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*File Arms Control*

December 2, 1986

TO: Hanley  
Mandel  
Kraemer  
Tobey  
Mahley  
Brooks  
Cobb  
Sommer

FROM: Steiner

SUBJECT: Green Book on Arms Control--Revision

Attached is copy of proposed table of contents of revised version of the famous old Green Book on AC, issued in two versions by State during the hot period on INF and one of most useful AC pieces we have produced. Finally, repeat, finally ACDA is gearing up to carry out their promise of many months ago to take the interagency lead on a revision.

The gameplan is that they will hopefully distribute copies of each draft at our IG on Dec. 9, then hold a WG meeting to work them in detail on Dec. 11. (ACDA will STILL need some prodding to make the Dec. 9 deadline; Sven, I suggest that both of us weigh in with Guhin again.) The revised version will have a somewhat similar format, will be published again by State (when cleared interagency), but this time will have a preface by Shultz followed by a foreward by Adelman and costs will be shared between those two agencies.

Please advise ASAP if the outline gives you any problems.

cc:  
Sable  
Sachs

December 1, 1986

	Drafter	Pages
Security and Arms Control: The Search for a More Stable Peace		
Contents		
Message from the Secretary.....	STATE	2
Foreword.....	ACDA	1
U.S. National Security Policy.....	DOD	1
The Role of Arms Control in U.S. Security.....	ACDA	1
Western Arms Control Objectives.....	ACDA	1
The Soviet Approach to Arms Control.....	EUR	1
Developments in Arms Control (1981-1986).....	ACDA	3
Nine Challenges for Arms Control		
Strategic Arms.....	PM	2
Intermediate-Range Nuclear Forces.....	EUR	2
Defense and Space.....	PM	2
Conventional Forces.....	EUR	2
Chemical Weapons.....	PM	2
Nuclear Nonproliferation.....	ACDA	2
Nuclear Testing.....	PM	2
Confidence Building Measures.....	PM	2
Verification and Compliance.....	ACDA	2
The Search for a More Stable Peace: The Strategic Defense Initiative.....	DOD	3
Arms Control Glossary.....	ACDA	2
Illustrations (To be determined later and to support the text)		

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3  
January 26, 1977

Presidential Review Memorandum/NSC-12

TO: The Vice President  
The Secretary of State  
The Secretary of Defense

ALSO: The Secretary of the Treasury  
The Director, Office of Management and Budget  
The Chairman, Council of Economic Advisers  
The Director, Arms Control and Disarmament Agency  
The Chairman, Joint Chiefs of Staff  
The Director of Central Intelligence

SUBJECT: Arms Transfer Policy Review (U)

The President has directed that the Policy Review Committee, under the chairmanship of the Department of State, review our policy with regard to the international transfer of conventional arms.

The review should be completed by March 15, 1977, and should:

1. Examine the role of arms transfers in the conduct of U.S. foreign policy, identifying the benefits and disadvantages of arms transfers as a policy tool, and their dominant or subordinate position relative to U.S. political, economic, and military interests. This examination should include:
  - (a) the feasibility and desirability of various unilateral and multilateral initiatives to restrict arms transfers on a national, regional, and global basis;
  - (b) consideration of such factors as: the type of weapon, equipment, or service being transferred; the role and activities abroad of commercial arms suppliers; third country transfers; transfer of high technology and sensitive items; co-production; employment of U.S. citizens on defense contracts abroad; and international standards of human rights; and

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Declassified/Released on 8/27/81  
By the National Security Council  
under provisions of E.O. 12065  
by R. R. [signature]

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~~UNCLASSIFIED~~

-2-

- (c) the feasibility and desirability of restricting all U.S. arms transfers to government-to-government transactions.
- 2. Identify and analyze basic policy options, on the basis of the foregoing examination. Consider the impact of each option on the U.S. economy, on defense readiness and procurement, and on U.S. relationships with both recipient and supplier states.
- 3. Review the current organizational structure for departmental and interagency consideration of arms transfer requests, and develop options for mechanisms and procedures to provide systematic policy guidance in the future.
- 4. Assess the current relationship between the executive and legislative branches in this area, and propose guidelines and changes necessary for an optimum relationship.



Zbigniew Brzezinski

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THE WHITE HOUSE

WASHINGTON

May 13, 1977

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~~GDS~~

Presidential Directive/NSC - 13

TO: The Vice President  
The Secretary of State  
The Secretary of Defense



ALSO: The Secretary of the Treasury  
The Director, Office of Management and Budget  
The Chairman, Council of Economic Advisers  
The Director, Arms Control and Disarmament Agency  
The Chairman, Joint Chiefs of Staff  
The Director of Central Intelligence

SUBJECT: Conventional Arms Transfer Policy (U)

After reviewing results of the Policy Review Committee meeting held on April 12, 1977, to discuss US conventional arms transfer policy, I have concluded that we must restrain the transfer of conventional arms by recognizing that arms transfers are an exceptional foreign policy implement, to be used only in instances where it can be clearly demonstrated that the transfers contribute to our national security interests.

In establishing this policy of restraint, the United States will continue to utilize arms transfers to promote our security and the security of our allies and close friends. Recognizing that unilateral restraint can have only limited effectiveness without multilateral cooperation, the United States will continue its efforts to urge other suppliers to join us in pursuing policies of restraint. In addition, we believe that regional agreements among purchasers of arms can contribute significantly to curbing the proliferation of conventional weaponry, and we will assist in whatever way possible in the conclusion of such agreements.

The United States will give continued emphasis to formulating and conducting our security assistance programs in a manner which will promote and advance respect for human rights in recipient countries.

Further, an assessment will henceforth be made of the economic impact of proposed transfers of major defense equipment to those less developed countries which receive US economic assistance.

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under provisions of E.O. 12065  
By B. REGER

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In recognition of our special treaty obligations with NATO countries, Japan, Australia, and New Zealand, these countries will be exempted as appropriate from the dollar volume restraints and other controls established below. The United States will remain faithful to its treaty obligations, and will also honor its historic responsibilities regarding Israel's security.

In furtherance of this policy of restraint, and except in extraordinary circumstances personally approved by me or where I determine that countries friendly to the United States must depend on advanced weaponry to offset quantitative and other disadvantages in order to maintain a regional balance, I direct that:

1. The dollar volume (in constant 1976 dollars) of new commitments under the Foreign Military Sales and Military Assistance Programs for weapons and weapons-related items in FY 1978 will be reduced from the FY 1977 total. It will be our goal to continue to reduce total dollar volume in each subsequent year.
2. With regard to newly-developed advanced weapons systems:
  - a. The United States will not be the first supplier to introduce into a region an advanced weapons system which creates a new or significantly higher combat capability.
  - b. Commitment for sale or coproduction of newly-developed advanced weapons systems is prohibited until the systems are operationally deployed with US forces.
  - c. The Secretary of State will establish more extensive guidelines for assessing requests for newly-developed advanced weapons systems, including requirements 1) that supplying the system would uniquely strengthen the requestor's ability to perform military functions which serve US security interests, 2) that less-advanced, existing systems with roughly comparable capabilities are unavailable from the United States, and 3) that providing these systems will not require the presence in country of large numbers of Americans for long periods of time.
3. Unique advanced weapons systems developed or significantly modified solely for export will be transferred only within the treaty relationships referred to above.

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JC

4. Agreements for coproduction of significant weapons, equipment, or major components, beyond assembly of subcomponents and the fabrication of high-turnover spare parts are prohibited. Requests for any other items (e.g., major overhaul facilities) will be subject to guidelines applied globally, analyzing closely whether the proposed coproduction project would over time provide equipment in excess of local needs. In each approved agreement, terms under which third-country exports will be permitted, if at all, will be stipulated, emphasizing that coproduction is intended for the coproducer's requirements and not for export.
  
5. In addition to the requirements of law and existing policies concerning re-transfer assurances, the US, as a condition of sale for certain weapons, equipment, or major components, may stipulate that the US will not entertain any requests for re-transfers.
  
6. Policy level approval by the Department of State will be required before authorizing 1) licensing for sales promotion or technical data transmission by private firms, and 2) US military or civilian briefings, site surveys, transmissions of technical information, or any similar activity which might promote the sale of items of major defense equipment. Further, US embassies and military elements will not promote or assist in the promotion of arms sales without specific authorization. Finally, the Secretary of Defense will continue the review of government procedures which may promote the sale of arms, reporting the results of this review within 60 days.

J.C.



a whole lot sooner than we otherwise would be able to. Thank you very much.

THE PRESIDENT. As a completely non-partisan President, I'd like to point out that of the six maximum awards that have been presented in the last 23 years, the Navy has won four of them. [Laughter]

NOTE: The President spoke at 11:55 a.m. in the Rose Garden at the White House.

The Federal Incentive Awards Program is administered by the Civil Service Commission which provides guidance and assistance to Federal agencies in encouraging employees to contribute to economy of Government operations through their suggestions, inventions, and/or superior performance.

## Budget Rescission and Deferrals

*Message to the Congress Transmitting the Rescission and Deferrals.*  
May 18, 1977

*To the Congress of the United States:*

In accordance with the Impoundment Control Act of 1974, I herewith propose rescission of \$126.2 million appropriated for the Patrol Hydrofoil Missile program of the Department of Defense. In addition, I am reporting a deferral of \$31.8 million for the Energy Research and Development Administration, Clinch River Breeder Reactor project, and revisions to two deferrals previously transmitted.

The details of the proposed rescission and the deferrals are contained in the attached reports.

JIMMY CARTER

The White House,  
May 18, 1977.

NOTE: The attachments detailing the rescission and deferrals are printed in the FEDERAL REGISTER of May 23, 1977.

The message was not issued in the form of a White House press release.

## Conventional Arms Transfer Policy

The virtually unrestrained spread of conventional weaponry threatens stability in every region of the world. Total arms sales in recent years have risen to over \$20 billion, and the United States accounts for more than one-half of this amount. Each year, the weapons transferred are not only more numerous but also more sophisticated and deadly. Because of the threat to world peace embodied in this spiralling arms traffic and because of the special responsibilities we bear as the largest arms seller, I believe that the United States must take steps to restrain its arms transfers.

Therefore, shortly after my inauguration, I directed a comprehensive review of U.S. conventional arms transfer policy, including all military, political, and economic factors. After reviewing the results of this study and discussing those results with Members of Congress and foreign leaders, I have concluded that the United States will henceforth view arms transfers as an exceptional foreign policy implement, to be used only in instances where it can be clearly demonstrated that the transfer contributes to our national security interests. We will continue to utilize arms transfers to promote our security and the security of our close friends. But in the future the burden of persuasion will be on those who favor a particular arms sale, rather than those who oppose it.

To implement a policy of arms restraint, I am establishing the following set of controls, applicable to all transfers except those to countries with which we have major defense treaties (NATO, Japan, Australia, and New Zealand). We will remain faithful to our treaty obliga-

tions and will honor our historic responsibilities to assure the security of the State of Israel. These controls will be binding *unless* extraordinary circumstances necessitate a Presidential exception, or where I determine that countries friendly to the United States must depend on advanced weaponry to offset quantitative and other disadvantages in order to maintain a regional balance.

1. The dollar volume (in constant FY 1976 dollars) of new commitments under the Foreign Military Sales and Military Assistance Programs for weapons and weapons-related items in FY 1978 will be reduced from the FY 1977 total. Transfers which can clearly be classified as services are not covered, nor are commercial sales, which the U.S. Government monitors through the issuance of export licenses. Commercial sales are already significantly restrained by existing legislation and executive branch policy.

2. The United States will not be the first supplier to introduce into a region newly developed, advanced weapons systems which would create a new or significantly higher combat capability. Also, any commitment for sale or coproduction of such weapons is prohibited until they are operationally deployed with U.S. forces, thus removing the incentive to promote foreign sales in an effort to lower unit costs for Defense Department procurement.

3. Development or significant modification of *advanced* weapons systems *solely for export* will not be permitted.

4. Coproduction agreements for significant weapons, equipment, and major components (beyond assembly of sub-components and the fabrication of high-turnover spare parts) are prohibited. A limited class of items will be considered for coproduction arrangements, but with restrictions on third-country exports, since these arrangements are intended pri-

marily for the coproducer's requirements.

5. In addition to existing requirements of the law, the United States, as a condition of sale for certain weapons, equipment, or major components, may stipulate that we will not entertain *any* requests for retransfers. By establishing at the outset that the United States will not entertain such requests, we can avoid unnecessary bilateral friction caused by later denials.

6. An amendment to the international traffic in arms regulations will be issued, requiring policy level authorization by the Department of State for actions by agents of the United States or private manufacturers which might promote the sale of arms abroad. In addition, embassies and military representatives abroad will not promote the sale of arms and the Secretary of Defense will continue his review of Government procedures, particularly procurement regulations which may provide incentives for foreign sales.

In formulating security assistance programs consistent with these controls, we will continue our efforts to promote and advance respect for human rights in recipient countries. Also, we will assess the economic impact of arms transfers to those less-developed countries receiving U.S. economic assistance.

I am initiating this policy of restraint in the full understanding that actual reductions in the worldwide traffic in arms will require multilateral cooperation. Because we dominate the world market to such a degree, I believe that the United States can and should take the first step. However, in the immediate future the United States will meet with other arms suppliers, including the Soviet Union, to begin discussion of possible measures for multilateral action. In addition, we will do whatever we can to encourage regional agreements among purchasers to limit arms imports.

# AVIONIC

CONSULTING ENGINEERING & MANUFACTURER'S REPRESENTATIVES

OUR REF. ....

YOUR REF. ....



12-14 KAR. SERVIAS ST.

GR 105-62 ATHENS

CABLE: AVIONIC

3223.733, 3229.321

PHONES: 3237.697, 3243.539

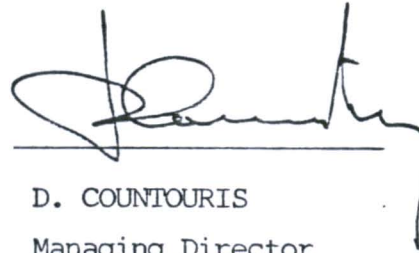
3222.998, 3245.525

TELEX: 21 6272 DIVI GR

June 26, 1985

To whom it may concern:

I hereby authorize Mr. H.K.Lett to act on my behalf regarding discrepancies that exist in the purchasing of munitions from the United States of America for the Hellenic Air Force.



D. COUNTOURIS  
Managing Director

Βεβαιούμεν τό γνήσιον τῆς ἔπογραφῆς  
Τ. Χ. Δ ΚΟΥΝΤΟΥΡΗΝ

νομίως ἐκπροσωποῦντ τὴν ἄνωγέω  
Ἐπιχειρῆσιν AVIONIC

Ἐν Αῠθήναις τὴν 26-6-1985

ΤΡΑΠΕΖΑ ΠΙΣΤΩΣΕΩΝ Α.Ε.  
ΚΑΤΑΣΤΗΜΑ 03-ΔΕΝΙΣΣΑΛΟΥ

  
Σ. Γ. ΤΣΑΟΥΓΡΗΣ

**AVIONIC**  
12-14 KARAGEORGI SERVIAS STR.  
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TEL. 3223 733

X 47160 5

DEPARTMENT OF THE AIR FORCE  
HEADQUARTERS UNITED STATES AIR FORCE  
WASHINGTON, D.C.  
20330



27 October 1977

General D. Countouris (HAF Ret.)  
The Avionic Company  
12-14 Kar. Servias Street  
Athens 125, Greece

Dear General Countouris

As per further request of your United States representative and with reference to Department of the Air Force letter of 7 October 1977 regarding the procurement of arms through commercial channels this letter is to amplify the previous position.

The US Government policy on the sale of arms to foreign countries via commercial channels was changed and most diligently placed into effect in the early part of 1977.

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CORE

NO. 9, 1577?

Hopefully this and also my previous letter has been of assistance in answering your questions regarding the procurement of MK-84, 2,000 pound bombs through commercial channels.

Sincerely

*Chester C. Cavoli*

CHESTER C. CAVOLI, Lt Col, USAF  
Acting Chief, Western Regional Division  
Dir of Military Asst & Sales, DCS/S&L



(5)

EXETIKO No 9

EDWARD S. FRIEDLAND

1776 BROADWAY  
SUITE 601  
NEW YORK, N.Y. 10019  
(212) 685-4179

ATTORNEY AT LAW  
PRACTICING  
UNITED STATES COURTS  
EXCLUSIVELY

June 20, 1977

Avionics  
12-14 Kar Servias Street  
Athens 125 Greece

Att: General Dimetri Contouris

Dear General Contouris:

I am the attorney for Trafalcon International Corporation.

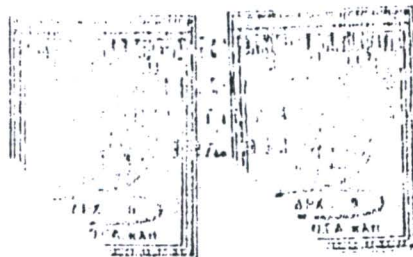
With reference to the letter of credit issued to Trafalcon for the purchase of 400 Mark 84 bombs, we are sorry to inform you that the United States State Department has not issued a State Department license as of yet.

Enclosed, please find copy of first rejection notice for State Department license. We would also appreciate it if you would take note that the United States State Department has curtailed the issuance of licenses for export of armament. There has been a new edict passed down requesting that all foreign armament sales be made through the United States Government facility call "Foreign Military Sales". The price for the Mark 84 through Foreign Military Sales would be approximately \$1800 to \$1900 per unit. Delivery of approximately one to two months and State Department licenses assured by purchasing through this system. They respectfully request that you contact Mr. Jerry Galuten of Sierra Nevada Corporation who will be happy to pursue this matter for you as soon as a request is given.

Thank you for your cooperation.

Very truly yours,

Edward S. Friedland



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WHEN THIS  
EDICT WAS  
ENFORCED?  
CAN WE HAVE  
A COPY?  
WHAT IS THE  
DATE?

ESF:lat  
Enc.