfer guidelines for the Middle East cannot be divorced from the peace process. The study group

appreciates that peace will come not from restraining the flow of arms into the region but only through a politically negotiated solution between the Arab states and Israel, a resolution of the Palestinian issue, and greater cooperation among the Arab states themselves. Arms are but a symptom of the problem, not the cause. But to forgo efforts to regulate arms transfers while awaiting resolution on these fronts, or to support only generalized principles of restraint, would almost surely be counterproductive. Precisely because the sources of regional conflict remain significant and varied, serious effort is required to promote concrete, multilateral guidelines for arms transfer restraint.

The success of any guidelines regime would be maximized if the recipient nations in the region developed a common interest in regional security and a desire to avoid the conditions brought about by chronic instability, mutual fear of first-strike, and the possibility of accidental conflict and war. This sense of urgency has not yet perceptibly permeated the Middle East in any major way, however. Regional ambitions as well as insecurities and fears continue to drive the pursuit of arms by the countries in the area. Yet even if no full solution to the problems of the region will be achieved without a comprehensive peace, this does not diminish the tangible benefits that can be derived from managing the arms competition in the Middle East,³⁵ through multilateral arms transfer guidelines and other measures. And there are reasons for hope. One analyst has argued that the Arab world may now be learning important lessons that could encourage greater receptivity to arms restraints, stemming in part from a "heightened sense of vulnerability."³⁶ A more concrete signal of hope came from Israel's defense minister, Moshe Arens, who noted, "The first agreement that needs to be reached is an agreement among the arms exporting countries that they will not export arms into the Middle East."³⁷

Under any circumstances, even the most optimistic observer understands that it will take years, if not decades, for the parties to the conflict to overcome their deep-seated political hostilities and differences. Even if there is peace on one front, it does not mean there will not be tensions and renewed conflict on another. Even with breakthroughs that are not now apparent, the peace process will more than likely stall, perhaps repeatedly, as the parties negotiate about increasingly complex issues.

The provision of huge quantities of arms to the Middle East has not prevented wars. Conversely, multilateral arms transfer guidelines will not by themselves foreclose new rounds of warfare. If poorly conceived and unevenly implemented, arms transfer guidelines could have the inadvertent effect of undermining regional stability. Properly designed and implemented multilateral arms transfer guidelines, however, could reinforce the peace process and considerably slow the arms competition now under way in the region. Now is a particularly appropriate time to pursue multilateral guidelines given that military balances in the region are relatively stable, and they could enhance the prospects of negotiated peace agreements. Agreed upon multilateral guidelines could in fact help prevent another war, as well as diminish the likelihood that should the need ever arise, Western forces deployed in the region would have to face their own weapons on the

battlefield. Finally, the institutionalization of a multilateral arms transfer guidelines regime would at least heighten the chance that the countries of the Middle East would be in a position to spend more funds for economic and social development than for armaments. For these reasons, the peace process and multilateral conventional arms transfer guidelines can and should be pursued in parallel. Indeed, a long-term view of the problem suggests there is little alternative.

Difficulty of Regulating Arms to the Middle East

Assessing the prospects of a successful Middle East arms transfer guidelines regime requires an overview of export trends and the motivations of supplier nations in transferring arms to the region. Current trends suggest two major conclusions. First, regulating the flow of advanced conventional arms to the region will be a difficult, but not impossible, task. Second, destabilizing arms transfers to the region can, at a minimum, be slowed and regulated to a degree far greater than today. In both cases several countries are the key to formulating and implementing an effective multilateral arms transfer guidelines approach.

Supplier Trends: Domination of the Arms Market by Five Countries

Historically, sales to the Middle East have been dominated by the United States and the former Soviet Union. During the 1980s, Moscow was the leading supplier to the region, surpassing Washington during most of the decade. From 1987 to 1990 the Soviet share of all conventional arms transfers to the Middle East rose to 31 percent; U.S. arms transfers accounted for roughly 20 percent of all the conventional weapons imported into the region. During this period, British and French market shares grew as the Saudis increasingly turned to West European suppliers for advanced weapons as well as construction for military facilities and support.

In 1990 the United States became the world's leading arms exporting nation to the region, primarily because of several costly new orders from Saudi Arabia, totaling \$14.8 billion, or roughly 78 percent of all U.S. arms sales to the Third World. U.S.-Saudi arms agreements in 1990 represented more arms sales than all of the Soviet Union's arms sales to the Third World during that year. Soviet sales declined for several reasons: the loss of the USSR's traditionally biggest client, Iraq; its diminished ability to supply large amounts of arms at reduced rates; the impoverished state of some of its traditional customers, such as Afghanistan; and the greater attractiveness of U.S. weapons, particularly in the wake of the Gulf War. Although official figures are not yet available for 1991, it is clear that the United States was again the world's preeminent arms exporter to the Middle East.

At the same time, other arms suppliers—most important, the PRC, France, and the United Kingdom—have increased their share of the Middle East arms market. These three nations, along with the United States and the former Soviet Union, also happen to be the five permanent members

of the United Nations Security Council. Collectively, these five countries, delivering some \$24 billion in arms to the Third World in 1990, accounted for approximately 85 percent of all arms deliveries to the Third World.³⁸

These five powers dominate the market in the Middle East, supplying more than two-thirds of the arms transferred to the region.³⁹ In addition, a number of smaller suppliers now sell some conventional arms to the region.⁴⁰ It is unlikely, however, that these smaller arms-exporting nations will be able to supply the kind of quality of arms now demanded by most Middle Eastern nations. Although some may be able to transfer weapons in considerable quantity, these weapons are no match for those supplied by the Big Five. For this reason, multilateral controls among the world's five largest arms suppliers are central to the success of any initiative to regulate the transfer of arms to the region.

While the Big Five dominate arms transfers to the Middle East, a second tier of suppliers is also active in the region. The second tier includes three levels: other European states, Third World countries, and the "grey market." Dominating the first level are Germany, Italy, and Czechoslovakia, for which arms sales currently represent a crucial and sometimes the single most important source of hard currency. The second level consists of roughly thirty-five nations, led by Brazil, Egypt, Argentina, Israel, South Africa, South Korea, and North Korea. For most of these countries, arms transfers are a major source of foreign currency rather than an important means of securing political and military influence. These small-scale suppliers cannot normally match the favorable financial terms or level of technology of the top tier of suppliers; nevertheless, their exporting efforts can thrive in tension-filled regions like the Middle East, where they are willing to make transfers with few, if any, constraints. The arms trade of the second-tier suppliers is often relatively marginal and sporadic, with sales increasing when the Big Five are reluctant to transfer arms. For example, in recent years two dozen countries have sold arms to Iran, despite international efforts to impose an embargo, with munitions coming from such diverse sources as Syria, North Korea, Switzerland, and Libya.

The third level of the second-tier arms trade is composed of grey and black markets. These markets, though relatively small, can be an important source of advanced weapons and enabling technologies for those Middle Eastern nations denied access through legitimate supply routes. There is no accurate measure of the size of these "private" markets, but they flourished during the Iran-Iraq war and are likely to do so in similar instances in the future. Here again, however, they cannot provide top-of-the-line systems, and their weapons packages are no match for those provided by the Big Five.

In sum, because the Big Five suppliers overwhelmingly dominate the arms transfer market in terms of quantity, and because the technological sophistication of their arms vastly outstrips that of the second-tier suppliers, they are crucial to the success of any initiative to regulate arms to the Middle East. Even if there was some leakage from second-tier suppliers, it is demonstrably evident that multilateral arms transfer guidelines among the

world's five major arms suppliers would have a major impact on the region—thereby dictating this study group's concern that this is where the focus of current efforts must lie.

The Right Time for Arms Transfer Guidelines

This is a historic time to undertake a sustained effort to establish multilateral arms transfer guidelines for the Middle East. Two factors are essential for success in this effort: concerted leadership by the United States and a shift in policy by the PRC and, to a lesser extent, France. *Strategic Survey*, of the International Institute of Strategic Studies, in a tone markedly different from the past, has succinctly framed the importance of moving now to achieve multilateral restraint in arms transfers.

The Gulf War clearly demonstrated the need to curtail the spiral of armaments—both conventional and unconventional—throughout the Middle East. The fact that it required the deployment of three quarters of a million troops to the region underscores that the spiral is out of control. In future crises, it may be neither possible nor profitable to resort to the same response. One undeniable lesson of the war is that the political health of a region depends on prevention rather than cure. Arms control is a vital ingredient of such preventive measures.⁴¹

The opportunity for multilateral action is greater now than at any other time since the Tripartite Declaration of the 1950s. President Bush's May 29, 1991 speech to the U.S. Air Force Academy in Colorado Springs, in which the president outlined an arms control proposal for the Middle East for conventional weapons and weapons of mass destruction, has set an appropriate framework for action. Notwithstanding all of the historical and economic reasons to be skeptical about success, there are several compelling reasons to promote multilateral arms transfer guidelines at this time.

The Existing Stable Balance and Threats to Allies From Unrestrained Transfers

Currently, a favorable balance of power exists in the Middle East that is conducive to the security of the United States' friends and allies, as well as to regional stability—making this an opportune time to implement multilateral arms transfer guidelines. Conversely, the rush by some states in the region to rearm suggests the need to move now to stem the flow of arms into the region.

Many leaders in the region remain nervous about the continued presence of Saddam Hussein, an anxiety that has translated into near-term requests for additional military arms sales and transfers. Until United Nations Security Council Resolution 687 is fully implemented, and arguably as long as Hussein is still in power, there will be lingering unease in the Middle East. For now, although Iraq is not completely defanged, it is fairly

well reined in. The unprecedented, even if not fully satisfactory, movement of teams of international inspectors in Iraq is evidence of this. At present, no one country's security in the Middle East, including that of Israel and the oil states, is in dire jeopardy. It would be imprudent, however, to predict how long this favorable situation will last.

Inputs of weapons and technological advances, if unregulated, will again inject new uncertainties into the regional security equation, the results of which are likely to lessen rather than strengthen regional stability and to diminish rather than strengthen the security of the United States' friends in the region. In the case of potentially renegade and terrorist nations, such as Iran and Syria, large quantities of advanced systems will only enable them to threaten the use of force against other, friendly states in the region, or even lead to another full-scale conflict. Indeed, in view of Syria's and Iran's rush to increase their military arsenals since the Gulf War, there is reason to believe that the present, stable balance of power could eventually be upset. Iraq may yet reemerge as a military power in the Middle East, capable of fomenting instability in the region and threatening Israel and the oil states. The continued flow of arms to Syria and Iran that may tip the balance, and the possibility of a reconstituted Iraqi threat, should inject a sense of urgency for proponents of multilateral arms transfer restraints to capitalize upon the current balance that favors the United States' friends in the region.

The United States As the World's Sole Superpower

In the aftermath of the Gulf War, and with the demise of the Soviet Union and collapse of the Warsaw Pact, the United States has emerged with unparalleled influence and prestige, both in the world arena and in the Middle East. The United States' diplomatic and military achievements in winning the Gulf War are the most vivid example of its emergence as the dominant power on the world's stage.

U.S. forces recently led a coalition effort that destroyed the greatest threat to Israel's security; since then Washington's enormous leverage has been demonstrated by successfully convening a peace process. The United States led the effort to repeal the "Zionism is Racism" resolution at the United Nations. That several pro-Arab countries chose to abstain rather than vote against repeal is further testimony to the unparalleled diplomatic shadow that the United States now casts across the globe. At no other time in recent history has the United States had such room for maneuver and apparent capacity to shape developments in the Middle East and elsewhere.

The End of the Cold War

With the end of the cold war, the political and military rationale for many arms transfers has been sorely weakened. Selling arms to help contain the spread of communism is now but a hollow concept, a distant echo of the past. In stark contrast with the 1950s-1980s, the United States and

Russia are no longer vying for influence in the Middle East by arming respective proxies.

This structural change in the international system cannot be underestimated. Cold war rivalry undermined the Tripartite Declaration. In the years that followed, the superpower rivalry was carried out with such intensity in the Third World that the Soviet Union sacrificed the seemingly historic 1972 detente accords governing respective “codes of conduct” almost as soon as these were signed. In the Middle East the United States and the Soviet Union, through support of their allies, came closer to the brink of war than at any other point since the Cuban missile crisis. This pattern of intense rivalry and military competition helped fuel unprecedentedly high levels of arms transfers to the Middle East during the remainder of the 1970s and for most of the 1980s. Thus, the fading of the cold war, and the opening of new avenues of cooperation between the United States and the former Soviet Union portend the decline of arms sales, which had been a significant cold war instrument to increase political and military influence in the Middle East.

Heightened Awareness of the Risks of Arms Transfers And Threats to Western Forces

Although it can hardly be said that the Gulf War was “the war to end all wars” in the region, it certainly did constitute a powerful “wake-up” call for the countries of the industrialized world and to a lesser degree, for the Middle East itself. Although a consensus on establishing a multilateral arms transfer guidelines regime remains elusive, the Gulf War sensitized the world’s major arms supplier states to the potential dangers of unrestricted arms sales to the region and the dangers that could arise out of a heavily armed rogue regime in the Middle East.

The potential reintroduction of U.S. troops could not be discounted if the oil states or Israel was once again threatened. In an era when conventional weapons alone can wreak extraordinary damage, incentives for regulating arms and technology transfers have grown significantly. This lesson has not been lost on the West, particularly since there is no assurance that weapons in the hands of friends today will not be used against the West and its interests tomorrow—as Iran and Iraq have demonstrated. In the invasion of Kuwait, for example, Iraqis captured TOW antitank missiles, which were then available for use against the coalition forces. France, an ally of the U.S.-led coalition, had played a leading role in helping Iraq amass its conventional arsenal. Similarly, Germany had also been a key contributor in the buildup of Iraq’s capabilities. Public opposition in France to the government’s arms export policies arose for the first time in response to the fact that French soldiers faced French weapons on the battlefield.⁴² A growing consensus about the dangers of another Middle East crisis has magnified public concern about unregulated arms transfers across the spectrum.

Technological Advances

The Gulf War showed the destructive capability of modern conventional weapons. In a short war, two months all told, coalition forces devastated the physical infrastructure of Iraq and killed tens of thousands of soldiers. The exact figures are still subject to question, as is the extent of civilian damage. Reports continue to reveal that much of Saddam Hussein's military infrastructure—as opposed to such staples of civilian society as water supply and power grids—survived the coalition onslaught. It is hardly a comfort to find out, as is now widely acknowledged, that Hussein had tested nuclear components some twenty times before the war against Kuwait. Recent revelations suggest that German companies sold Iraq key components for 10,000 gas centrifuges, which may have been capable of enriching enough uranium for three to five nuclear bombs a year.

The destructive capability of conventional weapons alone is enough to cause concern. It is not just the threat of another war that is a potential restraint on unbridled arms transfers, but also the very destructiveness of modern warfare and the risks that U.S. forces would face if ever reinserted into a future conflict in the region. In light of the technological advances that will, over time, revolutionize the battlefield, these concerns are only likely to multiply. Weapons are becoming more destructive and more accurate, increasing their lethality. The standard munitions of the 1960s and the 1970s, including ordinary iron bombs, artillery shells, and even tactical missiles, are being improved with powerful new explosives and guidance systems. Less traditional types of ordnance, such as fuel-air explosives, can provide even greater increases in lethality, and sophisticated antipersonnel munitions can similarly extend the lethality of modern warfare.⁴³

Properly employed, the application of new guidance, targeting, and information-processing systems and the use of new computer software and integrated digital computers can serve as force multipliers on the battlefield. At the moment, there is a window of opportunity to try to establish guidelines to govern these advances. Arab countries—and to a lesser extent, Israel—are dependent on foreign sources to exploit up-to-date technological advances. In time, certainly within this decade, the oil-rich states in the region, in particular, will seek to buy the expertise to enable them to upgrade existing weapon platforms, if not to acquire whole new systems. Moreover, the vast number of scientists out of work in the former Soviet Union and East European countries have the potential to provide the critical expertise that would allow Middle Eastern countries to upgrade old weapon platforms dramatically. This situation has brought a sense of urgency to restricting the unregulated flow of new technologies, new weapon platforms, and new expertise into the Middle East.

Resource Constraints in the Middle East

There is a near-term factor that could slow the inflow of arms to the Middle East and foster support for a multilateral arms transfer guidelines

regime—regional resource constraints. As far back as the mid-1980s, Syrian efforts to acquire advanced weapons were slowed by the absence of financial resources. Similarly, arms purchases by Egypt, Jordan, and Israel have also been reduced by budgetary limitations. The address of Prime Minister Yitzhak Shamir of Israel to the United Nations General Assembly on June 7, 1988, portended regional realities in the 1990s. Shamir noted, "In 1986, we proposed to negotiate a reduction of forces in the Middle East. We know the burden of the arms race is devastating to the economies of all the countries in the region—and it is getting worse." Shamir's words were prescient, as the overall economic situation in the Middle East has significantly deteriorated. And this situation has been made considerably worse by the Gulf War, which left a number of Middle East countries with new financial burdens.

From Israel to Egypt and even to the oil-rich kingdom of Saudi Arabia, the countries in the region are saddled with war expenses, balance of payment problems, and ossified economies. Egypt has a million new mouths to feed every nine months. There is a region-wide problem of youth unemployment; nearly 70 percent of the population are under twenty-five, a majority of whom are unable to find work. In 1990, the United States wrote off Egypt's \$7.1 billion debt, but it is unclear to what extent this will alleviate the crushing burden of Egypt's economic woes. Egypt has lost \$7-8 billion in remittances from nationals who were working in Iraq and Kuwait but who were forced to leave. Although the rise in oil prices during the war brought an estimated \$70-100 million to Egypt, this did not come close to offsetting the country's losses.

Israel's already strained economy must undertake the costly task of resettling an anticipated 1 million new Russian immigrants over the next half decade. Estimates place Israel's war losses at about \$3.5 billion—damages to housing and business as a result of the Scud attacks, increased fuel prices, supplementary military expenditures, and lost tourism. Finance Minister Yitzak Modai has been quite vocal in recent months about the drain on the economy brought about by the twin burdens of the war and immigration absorption expenses.

Jordan's already depressed economy suffered severe disruption from the Gulf War, with Jordan losing foreign remittances and agricultural exports and with the cessation of aid and preferential oil sales from Saudi Arabia and other allies. In the case of the few wealthy Gulf states, such as Saudi Arabia, even they can no longer spend money on arms at the rate they did during the oil boom of the 1970s; there is a brake on the number and types of major purchases that can be made. This fact remains unchanged, despite Saudi Arabia's being the largest arms purchaser in the Third World. That they recently gave \$2 billion in aid to the Syrians, enabling President Assad to acquire new arms, such as Scud-C missiles from North Korea, is not a sign of unbounded wealth but actually another debt paid off. This transfer of funds reflects the traditional diplomacy of Saudi Arabia in buying off its potential adversaries: in this case it was a "pay off" for Syria's participation in the anti-Iraq coalition. Overall, the sum of Saudi funds spent as part of the war effort, combined with financial

pledges made, total an estimated \$48 billion. With current reserves estimated to be in roughly this range and with growing domestic economic pressures, Saudi Arabia, at least in the near-term, is not in the position to spend as freely as in years past.⁴⁴

Regional resource scarcity is thus increasingly taking a toll on the countries of the Middle East. Even if there is limited indigenous interest in arms control at this time, no one country can easily afford an accelerating arms race, if only because of new resource constraints. The cost of many new weapons technologies is increasing so dramatically in real terms that a number of states may even have difficulty maintaining existing numbers of weapons, let alone keeping up with the cutting edge of the most modern technologies and advances that shorten the life cycle of weapons purchased by these developing states.⁴⁵

The Bush Arms Transfer Initiative

As mentioned earlier, in a May 29, 1991 address to the graduating class of the U.S. Air Force Academy, President Bush acknowledged that the Middle East is already excessively armed, and he warned against a new, spiraling arms race that could ignite the region once again. He launched an important initiative that called on the world's five largest arms exporters to discuss the establishment of guidelines for restraints on destabilizing conventional arms transfers as well as on transfers of weapons of mass destruction. He also called for the eventual elimination of surface-to-surface missiles.

Since then, the Big Five have held meetings to discuss multilateral arms transfer guidelines. In their communiqués, they have referred to the Middle East as a "primary area of tension" that requires the "special attention" of the world's major arms suppliers, and they have called for the establishment of an arms registry. They have also dedicated themselves to developing new modalities of consultation and information exchanges concerning arms transfers to the Middle East.

At a meeting in London in October 1991 important new ground was broken when the five powers agreed to a general set of principles and broad guidelines to govern the transfer of conventional weapons to the Middle East. This meeting was the first time that the Big Five have reached a consensus on a shared framework of principles regarding arms transfers. Their collective agreement in London to exercise restraint represents a historic first step among the world's major arms suppliers. Among other things, the five have agreed to avoid transfers that aggravate existing conflicts, increase tension in the region, or abet aggression.

For various reasons, however, the exact meaning of the agreement and the specific courses of action agreed upon remain highly ambiguous. The fine print of the guidelines leaves a host of questions unanswered. The five powers have agreed to "avoid transfers which would be likely to prolong or aggravate an existing armed conflict" or to "introduce destabilizing military capabilities" that would "contribute to regional instability." On their face, the guidelines do provide a common language of

discussion; upon closer scrutiny, however, they are vague and largely hortatory. Each of the five powers will inevitably offer differing interpretations about what constitutes “destabilizing” or evaluate differently whether a given transfer is for “legitimate self-defense.” In their current form the guidelines are in the eye of the beholder, open to unilateral interpretation. Indeed, it is practically impossible to determine what concrete actions might be implemented as a result of these guidelines. This is especially relevant inasmuch as the five major suppliers do not agree about what constitutes security in the Middle East or about the nature of the conflict in the region and are driven by different economic interests concerning arms sales. Even in their ongoing discussions to establish an international registry for arms sales, the five powers have been unable to resolve the actual details necessary to make such a registry viable.

Further, the Big Five’s agreement to meet once a year to discuss proper implementation of the guidelines hardly conveys a sense of urgency or priority in addressing this issue. Nor does the agreement provide for the time that would be required to define the kinds of real restraints that might result from implementing a multilateral arms transfer guidelines regime.

In sum, the results of President Bush’s initiative thus far are tentative. An important first step has been taken, but unless greater specifics and urgency are attached to institutionalizing guidelines and making them operational, there may be a de facto return to “business as usual,” the result of which would be to squander the current opportunity to establish multilateral guidelines to govern the flow of sophisticated arms into the Middle East.

Study Group Guidelines

Premises of the Study Group

In assessing the current situation, the study group agreed that the following premises should form the backdrop for the establishment of any multilateral arms transfer guidelines and their implementation.

1) The United States is currently in an excellent position to exercise leadership to bring about multilateral arms transfer guidelines for the Middle East. If the United States does not exercise leadership in this area, no other nation has the standing and leverage to develop a multilateral consensus behind substantive arms transfer guidelines.

2) The military balance in the Middle East is currently favorable to the establishment of a guidelines regime as a result of the Gulf War and the destruction of much of Iraq's military equipment. The current regional military balance is relatively conducive to stability. It needs to be reinforced by regulating the flow of arms into the region.

3) Indigenous factors in the Middle East are the primary source of conflict in the region, not arms transfers or the extant military arsenals in the region. Multilateral arms transfer guidelines are no panacea for the problems of the region. In short, underlying political hostilities, not military factors, have been and are likely to continue to be the principal cause of tension and war in the Middle East.

4) Solutions to the problems in the Middle East therefore will ultimately have to come from the countries themselves, with help from outside friends. Imposed political solutions will fail, and efforts from the outside to encourage movement must ultimately be seen by the regional actors themselves as in their own best interests if these efforts are to be successful over time.

5) The need to transfer modest amounts of conventional arms to the Middle East to ensure stability in the region will continue for the foreseeable future. Multilateral arms transfer guidelines, however, if agreed to by all of the world's major suppliers, should be pursued, because transfers of excessive quantities of arms, or the introduction of weapons with certain advanced characteristics, can aggravate regional tensions and upset the current stable balance in the region. Multilateral arms transfer restraint guidelines may also be important for U.S. security interests more directly, as they may slow the introduction of technologies into the region that could make it more costly and difficult for U.S. forces or collective security efforts in some future crisis.

6) Arms transfer guidelines are likely to be most effective when they have the support of all the world's major arms suppliers *and* of the recipient countries in the region; however, if near-term agreement can be reached by major supplier states, it should be implemented even if some recipient states object.

7) Any arms transfer guidelines must be subject to periodic review.

8) The post-cold war decline in defense spending will likely stimulate the search for compensatory arms exports. This means that efforts to regulate arms exports to the Middle East should explicitly address defense procurement practices and structural adjustment policies in supplier countries. International efforts to help structure a multilateral military build-down could be useful.

9) The growth of indigenous arms capabilities in countries such as Israel and Egypt and the influx of arms-manufacturing talent into the region from outside the Middle East (for example, from the former Soviet Union) are factors that must be taken into account in shaping multilateral arms transfer guidelines for the Middle East.

A Phased Approach to Guidelines

The study group believes that the current level of armament in the region is relatively conducive to stability in the Middle East. Accordingly, the group believes that it is the right time for the five powers to focus on finalizing and implementing several of the measures currently under discussion. The group urges the Bush administration to give greater attention and urgency to bringing these items to near-term agreement.

Further, it is the group's judgment that specific multilateral guidelines have a real chance of being successfully negotiated if the United States actively seeks to push the process forward—an approach that is necessary to overcome the current reluctance of some of the Big Five countries at this stage, most notably, the PRC. In both the short and long term the United States has significant leverage to bring to bear.

The group recommends that guidelines be pursued in a phased approach. As progress is made with initial steps, the five powers should then proceed to increasingly difficult and far-reaching measures designed to foster stability and regulate the flow of transfers. Certain issues are likely to encounter greater difficulty than others in a multilateral negotiating forum; this should not mean that progress in one area must await progress on the most contentious and far-reaching issues. Guidelines should be approached, discussed, negotiated, and implemented in phases. Success on any one measure could lay a foundation that could be built upon, and greater confidence would be engendered commensurately by the successful employment of a graduated approach.

Phase One

The study group urges the world's five major arms suppliers to complete the useful work initiated at the October 1991 meeting in London. Specifically, the group recommends the following:

a) **The Big Five should agree to the modalities and specifics of a binding international arms registry and begin its operation no later than the end of 1992.**

This initiative is designed to foster greater transparency and predictability concerning arms sales to the Middle East and the balance of forces in the region. No such registry of this sort currently exists. Its creation, however, could help foster greater accountability in the world's arms trade with the Middle East and to institutionalize discussions about arms transfers.

Specifically, the group urges the five powers to agree to exchange detailed information pertaining to all their weapon system transfers to the region. The exchange would occur with agreed upon notice prior to the actual conclusion of contracts for delivery of the systems, and the notification would require that the country transferring systems provide a full overview of the sale. Thus, if a country was going to transfer a total of 300 tanks and 20 fighter aircraft to country X, but at the outset was delivering only 30 tanks and 10 planes, it would be required to give complete disclosure of the entire agreement, including numbers and weapon types. Notification would be required for each new contract and delivery. Weapons would have to be described in sufficient detail for their technical sophistication to be appraised.

In the near term the exchanges would be conducted in secret, safeguarded by agreements among the five powers. The registry would be kept secret not just from the public but from domestic arms manufacturers in the five countries as well as from other, foreign governments.

Any country believing that a proposed transfer would violate agreed upon guidelines would be able to call a special review meeting to discuss that transfer alone; frequent consultations would result. In short, under this scheme, a country might have to justify a proposed arms transfer if any of the five powers registered a complaint that the transfer violated agreed upon guidelines. Further, once a year the five countries would meet to summarize the data of all transferred items in the preceding year, creating a cumulative, overall data base. The meetings could also include an exchange of intelligence and compilation of a register on arms exports to the Middle East from other countries.

This proposed registry would differ in important ways from the United Nations' Registry of Conventional Arms that is called for in the "Resolution on Transparency in Armaments."⁴⁶ First, the United Nations' approach is voluntary and public. The five-power registry would be mandatory and secret. Second, the UN registry is worldwide in scope, designed to include all transfers throughout the globe, rather than just those to the Middle East, which would be the initial focus of the five-power registry. Third, the UN registry calls on nations to submit a list of their imports and exports only once a year. Given this, they will only have to make disclosures of delivered weapons after the fact. There will be no concrete incentives to induce nations to sign up to the registry or to disclose fully the items transferred, and no effective sanctions to be used as a penalty for noncompliance. Moreover, some countries could be expected to give inadequate or misleading information, as Iraq gave the International Atomic Energy Agency concerning its nuclear efforts. Unlike the five-

power registry, the UN plan presently has no dispute mechanism to address deception or noncompliance.

Several problems remain in implementing the kind of registry for the Middle East that is recommended here. *First*, in contrast with the United States the PRC, Russia, and France have longstanding secrecy agreements with recipient nations in the Middle East. These agreements, wherein arms transfers are pledged to be held secret, would have to be renegotiated. Keeping the Big Five registry secret with appropriate safeguards, as proposed here, would effectively deal with this obstacle.

Second, for the world's major arms suppliers other than the United States, arms transfers have always been state secrets. If the registry proposed here was accepted, it would be the first time that Russia, the PRC, France and the United Kingdom would be forced to disclose such information to other states, a development that would necessitate a change in each nation's way of doing business. Accordingly, each of these countries would have to make political, institutional, psychological, and in some cases, legal adjustments. The exchanges among the five powers would include approximate delivery dates as part of the data to be registered, to take into account that all agreed sales may not actually be carried forward. In the case of the United Kingdom, for example, Parliament would thus have to enact new legislation before the United Kingdom could provide prior disclosure of arms deliveries.

Third, the five powers are likely to continue to worry that the information provided will be used by second-tier suppliers for commercial advantage. To address this concern, registry information would have to be carefully guarded and exchanged through diplomatic and political channels.

While recognizing these difficulties, the study group urges high-level U.S. government attention to facilitate the conclusion of a five-power conventional arms transfer registry by the end of 1992. The group also believes that the UN registry, despite its weaknesses, merits the support of the U.S. government and the other permanent members of the Security Council. As a sign of the significance attached to the UN registry, the United States should undertake to condition economic assistance for states that do not join in providing data. The group also believes that the matter of maintaining an effective United Nations arms transfer registry is of sufficient importance that there should be official meetings on the registry on a quarterly basis, rather than the annual basis now planned.

b) Weapons of mass destruction, their components, and the means for producing them should not be transferred to the Middle East.

The potential prospect of a nuclear-armed Iraq is a powerful reminder of the dangers of nuclear proliferation. The balance of forces and stability of deterrence in the Middle East would be infinitely compounded if any of the Arab states or Iran acquired a nuclear capability. For this reason, President Bush in his May 1991 initiative called for a ban on the production or purchase of weapons-grade uranium. The urgency of this

issue has been made even more salient by the number of former Soviet scientists who could contribute to potential nuclear programs in Libya, Iraq, Iran, and Algeria. Restraining the proliferation of weapons of mass destruction—nuclear, chemical, and biological—can have the salutary effect of removing key stimuli that drive Middle Eastern countries to seek conventional arms from outside suppliers.

A complicating factor in curbing the acquisition of weapons of mass destruction in the Middle East is the insistence by the Arab nations that the problem of chemical weapons, which they dub the so-called “poor man’s bomb,” must be linked to Israel’s reported nuclear capability. As a general principle, a nuclear capability can serve to counter perceived conventional superiority. In Israel’s case, the nuclear capability is its insurance policy, or weapon of last resort. In turn, the Arab world uses this to justify its chemical arsenals (a frequent refrain of Saddam Hussein in the period leading up to the Gulf War). The Arab world and Israel have both called for the Middle East to be a nuclear weapons-free zone. President Hosni Mubarak of Egypt, the plan’s principal supporter, however, has indicated that this will only come about at the end of the peace process. As a practical matter, every effort must be undertaken to expand current initiatives to restrain nuclear, chemical, and biological weapons proliferation in the region. There is a clear need to press forward on all fronts, and progress in one area should not be held hostage to progress in another.

To supplement ongoing initiatives to curb weapons of mass destruction, the five powers should draw more extensively on the long-standing efforts of the London Club of nuclear suppliers. A principal contribution of the London Nuclear Suppliers Group has been to curb the spread of nuclear technology by developing a common trigger list of export items that would require an inspection by the International Atomic Energy Agency before such items could be sold. This experience should be further explored for its future relevance in the Middle East, along with that of the Missile Technology Control Regime (MTCR), the multinational effort to curb the spread of missile technology, and that of the Australia Group, the twenty-nation effort to stop the spread of chemical weapons.

c) Surface-to-surface missiles should not be transferred to the Middle East.

This guideline calls for a ban on the transfer of all surface-to-surface missiles of any range to the Middle East. The indiscriminate use of SSMs in the Iran-Iraq war and the Gulf War, as well as in Afghanistan, has underscored their danger. SSMS travel at high-speeds and are difficult to defend against. Their unit costs are not high. They are mobile, they can be rapidly redeployed, and they are capable of firing both conventional and unconventional warheads. Although not always accurate, they nonetheless can serve as weapons of terror, owing to their enormous “shock value” and the grim possibility that they could be armed with chemical, biological, or even nuclear warheads. The effect of wide dispersal of SSMS in the Middle East would be to heighten fears during times of escalating tension of a preemptive strike, thereby putting the region on a “hair-trigger alert.”

For its part, the United States has called for an immediate freeze on the production, acquisition, and testing of ballistic missiles, leading to an eventual ban on SSMs in the Middle East. This guideline is a crucial first step if this long-term goal is ever going to be realized. The United States and the former Soviet Union have each taken a series of unilateral steps in recent years and have jointly banned an entire class of SSMs, the so-called intermediate-range ballistic missiles, which have ranges between 500 and 5500 kilometers. Under the terms of United Nations Resolution 687, Iraq must destroy all missiles with a range of more than 150 kilometers. The Missile Technology Control Regime provides a further institutional framework to address this problem and establishes precise criteria and guidelines to restrain the transfer of missiles and related technologies. Although the former Soviet republics and the PRC profess adherence to the MTCR, they need strict compliance with the regime's provisions.

The most notable problem outside the Big Five is North Korea, which has already supplied modified Scud missiles to a number of Middle Eastern states, including Iran. The five powers should pressure North Korea to refrain from delivering Scuds while they encourage the countries of the Middle East to refrain from purchasing them. If North Korea persists in transferring Scud missiles, the United States should be prepared to take the issue to the United Nations Security Council and seek appropriate multilateral sanctions to stop such transfers.

Progress is currently being made toward establishing this guideline among the five powers, which the study group applauds. In addition, although Russia and the PRC do not yet formally belong to the MTCR, they have both indicated that they will adhere to its guidelines for the export of missile and dual-use related technologies. To the greatest extent possible, the United States should continue to push to harmonize the policies of the five countries on missile-related export controls.

The principal stumbling bloc to establishing this guideline seems to be the PRC's repeated sales of missiles to the region. If the PRC continues to sell missiles or components to countries in the Middle East, the study group believes that the U.S. government should be prepared to make it clear to the Chinese that U.S.-Sino relations will suffer across a range of issues, and that revocation of most-favored-nation trading status is not ruled out as a policy option.⁴⁷ The group also believes that the U.S. government should try to enlist the support of the other permanent members of the Security Council—France, Russia, and the United Kingdom—to induce the PRC to comply with strict missile export controls to Middle Eastern countries. Alternatively, the United States should send the signal that Chinese compliance with the provisions of the MTCR regime will result in improved U.S.-Sino relations—the preferred U.S. goal.

d) Development assistance and credit policies of international financial institutions and bilateral assistance should seek to harmonize policies to provide incentives for the countries of the Middle East to choose economic development over the buildup of military capabilities through arms imports.

The view that the level of economic assistance should be determined, in part, by the recipient government's defense expenditures is gaining international currency. The Japanese government has declared that it will tie aid disbursements to the recipient state's levels of military expenditures and arms imports. International financial institutions such as the World Bank and the International Monetary Fund have also indicated their desire to condition economic assistance to military spending in recipient countries and are working on plans toward this end. Their planning has thus far been uneven and tentative, however.

An additional voice in this debate is "The Independent Group on Financial Flows to Developing Countries," a lobbying organization that is chaired by Helmut Schmidt and that includes former heads of states from Nigeria, Canada, Peru and South Korea. It has recommended that when loans and grants are allocated by international financial institutions, special consideration should be given to countries that spend less than 2 percent of GNP on defense. It is argued that with the end of the cold war, developing countries should no longer be spending as much on defense as they traditionally have, but should instead be investing more in health, education, and other domestic programs. Economic aid, therefore, should be employed to lessen regional arms races and to facilitate more moderate military spending.

In the context of the Middle East, tying aid to defense policies will be challenging. There is no way that an oil-rich country, such as Saudi Arabia or Libya, could be compared with a poor country, such as Jordan, or a financially strapped state, such as Israel. Absent agreed upon and properly implemented multilateral guidelines, a blanket limit on defense spending as a proportion of GNP would penalize poorer countries, freeing richer states to continue to spend greater amounts on defense with less of a penalty. The Middle Eastern countries that least need economic aid, or that do not now receive it—Saudi Arabia and the other Gulf states—are the ones spending the most on weapons. Also, the fungibility of capital poses several potential obstacles: wealthy Gulf states could transfer financial resources to poorer countries—such as Saudi Arabia did with Syria after the Gulf War—thereby circumventing this provision. The Big Five should monitor such possible developments. Overall, the recommendation and preference of the study group is to push for multilateral guidelines for arms transfers, and then to tie assistance to overall defense spending levels with an eye toward providing incentives for a redirection of military spending to economic development.

In short, the United States and the other four powers, the International Monetary Fund and the World Bank, and perhaps the G-7 and the European Communities—in conjunction with the discussions that will take place once the five-power arms transfer registry is established—should actively explore financial incentives for nations in the Middle East to restrain their conventional arms imports. A carrot and stick approach should be used. The promise of economic assistance in order to moderate arms imports and defense spending can and should be considered within larger efforts to enhance stability and security in the Middle East.

New Guidelines

In addition to the efforts to establish a five-power arms registry for the Middle East, to end the transfer of weapons of mass destruction, their components, and surface-to-surface missiles, and to implement credit policies to provide incentives for moderating arms imports and defense spending, the study group recommends the following guidelines for implementation in a later phase of the process.

a) Weapons or sub-systems incorporating technologies that are not currently in the region, or that are in the region in only limited amounts, should not be transferred to the Middle East.

The goal of this guideline is to ban the introduction of new types of weapons or sub-systems, or additional quantities of advanced weapons or sub-systems now in the region in only limited quantities, that could be destabilizing, stimulate new rounds of arms transfers, or significantly alter the balance of forces in the area. It further seeks to prevent accelerated arms competitions for types of weapons where these do not yet exist in the Middle East.

The United States and the other four major arms supplying nations might first commit themselves not to introduce or spread further those high-technology systems into the Middle East that the five powers are currently the main, and usually the sole, producers of. In those cases in which the United States has a monopoly on a system, such restraints would become de facto universally effective. The United States, for example, could pledge not to transfer to the Middle East such weapons as stealth aircraft; stealth technology with "rollover" applications to other systems; modern, long-range cruise missiles; and space-based real-time targeting systems. The United States could restrict the transfer of such weapons without any need to consult with the other four major arms suppliers. By restricting these transfers, moreover, the United States would be sending a strong signal about its commitment to arms transfer guidelines to the world's other major arms suppliers.

Beyond the limited instances in which unilateral U.S. actions could make a significant impact, this guideline is intended to be negotiated and agreed to in a multilateral framework. The five powers should assemble a "trigger list" of those high-technology items that are not currently in the region or that are in the region in limited quantities and that could, if introduced in the region by one of the five powers, be destabilizing, significantly alter the balance of forces in the region, or set off new rounds of arms competition. In essence, the five powers would construct an institutional framework to place the burden of proof on an exporting state that wishes to transfer these sorts of very new, sophisticated systems to the region.

b) Weapons in the five categories of equipment covered under the Conventional Forces in Europe (CFE) treaty—armored combat vehicles, artillery, fighter-attack aircraft, helicopters, and tanks—should not be transferred to the region in quantities that exceed current ceilings. Arms transfers in these categories should be accom-

panied by verifiable steps to remove from existing inventories agreed upon numbers of comparable weapons systems.

This guideline calls for freezing the current inventories of the five categories of arms identified in the 1990 CFE agreement as the primary weapons for “launching surprise attack and for initiating large-scale offensive action.” The intention behind creating a cap for the numbers of these weapons in the region is to maintain the present balance of forces, which is conducive to regional stability and security, and to attempt to prevent the Middle East balance of power from being significantly altered. **Under this guideline, one-for-one replacement of weapons in these five categories by outside suppliers would be permitted, but recipient nations would be expected to destroy, or render incapable for military service, an agreed upon number of comparable systems.**

These efforts would be carried out in tandem with the arms registry efforts; the five powers would undertake jointly to monitor verification of this provision and to resolve disputes about any data discrepancies or compliance questions that might arise. In addition to the securing of agreement among the Big Five arms suppliers, there should be increased five-power efforts to monitor the growth of indigenous capabilities and second-tier supplier sales in the Middle East, for the purpose of maintaining a balance of forces conducive to regional stability. Such efforts, reinforced by the economic constraints facing most states in the region, could lead to shrinking inventories of those weapon systems most necessary for launching surprise attacks or large-scale offensive operations.

Overall, this CFE-type guideline would favor those countries with the greatest indigenous capabilities and expertise, or the richer countries that can buy the expertise from outside the region. Israel is the most advanced country in the region in terms of domestic expertise. It has an indigenous production capability for top-of-the-line tanks, and it has a sophisticated aerospace industry. It also has highly skilled workers, scientists, and technicians able to adapt new technologies and production breakthroughs in sub-systems to existing platforms. Within the Arab world, Egypt has the most advanced indigenous capability, specifically in the area of main battle tanks. Saudi Arabia is currently seeking to develop its local military industry and has sought greater technology transfers with commercial and military spin-offs. Along these lines, it has made contacts with India to bolster its domestic expertise and capability. Nonetheless, its indigenous capability will be limited for the foreseeable future, and it remains dependent upon outside expertise for advanced weapon upgrades, which it will surely seek. Other Arab countries are largely dependent on outside expertise and do not yet have significant domestic weapons production capabilities.

Despite such indigenous capabilities, this guideline could—in the near term—slow the growth of current arsenals. Developing indigenous industries and upgrading existing arsenals are costly and time-consuming efforts. Dramatic changes in the qualitative balance would not occur overnight, and, in the meantime, this guideline could lead the countries of the Middle East down a path of more stability through lower levels of

defense imports. It is further hoped that over time the Middle East Multilateral Arms Control Talks would produce agreements among the regional participants themselves.

Longer-Term Guidelines for Exploration

In addition to the institutional arrangements and guidelines already recommended in the first two phases, the United States and the world's other major arms suppliers should consider additional initiatives as part of their efforts to regulate the transfer of arms to the Middle East. Once an arms transfer registry for the region is established, working groups at the experts level for the five powers should explore measures that could buttress already existing efforts. The study group recommends the following initiatives:

a) The five powers should undertake active, joint exploration of the growing overcapacity in the world's arms markets in the post-cold war era and its implications for arms transfers to the Middle East.

The structural problem of overcapacity in the world's arms industry confronts industrialized nations and second-tier supplier nations alike. Declines in national defense spending have stimulated a search for compensatory arms exports. This means that efforts to regulate arms exports to the Middle East need to address such issues as defense procurement practices and structural adjustment policies in supplier countries, with the aim of fostering a multilateral military build-down. Arms produced for export have a strong influence on the health of the defense industrial base and the level of employment in supplier countries. Arms exports also tend to lower the price of weapons procured domestically and to offset losses that companies would otherwise suffer. In many supplier countries, arms exports receive financial and political support at the highest official level. If there are going to be supportable multilateral arms transfer guidelines for the Middle East, it is important to ensure that the world's arms exporters' efforts to maintain production in the face of lower defense budgets do not outweigh the imperative of maintaining Middle Eastern stability.

Further, it is recommended that the five powers begin a detailed, multinational examination of how best to limit the domestic importance of arms exports in the major supplier countries. Among other things, this effort would build upon five-power efforts to have prenotification of all arms deliveries and would encourage cooperation on the problem of structural overcapacity in the arms industry as well as the development of effective dispute resolution procedures to prevent one country from taking commercial advantage of another as a result.

b) The United States should take the lead either in reconstituting the current focus of the Coordinating Committee on Multilateral Export Controls (COCOM) to make its efforts also applicable to the Middle East or in creating an organization modeled on COCOM for the purpose of developing, monitoring, and enforcing an agreed upon

list of systems, sub-systems, and technologies that if transferred to the Middle East, could undermine regional stability.

COCOM was originally designed to identify technologies that if transferred to countries of the former Warsaw Pact, would contribute to their military potential, and to limit such transfers through a decision-making process based on unanimity. In the wake of the Gulf War, with the end of the cold war, and with numerous revelations about the transfer to Iraq of enabling technologies both legally and illegally from the West, a reconstituted COCOM that includes Russia and the PRC as members, or a new, COCOM-like organization, might be created to monitor the unfettered flow of technology to the Middle East.

The United States could propose, as an outgrowth of the consultative arrangements put in place for the study group's recommended arms registry, a new institutional arrangement that included all significant arms suppliers to the Middle East (including Russia and the PRC) and the regional recipient nations. The goal would be to stem the introduction into the Middle East of new technologies that could potentially transform the military balance in the region. Such restricted items could include certain guidance technologies, computer software packages, and biotechnologies. The diffusion of these goods is still sufficiently constrained that multilateral export controls preventing their future transfer to the Middle East could have a significant impact.

The pace of technology diffusion, the quantum leap of technologies available to the countries of Eastern Europe as a result of the decontrol of items now on the COCOM list, and the spread of commercial technology and expertise in the developing world will in time lead to a wide dispersal of these items and technologies. Combined with the wealth of oil states determined to acquire enabling technologies, it is clear that absent some export control guidelines, there could be a wholesale proliferation of enabling technologies with significant military applications. Even a reconstituted, expanded COCOM or a new organization designed explicitly to monitor and restrict such items and goods could not be one 100 percent effective—some leakage would be inevitable. But this organization could make it significantly more difficult for countries to acquire sensitive technologies and could measurably slow the overall spread of certain sophisticated enabling technologies to the Middle East.

Moreover, a new or reconstituted organization could help manage the dissemination of destabilizing technologies through sharing intelligence, by pressuring second-tier countries to comply with controlled items, and by developing and updating a comprehensive data base for monitoring the export of dual-use technologies. An ongoing, unified control list for the most sensitive technologies would be developed, and violation by a country would trigger consultations, discussions, formal procedures for dispute resolution, and possibly sanction procedures. In view of the changing complexities of this problem in a Middle Eastern setting, the five powers should now give serious consideration to centralizing the disparate organizations and regimes dealing with export control

issues in one such concrete international agency, whether a new or expanded and reconstituted COCOM.

Conclusion

The overlapping events of the Gulf crisis and the end of the cold war have opened new possibilities for regulating the unrestrained flow of sophisticated arms into the Middle East. The scope and destructiveness of the Gulf War constituted a powerful wake-up call concerning the dangers of the unchecked accumulation of advanced weapons and the dangers posed by a future conflict in the Middle East, perhaps the most volatile region of the world. Accordingly, the Bush administration has taken important first steps to stem the transfer of conventional systems in the region, which it has already declared "excessively militarized." The administration has also announced a sweeping U.S. arms control initiative for the Middle East and has successfully facilitated agreement among the world's five major suppliers on a number of broad principles and guidelines for arms transfers to the region.

By every account, this is the start of a long and important process, one pillar of an effort to promote regional stability. Multilateral arms transfer guidelines could play an important role over time in the larger effort to promote a durable negotiated peace. The current period is a particularly propitious time to undertake a concerted effort to establish arms transfer guidelines for the Middle East. Both for the Great Powers, and within the region itself, there are near-term factors that augur well for the possible establishment of a guidelines regime. The U.S. government, however, needs to accord high-level and sustained attention to developing and nurturing a consensus around concrete guidelines, both at home and in the international arena.

Agreement among the Big Five countries, which are responsible for the lion's share of arms flowing into the region and whose systems are considerably more sophisticated than those produced by second-tier suppliers, could go a long way toward fostering greater military stability in the Middle East. In this regard, special concern must be accorded to the PRC, which has demonstrated a reluctance to participate in a multilateral arms transfer guidelines regime for the Middle East.

Deep differences remain among the world's major arms suppliers and the recipient states about desirable degrees and levels of restraint. The security of the United States' allies and friends in the region—Israel and the Gulf states—cannot be taken for granted, and the United States must continue to ensure that their legitimate self-defense needs are met. By necessity, U.S. actions should be conditional: For guidelines to be successful, they must first receive multilateral support from the Big Five. And if any of the five powers violate the multilateral guidelines to the detriment of stability in the region, the United States must be prepared to take appropriate steps to protect the security of threatened allies and friends.

The study group urges the Bush administration to approach arms transfer guidelines with a sense of urgency as well as realism: It should start out by reaching agreement on practical efforts currently under way

and rapidly move to their implementation. But it should also lay the groundwork sooner, rather than later, for examining and initiating more substantive, far-reaching, and potentially more contentious guidelines.

Therefore, the five powers should convene experts at the working level as regularly as feasible for concrete discussions about potential measures to govern conventional arms transfers to the region. In short, the Bush administration should pursue a broad agenda in a phased manner, using the establishment of an arms registry and ongoing working groups at the experts level to form the basis for further progress on regulating the flow of arms to the region. A lack of progress in any one area, however, should not be permitted to hold up progress in other areas.

The study group does not wish to overstate the benefits of multilateral arms transfer guidelines and associated institutional arrangements. The problems of the Middle East are too deep-seated and multifaceted to be resolved by regulating arms transfers to the region. Ultimately, progress toward a durable and lasting peace will stem from political arrangements and agreements forged by the Middle East countries themselves. This process will demand time and patience, and will surely test the skills of U.S. negotiators and the intentions and goodwill of the states in the region. For this very reason, multilateral arms transfers guidelines can play an important role. They can remove military irritants that could destabilize the regional balance and impede, both quantitatively and qualitatively, the acquisition of arms that could make war more likely and more destructive. The current military balance is relatively conducive to regional stability and security. It should be kept this way, not upset by unregulated arms transfers to the region.

In devising multilateral arms restraint guidelines, the world's major arms suppliers are at a critical juncture where they can make a significant contribution to bringing about a more stable Middle East. This will only be accomplished, however, if they continue down the path of the five-power discussions they started in Paris and London in 1991, rather than reverting to the unrestrained ways of doing business that characterized the forty-five years of the cold war. The time to push forward with concrete multilateral arms transfer guidelines for the Middle East is now.

REPORT NOTE: The Henry L. Stimson Center, with the support of the John Merck Fund and the Ploughshares Fund, assembled a bipartisan group of experts to discuss possible multilateral arms transfer guidelines for the Middle East. This report reflects the view of the group that following the Gulf War, global security will be significantly enhanced by the establishment of the kinds of international guidelines herein recommended to govern the flow of arms into the Middle East. Special thanks are due to Jay Korman of the Stimson Center and Jay Winik, project consultant and fellow at the National Defense University, for their help in the preparation of this report.

Endnotes

1. Alvin Rubinstein, "New World Order or Hollow Victory?," *Foreign Affairs*, 70, no. 4 (Fall 1991): 53.
2. Nadav Safran, *From War to War: The Arab-Israeli Confrontation, 1948-1967* (New York: Pegasus, 1969), 49.
3. Chaim Herzog, *The Arab-Israeli Wars* (London: Arms and Armour Press, 1982), 33.
4. Guy Wint and Peter Calvorcoressi, *Middle East Crisis* (London: Penguin Books, 1957), 61.
5. Safran, *From War to War*, 147.
6. See comments by Golda Meir in Walter Laquer, *The Israel-Arab Reader* (New York: Bantam Books, 1968), 164.
7. For discussion of this issue, see J. C. Hurwitz, *Middle East Politics: The Military Dimension* (New York: Praeger, 1969) and Paul Jabber, *Not by War Alone: Security and Arms Control in the Middle East* (Berkeley: University of California Press, 1981).
8. See Gerald M. Steinberg, "Arms Control in the Middle East," unpublished paper (Ramat Gan, Israel: Bar-Ilan University September 1991) 6-13.
9. *Strategic Survey* (London: Brassey's, 1979), 46.
10. Walter Laquer, *Confrontation: The Middle East War and World Politics* (London: Abacus, 1974), 4.
11. Barry M. Blechman and Janne E. Nolan, *The U.S.-Soviet Arms Transfer Negotiations*, FPI Case Study no. 3 (Washington, D.C.: The Johns Hopkins Foreign Policy Institute, 1987), 9.
12. Barry Blechman, Janne Nolan, and Alan Platt, "Pushing Arms," *Foreign Policy*, no. 46 (Spring 1982): 145-150.
13. Anwar el Sadat, *In Search of Identity: An Autobiography* (New York: Harper and Row, 1978), chap. 9.
14. *Ibid.*
15. Hirsh Goodman and W. Seth Carus, *The Future Battlefield and the Arab-Israeli Conflict* (New Brunswick: Transaction, 1990), 182.
16. Data in this section on arms transfers to the Middle East are culled from: Richard M. Grimmett, *Conventional Arms Transfers to the Third World, 1983-1990*, CRS Report 91-578F (Washington, D.C.: Congressional Research Service, 1991); International Institute of Strategic Studies, *The Military Balance 1991-1992* (London: Brassey's, 1991); Stockholm International Peace Research Institute (SIPRI), *SIPRI Yearbook 1991: World Armaments and Disarmament* (Oxford: Oxford University Press, 1991); U.S. Arms Control and Disarmament Agency, *World Military Expenditures and Arms Transfers 1989* (Washington, D.C.: U.S. Arms Control and Disarmament Agency, 1990); and Natalie Goldring, *Arms Transfers to the Middle East* (Washington, D.C.: Defense Budget Project, April 25, 1991).
17. According to the most up-to-date and reliable statistics, the total value of all Third World arms transfer agreements from 1983 to 1990 was \$301.7 billion. It should be pointed out that there is a difference between arms "agreements" and arms "deliveries." Agreements are formal agreements to sell systems and

are usually marked by an official exchange of letters of acceptance between the supplier and recipient. Not all agreements are implemented, though they are important indicators of trends. Deliveries indicate that actual transfers of weapon systems have been made.

18. "Race to the Powerfulest," *Economist*, February 9, 1991, 22-23.
19. For example, select numbers from 1987 to 1990 about Middle East weapon deliveries are as follows: the Soviet Union transferred 820 tanks and self-propelled guns, 370 supersonic combat aircraft, 3,025 surface-to-surface missiles, and 170 antishipping missiles to the Middle East. The United States delivered 272 tanks and self-propelled guns and 4,734 surface-to-surface missiles. China delivered 215 antishipping missiles. France, the United Kingdom, Italy, and West Germany delivered 115 supersonic aircraft and 100 antishipping missiles. As a group, other European suppliers delivered 515 tanks and self-propelled guns, 1,260 armored personnel carriers and armored cars, and 2,720 surface-to-surface missiles. From other suppliers, 1,200 surface-to-surface missiles found their way to the region. See Grimmett, *Conventional Arms Transfers to the Third World, 1983-1990*, 72.
20. Goodman and Carus, *The Future Battlefield*, 78.
21. *Business Week*, November 25, 1991, 25, in particular.
22. Quoted in *Armada International* (May 1991): 580.
23. See Richard Grimmett and Alfred Prados, *Near East Arms Transfers, August 2, 1990-November 1, 1991*, CRS Report 91-839F (Washington, D.C.: Congressional Research Service,).
24. Quoted in *Aerospace Daily*, December 5, 1991, 368.
25. *Congressional Record*, November 26, 1991, S18415-16.
26. Anthony Cordesman, "After the Gulf War: The World Arms Trade and Its Arms Races in the 1990s," unpublished paper, 6.
27. See Office of Technology Assessment, *Global Arms Trade: Commerce in Advanced Military Technology* (Washington, D.C.: Office of Technology Assessment, 1991), 17.
28. Geoffrey Kemp, *The Control of the Middle East Arms Race* (Washington, D.C.: Carnegie Endowment for International Peace, 1992), 11.
29. Rubinstein, "New World Order or Hollow Victory?", 61.
30. M. J. Akbar, "At the Center of the World," *The New York Times*, January 10, 1992, A-27.
31. Office of Technology Assessment, *Global Arms Trade*, 17-18.
32. Goodman and Carus, *The Future Battlefield*, 132.
33. Seth Carus, "Military Lessons of the 1982 Israeli-Syrian Conflict," in *The Lessons of Recent Wars in the Third World*, ed. Robert Harkavy and Stephanie Neumann (Lexington, Mass.: Lexington Books, 1985), 261-80.
34. Steinberg, "Arms Control in the Middle East," 17.
35. For further discussion of this point, see Michael Nacht, Jay Winik, and Alan Platt, "What About Arms Control? We Shouldn't Wait For The Peace Process Before Trying To Curb Mideast Weaponry," *The Washington Post*, September 22, 1991, C3.
36. Janne Nolan, "Controlling the Global Arms Market," *Washington Quarterly* (Summer 1991): 131.

37. Quoted in *Arms Control Today*, February 21, 1991, 4.
38. Richard Grimmett and Alfred Prados, *Near East Arms Transfers*; and "U.S. Arms Transfers to the Middle East Since the Invasion of Kuwait," *Arms Control Today* (March 1992) 9-10.
39. See Goldring, *Arms Transfers to the Middle East*, 1-30.
40. Nolan, "Controlling the Global Arms Market," 126.
41. *Strategic Survey 1990-1991* (London: Brassey's), 98.
42. *The Washington Post*, April 6, 1991, A17.
43. For an example of the lethality of certain weapons, consider fuel-air explosives (FAEs). They create a powerful blast effect from the detonation of fuel dispersed in aerosol form. This blast is powerful enough that an FAE weapon could destroy an aircraft protected by six feet of concrete. One estimate suggests that as many as 100 percent of infantry within the central blast effect are likely to be killed by an FAE explosion. For more detail, see Kenneth Bower, "Fuel Air Explosives: A Blow to Dismounted Infantry," *International Defense Review*, (October 1987): 1405-7.
44. Cordesman, "After the Gulf War," 22.
45. "Let Them Eat Guns," *Economist*, November 2, 1991, 61. Also see, for example, "Saudi Arabia May Seek Bank Loans," *The Washington Post*, February 13, 1991.
46. See Doc. A/C. 1/46/L.18/Rev. 1., UNGA, November 13, 1991.
47. This policy option was widely debated but not unanimously agreed to by the group.