

THE INTERNATIONAL TRANSFER OF ARMS:
SUPERPOWER - THIRD WORLD TRANSACTIONS
A STUDY OF MOTIVATIONS

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FOREWARD

The decade of the nineteen seventies and the advent of the eighties mark the century's most expensive and the most frenzied arms race. Along with the glaring North-South economic disparity and amidst a deepening world economic crisis a massive global rearmament seems all the more inconsistent and defies all logic of prudently arranging priorities. Resultantly there is a retreat from social welfare, a definite assault on the economic and social rights of the majority of people. Thus arms race has become an egregious malady of modern times and arms trade and aid definitely stand out as the excrescent part of the phenomenon. When one focusses upon the depredation of the rare resources that are being squandered upon arms what becomes clear is the importance of the need to curtail imprudent expenditure on armaments.

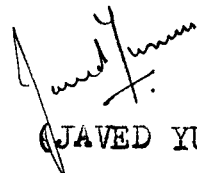
This study however deals with the more exploitative and glaring part of arms trade, the transaction (aid and trade) of weapons and weapon's systems between the super-powers, the United States of America and the Union of Soviet Socialist Republics, and the third World. An attempt has been made in the study to analyse the factors that motivate the super powers to supply arms to the third world countries and the factors that prompt the third world countries to acquire arms.

In the first and introductory chapter I have dealt with the history and definition of arms transactions. The second chapter points out the magnitude of super-power third world arms transfers and briefly considers the arms transfers policies of the suppliers. Besides, an attempt has been made in this chapter to identify the major recipient regions of the third world and the quality of military hardware that they import. It is in the course of the third and fourth chapters that the factors motivating the suppliers are discussed. The third chapter deals with the political and strategic causes and the fourth chapter takes up the economic motivations. The fifth chapter analyses the motivations of the third world countries, as to why they acquire arms. The sixth chapter deals with the after effects or the consequences of arms transfers for the developing economies as a result of the import of military hardware and technology. In the seventh chapter I have delved upon some concluding observations dealing with the relevance of arms trade control and the need to curtail and control the flow of arms into the third world as a sine-qua-non of economic development.

Appended to the chapters are some tables, diagrams and graphs, reference to which may be made constantly for a clear glance at trends, facts and figures.

All said and done this study would not have been possible without the learned, skillful and knowledgeable guidance of Professor M. Zuberi. To him I am most grateful and indebted.

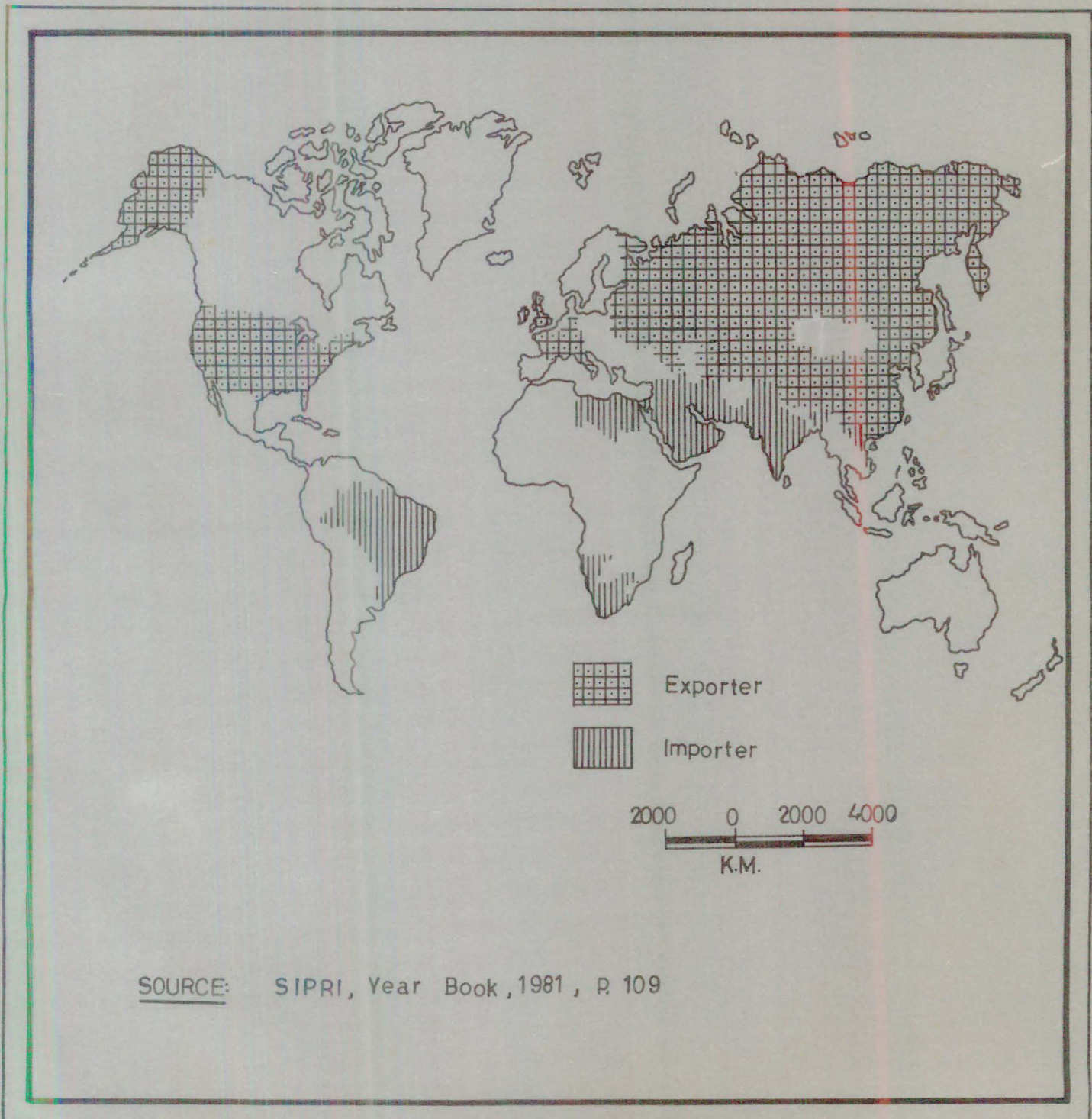
I am also grateful to Dr. T.T. Paulose with whom I had some stimulating discussions concerning my field of study. I am further thankful to my wife Kiran for her precious assistance in the course of this study. Jamal Ilmi deserves credit for his assistance in proof-reading and for the impeccable typing and meeting schedules I extend appreciation for Mrs. Amali Mathew. However, for any shortcomings I am alone responsible.


(JAVED YUNUS)

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THE LEADING THIRD WORLD IMPORTERS AND THE LEADING EXPORTERS OF MAJOR ARMS IN THE 1970s



Chapter I

INTRODUCTION

The transfer in arms is a phenomena that broadly entails two categories, the aid and trade in arms. However because many arms transfers are of an ambiguous nature a clear demarcation between categories becomes difficult though for the study of motivation an understanding of transfers in a broader perspective is more helpful.

Arms trade can be defined as the process by which the manufacturing countries and private manufacturers sell their weapons in the international arms market. Normally there exists a competition amongst the producers of arms for markets in the non-producing areas. There is also the trade of arms between the manufacturers of arms themselves. Thus arms trade can be put broadly under three categories:

(a) Between the allied or friendly developed countries;
(b) Between the developing countries; and, (c) Between the industrialized and underdeveloped countries, the transaction which will be the subject of analysis in this study.

Arms aid, besides merely the transfer of arms as aid, may include the transfer of resources as well as applies moreso in case of transfer from developed to underdeveloped countries.

Arms transfers take place through a variety of trans-
actions:-

- a) Licensed sale of arms wherein end-use restriction is used to prevent resale or diversion of supplies.¹
 - b) Arms supply to bloc or alliance members.²
 - c) Resale of surplus or old weapons.
 - d) Pre-emptive selling - done to maintain an equilibrium within a given region and to prevent the development of an advantageous position of a rival power.³
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1. For example, Portugal's acquisition of arms from the United States of America and other Western powers as a NATO member.

2. The obsolescent RAF Hunter jets were refurbished and sold to developing countries.

UK, Parliament, House of Commons, 1958-59, Second Report from the Select Committee on Estimates: Sale of Military Equipment Abroad, H.C. 229 (London: Her Majesty's Stationary Office, 1959), p. 20.

Another example is the resale from Germany of American gerrand rifles to Jordan by Sam Cummings.

Anthony Sampson, The Arms Bazaar (New York, Bantam Books Inc. 1978) p. 21.

3. The sale of F-104 Starfighter by the USA to Jordan in 1966-68 was to prevent it from purchasing the Soviet MIG 215. Washington Post, 29 March 1968, p. A 21.

- e) Many a times governments find it necessary to sanction⁴ transfer of surplus weapons through private channels.
- f) There is also the piracy of arms through the contraband and stolen arms shipments. This method is used mainly by insurgents and terrorists.
- g) Many weapons are captured during wars and then sold to interested parties, for example, the sale of Soviet weapons to the United States of America.

During the Second World War lend-lease became an important facet of the American policy of arms aid. Military grants, supply of arms on credit (especially long term), and an reduced or nominal price help to ease the burden of purchasing weapons for the recipient. An allied country can also benefit by receiving equipment under treaty obligations. Aid in the form of economic or financial assistance help the recipient to release domestic resources for buying military hardware. It is also sometimes extended to infrastructure⁵ projects having a military element in their motivation.

- 4. In 1967, British government granted permission for the export of 12 surplus Swedish Bofors 40 mm anti-aircraft guns via a Canadian-chartered Lockheed C-130 transport to the Nigerian Central Government in Lagos. West Africa (London) "Arms for Lagos", August 19, 1967, p. 1093. Private suppliers became an important source of arms supplies especially during a civil war as in the Biafra war. Two Douglas C-47 transports were sold by West German Luftroaffe to a charter airline in Luxembourg which were then refurbished and sold to Biafra. SIPRI, Arms Trade with the Third World (Sweden: Almqvist and Wiksell; Stockholm, in collaboration with Humanities Press, Inc., New York, 1971), p. 632.

(contd...)

Licensing, co-development and co-production are some other forms of arms aid. Under the first a weapons system is produced in the recipient country or is locally assembled from the parts supplied.

Co-development arrangements "depend upon the satisfactory identification of bilateral or multilateral hardware and politico-military requirements early in research and development production cycle"⁶. Co-production and joint production allow the recipients to enter the foreign market at minimum investment cost. They can further avoid adjustments to fluctuations of the market.

The resultant donor-recipient relationship in arms transfers can be categorized on the basis of the style of arms acquisition by the recipients.⁷

(last page f.n. contd.)

4. Between 1965 and 1968 the Swiss government had given sanction to a Swiss armament firm of Oerlikon-Buhrle for the sale of arms, subject to usual export conditions. These sales included surplus 210 anti-aircraft guns and for which the profit was to be shared on 50-50 basis. Oerlikon however got Swiss authorization by producing illegal end use certificates from some officers in the non-embargoed countries and then diverted the suppliers to Nigeria during the Biofra war.
'Neve Zurcher Zeitung', December 20, 1968, p.29; Quoted in J. Stanley and M. Pearton, The International Trade in Arms (London: 11SS, Chatto and Windus, 1972) p. 45.
5. Gavin Kennedy, The Economics of Defence (London: Faber & Faber Ltd., 1975), p. 207.
6. Lewis A. Frank, The Arms Trade in International Relations (USA: Praeger, 1969), pp. 173-74.
7. Based on categories used by Amelia C. Leiss, Changing Patterns of Arms Transfers, Implications for Arms Transfer Policies (Mass.: CIS, MIT, February 1970) C/70-2, p.185ff; Robert E. Hankavy, The Arms Trade and International Systems (USA, Camb. Mass.: Ballinger Publishing co., 1975), pp.111-30.

When a donor supplies all or most of a particular type^{of} weapon system to a recipient the relationship may be described as sole supplier relation. Second is the relationship where one supplier is the principal or predominant one. However in such a relationship there can be other suppliers as well. Third is the multiple supplier relationship. This may refer to a number of suppliers none of whom have supplied over 59 per cent of the total supplies. It may also refer to different suppliers at different times. That is, it may have moved from sole or predominant supplier relation with one donor to another donor at different times. Further more, the second and third patterns may occur both within Bloc and/or at cross-bloc level.

Arms trade has been described by Lewis A. Frank as "the conduit or channels through which pressures are transmitted between nations in terms of arms and weaponry required to accomplish national or even private objectives"⁸. This is indeed a very apt definition of the majority of arms transactions taking place in our times. When one perceives of 'pressure', inevitable become the two ends of its transmission - the transmitting end and the receiving end. In the contemporary world it is the underdeveloped countries that comprise the receiving end of the pressure in question

8. Lewis A. Frank, Arms Trade in International Relations, (Praeger, 1969), pp. 3-4.

and it is the developed or industrialized countries that transmit the pressure. Thus when one looks at the collosium of arms dealings it is the transfers from the super powers to the third world that become conspicuous.

This trade which encompasses transactions like sales, aid, capture, lease and even co-production (as earlier defined) has its origin far back in history but in a more organized way it seems to have begun in the middle ages with the import of gunpowder in Europe. It enlisted then prominent men of the age like Michelangelo who was the engineer-in-chief of fortifications at Florence. As early as 1414 was established the office of 'Master of King's Ordnance', the progeniter of the British Ordnance Board.

The first guns of practical utility came from Flanders and Brabant where Mons and Liege were early centres of production. European sovereigns ordered guns from Flemish gun founders and a few also imported men who could make the guns. The early Tudor kings of England encouraged master craftsmen from Southern countries to settle in London and open branches there. Between the year of Crecy and the end of 15th century a dozen gunfounders like Peter of Aruges, William of Aldgate and John Cornwell were in active business in England. William Woodward sold over 73 guns to the crown between 1382-1388. Even upto 16th century the domestic

output did not suffice. In 1512 Henry the VIII bought 16 large and 12 smaller guns from Hans of Malines.

Other centres of early arms trade were Belgium, Spain and Italy. By the 16th century the Portugese had introduced arms markets as far as the Japanese mainland. It would be of interest to note that the largest arms industry today - the American armaments industry - was created by the French capital that founded the powder factory of E.I. Dupont De Nemours and company in 1802. This factory grew remarkably by 1612 when the United States was spending nearly 3 million dollars on weaponry per year. Today the United States produces 5 billion dollars worth of these instruments of devastation and exports arms worth 27,727 million dollars.⁹ 12477.15 million dollars worth of arms go to the third world alone.

It is indeed unfortunate that the spread of arms increased four times during the seventies (as compared to the sixties) that were declared by the United Nations as the 'Decade of Disarmament'. As compared to the fifties the increase is eight fold. The yearly rate now is 25% for the past five years as compared to 15% in 1970-75 and 10% in 1965-70.

9. SIPRI, Yearbook, 1979, p.

The fact is, however, that two thirds of the arms trade involves transfers from ^{the} industrialized world (largely super-powers) to the third world, and this is in spite of the fact that the most heavily armed countries are the industrialized ones themselves. According to SIPRI estimates, as much as 74.3 per cent of all major weapon transfers were made to third world countries since World War II as compared to 25.7 per cent within the industrialized world itself. The United States and the Soviet Union seem to be the major beneficiaries of the trade. 10

The transfer of arms is only one among many complex inter-relationships between nations. It has of late, however, acquired tremendous importance owing to its economic and the more immense political ramifications mainly because it becomes an expression of foreign policy preference and therefore more important than mere trade in other commercial commodities.

Weapons largely imported by the third world countries are ones that can be deployed in warfare but the import of counter-insurgency weaponry is fairly common too. However to draw a strict line between counter-insurgency arms and specifically warfare hardware is not too easy as was illustrated by the use of tanks and helicopters in containing insurgency in Iran during the Shah's regime. As regards warfare equipment

10. Major reference is to North America, Europe and the Soviet Union.

alone, the large figures stand credibly justified, when one learns that out of the 133 wars since 1945, 95% have been fought in the underdeveloped world which is greatly constrained in the indigenous defense production capability. Ironically even the fair amount of industrialization of countries like India, Brazil or Israel does not free them from the exploitative relationship with the technologically advanced suppliers who then assume the role of supplying military technology and thus continue to harm the underdeveloped economies by upsetting the balance in overall development. Out of the 400 billion dollars world arms trade volume the emerging nations account for over 300 billion dollars which is equal to eighteen such nations' G.N.P. Besides the consequences of this trade, what is more complex is the causation itself - the interaction between arm transactions and international relations "in the midst of this cauldron of complexity"¹¹ as Gen. Beaufre calls the contemporary international scene.

11. Lewis A. Frank, The Arms Trade in International Relations, Praeger, 1969, p. 7.

Chapter II

THE IMPORTANCE AND MAGNITUDE OF SUPER-POWER - THIRD WORLD ARMS TRANSFERS

Since this study deals with the superpower suppliers and the underdeveloped recipients it is necessary to first throw some light upon them before discussing the motivations which will engage analytical focus.

SUPPLIERS

United States

'After the Second World War the United States had emerged as the major supplier, after some incursions by the British, but the arming was relatively restrained not so much as an arms race as an arms walk'¹. Later, however, despite McNamara's efforts to encourage peaceful economic development a tremendous amount of resentment prevailed amongst the military elite and the American arms companies until the June 5, 1973 when Nixon reversed all previous American policies to allow the Tiger fighters to be sold to Brazil, Argentina, Chile, Columbia and Peru.² And this according to Aviation Week, marked "the opening wedges in what (became) a substantial United States penetration of the (third world) Latin American markets".³

1. Anthony Sampson, The Arms Bazaar, (New York, Bantam Books Inc. 1978) p. 209.
2. John L. Sutton and Geoffrey Kemp, Arms to Developing Countries 1945-1965, IISS, London, October 1966, p.30.
3. Aviation Week, October 8, 1973.

Over a period of time the United States policy in arms transactions has changed. This change has mainly occurred in the recipients of American arms. During the 1940s and 50s it was the 'Forward Defense Areas'⁴ and Western Europe that largely received weapons from the United States. After that phase which lasted for nearly two decades the chief recipient became Vietnam during the war. Since the early seventies Iran, Israel and Saudi Arabia have accounted for nearly 60% of all U.S. weapon deliveries. To Africa and Latin America the supply has been fairly constant though there are trends now of a boost in the supply to Latin America. As regards the Far East, the United States still maintains 49% of the entire arms imports though in earlier decades it accounted for nearly 62% of the total.

Another major change is that recently the United States has been supplying comparatively modern arms as against its initial policy of exporting largely surplus and obsolete weapons. This, however, can be explained by the shift from the American policy from 'Military Aid Programme' and grants-in-aid transfers to a more commercial and direct sales attitude. The shift from grants-in-aid around mid-sixties to F.M.S. (Foreign Military Sales) occurred for

4. F.D.A. refers to countries like Turkey, Greece, Iran and South Korea.

various reasons. The most important cause can be termed the larger change in United States foreign policy best expressed in the Nixon Doctrine.⁵ Another important factor was the position of oil-rich countries that could procure any weapon at practically any price. In fact it was during the oil crisis that America acquired a dominant position in the world arms-trade. Later when President Carter assumed office he promised to curb the F.M.S. sales but his condition that other suppliers also apply restraint and his high ceilings that became targets in fact were factors that worked against his intentions. And now with President Reagan out to arm the world again in a bid to re-instill the American confidence in its allies once again poses a grave threat for the third world in terms of both political stability as well as economic well being.

Soviet Union

The Soviet Union annually supplies to the third world arms worth over 2,960 million dollars.⁶ The recipients of Soviet arms can be put into three categories, (a) Ideologically

5. The Nixon doctrine called upon the US allies to bear their own burden of defense as result of the American experience in Vietnam. David Parkard the deputy secretary of defence in 1970 explained the Nixon doctrine as: "The best hope of reducing our overseas involvements and expenditures lies in getting allied and friendly nations to do even more in their own defence. To realise that hope, however, requires that we must continue, if requested, to give or sell them the tools they need for this bigger load we are urging them to assume", See Michael T. Klare in Society, Sept.-Oct. 1974.
6. According to SIPRI this is the recent American estimate.

compatible states such as Warsaw Pact countries and Algeria, Cuba, Vietnam, Angola and Mozambique; (b) Non-aligned countries facing threat from neighbouring pro-Western nations such as India, Ethiopia and Afghanistan and, (c) Liberation movements.

A statement in a Pravda article clarifies the Soviet view on arms transfers wherein it considers arms exports as an "inalienable part of imperialism's global strategy for shoring up its shaky positions and combating the forces of peace and progress. The Soviet Union and other Socialist countries naturally show understanding when asked by various states to supply the arms they need to protect themselves from aggression. The aggressor and victim of aggression must not be placed at par".⁷

In spite of all the socialist progressive claims of the Soviet arms policy the Soviet Union has transferred arms to countries like Libya, Uganda, Ethiopia, Iraq, Syria, Yemen and Afghanistan.

In mid-seventies USSR was the largest supplier to the Middle East. Upto 1975 it accounted for more than 50% of all major arms transfers to the Indian sub-continent, most of which were for India. The second largest importer of Soviet arms on the sub-continent is now Afghanistan.

7. Pravda article quoted by TASS on 27th January 1979. SIPRI Yearbook, 1980, p. 70.

After 1975, USSR also replaced France as major supplier to the Saharan Africa because of the new importers Angola and Mozambique. Similar was the case in North Africa where Libya is a major buyer. To Central America, Soviet Union remains the largest exporter largely owing to the Cuban connection.

Though upto the sixties Soviet arms exports were conducted on government to government long term barter-basis recently the picture has changed a little with the Soviet Union ready to receive hard currency for its arms and more so since 1977. The liberal credit terms with 2-3% rates of interest and payment upto 10 years, remain but overall conditions are less generous. This is illustrated by Libya paying cash on delivery, ^{and} Zambia which in early 1980 ordered arms more than 85 million dollars worth and agreed to pay 20% in advance and the rest in 7 years with commercial interest rates.

It is to be noted that the USSR has been able to keep arms transactions under greater control than its western counterparts that offer excuses for arms sales getting out of possible and planned constraints.

RECIPIENTS

Since this study deals with only the third world importers a mention of the chief underdeveloped recipients is necessary.

West Asia

West Asia has been by far the largest arms importing region of the third world accounting for 48 per cent of all third world imports of major weapons. out of the total of eighty-eight countries that imported major weapons in the 1970s.⁸ The reasons for this are consistent with the two broad determinants of the phenomena (a) Conflict cause (b) Interests of the great powers and mainly the super powers in the strategic geographic position of West Asia as well as the oil resources there.

During 1970-74 the Soviet Union accounted for 51 per cent arms supplies to the region and America accounted for 34 per cent. Later however the trend changed and during 1975-79 the United States' share rose to 61 per cent and the Soviet share fell to 15-20 per cent.⁹

It is prudent to consider Iran's example first because of the colossal arms imports this country indulged in during the Shah's regime, especially between 1953 and 1979. Arms transfers in the case of Iran played a very blatant role in American foreign policy, whose interests coincided with the Shah's ambition to restore the ancient Persian Empire. For the United States Iran had become a 'Forward Defense Area'. As much as 8 million dollars per day became the cost of the Shah's extravagant weapons import.

8. Frank Barnaby and Ronald Huisken, Arms Uncontrolled. (Harvard Univ. Press, Camb. Mass. 1975) p. 35.

9. SIPRI Yearbook, 1981, p. 112.

He imported all sorts of advanced military hardware as well as exclusive 'counter insurgency' or 'police' arms for the SAVAK.¹⁰ By 1975 the Shah's arsenal included 300 Chieftan tanks plus 1680 on order, 860 medium tanks with 250 Scorpion tanks on order, 238 combat aircraft with 349 fighters on order. His total defence expenditure for 1975-76 was estimated at \$ 10,405 million or nearly a third of the total GNP of Iran and slightly more than Britain's defence expenditure which had more than five times Iran's GNP.¹¹

The Iran revolution resulted in serious economic problems for the arms suppliers due to cancellation of orders - for instance, the cancellation of the 160 F-16 fighters worth \$ 3500 dollars, seven AWACS worth \$ 1300 million and 400 Phoenix missiles worth \$ 1000 million. Iran could be cited as a good example of a third world country actually supporting the economy of an industrialized super power. This was further evident when President Carter allowed Northrop to develop the F-18 L Cobra aircraft exclusively on Iranian request. Another example of this was when the Grumman Corporation in New York was actually financed by the Shah of Iran to the tune of \$ 75 million required to ensure the delivery of the F-14 Tomcat fighters to Iran in time.¹²

10. SAVAK stands for the secret Iranian police meant primarily to thwart and suppress popular revolt.
11. The Military Balance 1975-76, IISS, London, 1976. See Anthony Sampson, The Arms Bazaar (N.Y. Bantam Books, 1978) pp. 288-9.
12. Anthony Sampson, The Arms Bazaar, (New York, Bantam Books, 1978) p. 286.

So immense were the American exports to Iran than on the change of government in Iran the United States actually perceived a security threat from the 80 Grumman F-14 Tomcat fighters (armed with Phoenix missiles) from Iran. And further what happened proved the suppliers' superiority once again. This was reflected in the United States intention to repurchase the unused F-14s, for a unit price of 10-13 \$ million which was exactly half the price Iran paid for the jets. And even this was opposed by the company that produced them because of the feared shortening in the production run of the aircraft.

Saudi Arabia occupied the second position amongst importers during ~~the~~ 1978. Ever~~s~~ince the demise of the Shah's regime in Iran and other developments in the Gulf region, the Saudis have been getting an even better deal from the Americans. Though France has always been competing with the American trade interests in Arabia, the United States still supplies about 79 per cent of major arms to the Saudis. Out of the total F.M.S. sales (worth 6300 \$ million) from the United States, Saudi Arabia accounted for as much as \$ 3700 million, roughly 58%. The fact that United States' arms sales to Arabia have been closely related to oil production is indicated by the decision of the State Department to sell \$ 1200 million worth additional arms to Saudis

after the latter's July 1979 announcement of increase in oil production. In fact in the early seventies it was more the oil factor because of which Saudi Arabia could afford the most elaborate weapons with their exorbitant prices. Recently the United States, on President Reagan's initiative, has struck a bigarre \$ 10 billion weapon's sale deal with Saudi Arabia that will also include 5 AWACS warning and control aircraft.

The volatile situation between North and South Yemen has resulted in the import of weapons into the two countries. The Marxist South Yemen is believed to have utilized the services of 800 Soviet and 500 Cuban advisers during the seventies. North Yemen also accomodated about 200 military advisers besides the military equipment from the USSR. The situation seems a little unusual because North Yemen enlisted the help of the United States too when in 1976 the United States concluded a trilateral agreement with Saudi Arabia and North Yemen for \$ 140 million worth of defense equipment to the latter paid by Saudi Arabia. In 1979 President Carter decided to deliver 12 F-5E fighter aircrafts to North Yemen as a part of \$ 300 million package aid. Urgent shipments were made to North Yemen of tanks, anti-aircraft weaponry and aircrafts along with advisers that included around 70 United States army and air force instructors.

In mid-1979 the hostilities halted and Saudi Arabia delayed payment for weapons for North Yemen and the latter again resorted to help from the Soviet Union. The Soviet Union obliged by supplying North Yemen with Mig-21s. It is believed that both the super powers maintain an anomalous presence in North Yemen in form of arms and advisers.

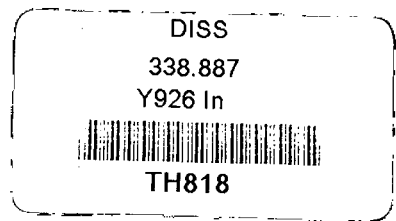
Iraq has been gradually increasing its import of arms which it procures largely from the Soviet Union though France has also had a good market in Iraq. From France Iraq acquired the Euromissile HOT and the ERC-90S Sagaire vehicle specially designed for third world countries. The Soviet Union supplied the Mig-23 aircraft and T-72 tank to Iraq as well as three submarines. The arms build up in Iraq can be explained now largely in terms of its perception of a foreseeable threat from Iran as well as the Arab-Israeli conflict.

Of late Jordan has been amongst the first four buyers in West Asia. Jordan has been a consistent customer of the American arms prominent among which have been MIM- 23 B Hawk surface to air missile system, armoured vehicles, M-60-A3 battle tank and F-5E Tiger-2 fighter. Supply of weapons to Jordan has been a part of America's larger policy of helping all pro-Western or anti-Soviet nations in West Asia.

Syria is the largest Soviet arms customer in the West Asia though in 1976 it also bought two United States transport planes. Like in most other Soviet backed countries the Mig-23 and the Mig-23 Foxbat have been imported by Syria as well.

One of the two largest buyers of arms in the region is Egypt. In the pre-1913 period the Soviet Union had given to Egypt a massive arsenal along with the required advisers and trainees. Eversince the country broke with the Russians and patched up with Americans there began an inflow of American arms. Sophisticated weapons like F-5E came to Egypt as did the F-4 Phantam jets. The peace treaty of 1978 contained a military aid package¹³ to Egypt from the United States of \$ 1500 million worth. It also contained a promise for the supply of not only F-5Es but also the elaborate F-16s as well as 750 M-113-A2 armoured personnel carriers, the AIM-7 and AIM-9 air to air missiles and 500 Maverick air to surface missiles. Recently the Reagan administration has agreed to send large consignments of F-16 fighters, M-60 tanks and M-113 armoured personnel carriers to Egypt.

13. The aid package to Egypt comes under the Foreign Military Sales programme of the United States, unlike in the case of Israel where the package is partly in Military Aid Programme.



Ever since its inception Israel has been a big market for the United States arms industry. Owing to the Arab-Israeli conflict the arms sold to this country have been effectively consumed and therefore a consistent need for them has been generated. During the entire 1970s the United States was the sole supplier to Israel with an ~~equal~~ and insignificant exception of Germany and Britain. The peace treaty of 1978 has much more in stock (totalling \$ 3000 million) for Israel than for Egypt. \$ 800 million to Israel is just Military aid Programme (MAP) grants for the construction of air-fields in Negev desert. Besides Israel is to acquire 35 F-15 Eagle fighters, 75F- 16S aircraft aimed with AIM-7 and AIM-9 missiles, ^{plus} 800 M-113- A25 vehicles, Maverick and ¹⁴ Shrike missiles from the United States Under the treaty.

Therefore, if a war were to occur once again between Egypt and Israel one can easily see that the United States arms industry would be the sure and sole beneficiary ¹⁵ of the peace treaty. Regarding the Gulf countries, they have been known more to finance the front line Arab countries like Egypt (upto late seventies), Syria and Jordan. At the October 1974 Arab Summit Conference in Rabat the oil-rich states - Saudi Arabia, Libya, Kuwait, Abu Dhabi and Qatar

14. SIPRI Yearbook, 1980, pp. 104-5.

15. Hypothetically stating the belligerent parties would use identical weapons and there would be no logistic problems for replenishment which would be done by the common supplier.

TH-818

pledged \$ 2.35 billion per year¹⁶, four years to the front
line Arab states.

Abu Dhabi and Oman stand out in the Gulf region in the sphere of arms import. They are closely followed by Qatar, Dubai and Bahrain in descending order. However most weapons and weapons system in the area have been imported from U.K. (mainly) France, Canada and Italy. With the exception of the supply of Bill 206 A Jet Ranger, Cessna 182, Bill 205 and Bell 206 B Jet Ranger aircraft from the U.S. to Dubai (in the early seventies) and the Lockheed C-130 Hercules aircraft from the United States to Abu Dhabi the weapons procurement from super powers is virtually absent in the region.¹⁷

Far East

Conflicts arising out of a mix of historical and ethnic controversies as well as the involvement of foreign powers in the region have been instrumental in promoting the arms influx in the Far East. North and South Vietnam alone were responsible for 62 per cent import of major arms during the war. However ~~its~~ now South Korea and Taiwan ~~that~~ comprise 51 per cent of the total weapons import into the region.¹⁸

16. A.N. Cahn, J.J. Kruzal, P.M. Dawkins, J. Huntzinger, Controlling Future Arms Trade (McGraw Hill Book Co. 1977) pp. 35-36.
17. See Arms Trade Registers: The Arms Trade with the Third World SIPRI (Almqvist & Wiksell, Sweden 1975) pp. 41-66.
18. SIPRI Yearbook 1981, p. 113.

After the 'Apocalypse' in Vietnam that resulted in the influx of unprecedented amount of military hardware there has been a revival of substantial arms imports with the arrival in Vietnam of Soviet weapons to the tune of \$ 5 billion. In 1979 over a 100 Mig 21s and some Mig 23s were acquired by Vietnam. About \$5000 million worth of military equipment was captured from the Vietnamese by the Saigon forces. In the early part of 1979 alone the Soviets delivered 74000 tons of armaments into this country. China was responsible for arming the Kampuchean forces for a long time and exclusively from 1975 onwards. So great was the consequence of the import of these instruments of destruction into Kampuchea that a whole population faced what was near-extinction.

Owing to its strategic location South Korea has always meant a lot in strategic terms to the United States. Even the American tactical nuclear weapons were stationed in South Korea but were later withdrawn. By 1978 the United States had given \$ 1500 million worth of military aid to South Korea as compensation for earlier withdrawals of soldiers and tactical weapons. By 1982 another \$ 1000 million worth of weapons are to be delivered to the country on United States account. South Korea has in recent years itself ordered 100 F-5E and 50 F-4 Phantom aircraft from the United States.

Taiwan is another Israel as regards its relationship with America. During the 70s particularly Taiwan has been able to acquire a formidable military might in the region by the help of American armaments. In the late seventies Taiwan became the second largest arms importer after South Korea. Amongst its more conspicuous acquisitions from the United States are the 200 F-5E fighters and the F-4 Phantom jets. Unfortunately for Taiwan the development of the Sino-United States relationship in recent years caused Carter to impose a ban over arms supply to Taiwan for a year in 1979. Anyhow the deliveries of armaments continue unaffected.

Philippines is a country where authoritarian rule has been imposed by Ferdinand Marcos since 1972. As a result of the martial law all or most human rights seem suspended but the United States has supplied 90% of arms to the country that includes counter-insurgency equipment as well. In fact the MAP grants to the Phillipines have doubled since 1972. Amongst the weaponry given by the United States are the OV-10 Bronco fighter, Cadillac Gage V.150 armoured cars and helicopter gunships. In the South these weapons have been used against Muslim insurgents and in the North against the People's army.

It is ironic that Indonesia is one of the poorest countries of the region and yet was the 'beneficiary' of \$40 million FMS sales from America in 1978. This amount however was a 70% increase from the previous year. The weapons imported were OV-10A Bronco COIN fighter, Cadillac V-150 armoured cars, revolvers, ammunitions and tear gas. Indonesia has been belligerent with the Portugese colony of East Timor since 1975 and with the local Fretilin liberation movement.

Malaysia is a comparatively new market for United States arms and recently the United States has marketed F-5E Tiger-2 fighters and COIN weapons like 5-61 helicopters and V-150 commando armoured cars.

Thailand is another country that is rising in the ranks for American arms. It purchased since 1976, F-5E Tiger-2 fighters, AIM-9 Sidewinder air-to-air missiles, M-48 and M-60 tanks and armoured cars from the United States. It is expected that with the situation as it is in Indo-China the United States will in years to come look favourably upon the Thais.

AFRICA

In Africa the liberation wars in the Portugese colonies, fighting in the Horn of Africa over the Ogaden province, liberation movement conflicts in South Africa and Rhodesia (which also affected the front line states like Angola, Zambia and Mozambique), the West Saharan conflict and Libya's increasing interest in West Asia comprise the determinants for arms influx into this region. Besides, the growing awareness of the presence of strategic raw materials in the region also attracted the interest of the foreign powers in Africa. After the sixties the French and British monopoly of arms supply to African countries was broken by the USSR first which was later followed by the United States, as well. While the former concentrated upon Algeria, Libya, Angola (\$400 million worth of arms aid) Mozambique and Ethiopia (\$ one billion worth of weapons) the former took interest in Morocco, Tunisia, Kenya and Sudan. Thus Africa now accounts for 21 per cent of the total third world imports making it the second largest importing region in the third world.

Owing to the immense Libyan arms imports the entire region stands out as the third largest arms importer. Libya takes 65% of total imports to North Africa and is largely a Soviet customer importing weapons like SCUD missiles, MIG-23 fighters and T-72 tanks. Libyan weapons

have been largely used in support of other Muslim states in their fight against Israel. Idi Amin of Uganda is known to have received arms from Libya.

The 1970s saw a steadily increasing militarization of the Republic of South Africa. In spite of the United Nations embargo on supply of arms to the country South Africa has maintained substantial imports by various methods. Smuggling, 'civilian'¹⁹ imports and third party imports, are the tactics used by the South African government. Besides many private companies have 'privately' opened subsidiaries in the country and a few American and British ones have threatened to take a larger share of production to South Africa if the controls on exports are not eased. Owing to semi-private and industry contracts in the United States of America alone the South African army has reached the state of having one of the most advanced artilleries in the world - the GC-45 howitzer. Even Israel has supplied South Africa a lot of American arms. The C-130 Hercules transport aircraft that was brought from the United States for civilian purposes was finally used for airlifting troops.

19. Refers to import of goods that can be used for military as well as civilian operations e.g. engines, electronics. South Africa has about 500 Cesa light aircraft for border patrol that can all be deployed for warfare.

As Rhodesia, under Ian Smith the country faced an arms embargo but managed its supply from South Africa and through illegal trade. Rhodesia also obtained European arms.

President Nixon had blatantly stated that Zaire was 'a good investment' as did President Carter appreciate Zaire's commercial importance for America. The United States has supplied anti-personnel rockets and C-130 H Hercules aircraft to the country at many occasions.

Zambia is one of the Soviet customers though not exclusively. Among the import from USSR to Zambia were MIG fighters, tanks and armoured cars.

Latin America

Initially Latin American defence policies were largely dictated by the needs of the United States and therefore there was an emphasis on the internal security resulting in the demand mainly of counter-insurgency weapons. However the 1970s saw the Latin American countries acquiring a comparatively more independent policy posture resulting in the import of arms by the region from European countries. This situation in turn brought about some rethinking on the American side and the United States finally could secure its position by 1975-79 as the single largest supplier of arms to the region. The Soviet arms however remain absent in the region with the sole exception of Cuba.

Brazil can be strategically compared to India being a developing nation as well as a regionally dominant power. Therefore, like India, we see in Brazil a country that is diversifying its sources of arms though most of its arms have come from the United States with which it has had occasions of strain too; In 1977 alone Brazil purchased \$200 million worth of United States arms. ²⁰ The other substantial sources of ^{the} Brazilian arsenal have been France, Germany and Britain.

Before the United States put an embargo on supplying arms to Argentina the former was the chief supplier of arms to the latter. In fact just before the ban the Carter Government had authorized \$120 million in military hardware export to the country. Even inspite of the cut off 30 Argentinian army officers received United States training in 1979 and Argentina continues to get dual purpose goods like patrol cars and computers.

Chile is the third largest importer of arms in South America. During Allende's regime America gave arms to Chile under MAP grants as well as FMS sales but after him only commercial sales by private companies were allowed. Cancellation of FMS and MAP deliveries to Chile were compensated by the United States loans and investments in the country

20. SIPRI Yearbook, 1980, p. 115.

during Pinochets' times that enabled Chile to purchase \$ 12 million worth of ammunition before all loopholes were blocked by the United States Congress.

Cuba ~~as is~~ a well known ally of the Soviet Union, it is equipped with elaborate Soviet weapons like the MIG-27 and the very presence of innumerable Russian advisers is maintained there. Though it would not be possible to obtain accurate statistics on Cuban arms imports it would be feasible not to underestimate the foreign might there.

Virtually all arms in Nicaragua came from the United States. In the latter half of the 70s the United States aid to Nicaragua was doubled going ^{up} to the tune of \$5 dollars a year around 1975. However after the Somoza regime the United States halted supplies to Nicaragua.

To Gautamala, El-Salvador, Honduras and Haiti the United States is the more or less the sole supplier.

South Asia

In the arms-importing third world regions South Asia ranked third in the early seventies and sixth in the late seventies. The largest importer in the region is India followed by Pakistan. The other countries of the region import very marginally.

India

India's policy of arms acquisition has been governed by its security considerations arising out of threats at the subcontinent level (mainly Pakistan and China) and threats from radical uprisings within the country.

It was only after 1962 that India stepped up its defense modernization effort as a result of the 1962 Sino-Indian war and the increased threat perception from Pakistan. In the fifties India had acquired weapons largely from Britain. These weapons included spitfire and Tempest fighter aircrafts, Short Sealand, D.H. Vampire utility transports and Fairy Firefly and Canberra aircrafts. From France India acquired Ouragans²¹ and Dassault Mystere fighters and Chipmunk from Canada during the same period. In 1956 India signed the deal placing an order for assembly and licenced production of Gnot fighter aircraft. An agreement was also signed for the production of Avro-148 aircraft with Britain on 7th July 1959.

The Indian army purchased 30 Sherman tanks from the United States^{of} America in 1953 and British Humber and Daimlen AC vehicles were purchased between 1948 and 1951. Along with the ten-year programme of indigenization and gradual

21. The Times, 15 December 1953, India had first considered buying Meteors from Britain. The Owagans were probably financed by a United states subsidy. SIPRI, Arms Trade with the Third World (Sweden, Almqvist & Wiksell, 1971), p. 481. They were also probably cheaper as they were obsolescent in Europe.

development of the naval carrier task force ²² the Indian navy acquired 3 'R' class destroyers and 2 oilers from Britain in 1948-50. India purchased a fleet replenishment vessel from Italy in 1953. Another light cruiser was purchased from Britain in 1954 as well as two inshore mine sweepers in 1955.

It was only after 1959 that India realized the necessity of high altitude operation aircraft. It purchased MI-4 Hound helicopters, JI-14 transports and AN-12 heavy air-freighters from the Soviet Union in 1960-61. India also purchased Fairchild C-119G transport aircraft from the USA and ordered Sikorsky S-62 S in August 1960. In response to reports about Pakistan's acquisition of F-104 supersonic aircrafts India began negotiating with the Soviet Union for the MIG-21s and finally signed an agreement ²³ for their production in India.

For the army were purchased British Centurion heavy tanks and the French AMX-13 light tanks to counter Pakistan's M-41 Bulldog tanks. India further entered into the licenced production of Japanese Nissan Patrol Jeeps and one-ton ²⁴ trucks and West-German 3-ton trucks in 1959-61. In the Navy the emphasis was on anti-submarine and anti-aircraft

22. L.J. Kavic, India's Quest for Security (California: University of California, 1967), p. 117.

23. Kavic, n. 22, pp. 107-8.

24. Raju G.C. The Defence of India (MacMillan, 1975), p. 159.

frigates. From 1955-61 the air arm of the Naval fleet was developed and modernized. Vampire jet trainers and HT-2 jet trainers were added. In 1957, Hercules- light fleet carrier was purchased from the Royal Navy, 24 Sea Hawk MK-6 jet fighter bombers were ordered from Britain.

15 Brequet 1050 Alize turboprop aircraft in 1960 and 4²⁵ Alouette 3 helicopters in 1962 were ordered from France.

After the 1962 war was made the announcement of Anglo-American aid to India worth Rs. 57 crores meant for hardware for use vis-a-vis the Chinese threat. The split between Soviet Union and China in 1962 further strengthened the Indo-Soviet friendship the token of which came in the form of 6 MIGs in 1963 which the Soviet Union had earlier refused to convert into all-weather and night planes suitable for deployment at the Himalayan border.²⁶ In 1964 the USSR extended \$30 million loan to India for the purchase of fighters, helicopters and light tanks. India also received emergency aid from Canada, France and Australia - totalling \$10 million approximately²⁷ that included Caribou, Dakota, and Packet aircraft. In 1965 the same year, Y.B. Chavan, then Defence Minister visited USA to ensure American aid

25. Kavic, n. 2A, pp. 120-21.

26. Joshua and Gibert, Guns and Rubles (USA: American-Asian Educational Exchange, 1970), p. 23.

27. SIPRI, n. 27, p. 417.

for India's 5-year defence plan. The Americans assured India of \$ 10 mn for purchase of defence articles and services, assistance worth \$ 50 mn. for FY 1965 and \$ 50 mn credit for an artillery plant at Ambajhari. The British aid was estimated at 24.7 million pound sterling for 1962-63 to 1968-69.

As a result of the 1965 Indo-Pak war the USA and UK imposed embargoes on both the belligerent countries. The embargo was lifted in 1966-67 following India's import of Soviet arms like the MI-4 helicopters, SU-7 ground attack fighters and naval and torpedo boats. The USA then offered India \$ 17 mn for completing the air warning system in a bid to balance the growing Soviet influence. When the United States went to Pakistan's aid in 1970 it generated a lot of discussion in India. K. Subramanyam became one of the ardent advocates of rapid improvement of defence capability including the hastening of MIG-21 M project.²⁸

From 1971 onwards India realized that the United States could not be relied upon and that the Soviet Union was more viable in terms of reliance in the face of external threats. Therefore it also became necessary and urgent for India to get Soviet military support to neutralize possible

28. K. Subramanyam, "The US Arms to Pakistan in the context of Indo-US Relations" in Seminar on American Arms to Pakistan (New Delhi: IDSA, 1970) Part III.

Chinese or American intervention to aid their ally Pakistan. The result of this realization was the Indo-Soviet Treaty of 7th August 1971. Articles 8, 9 and 10 were significant provisions in the treaty (see appendix). Through the 1971 war and during the 1970s Indian arms acquisition in all categories has been primarily from the USSR (10% of the total). The terms have been either long term credits or on barter basis. However in recent years the Soviet Union has refused to accept barter agreements and asked for payment in dollars and India has once again started diversifying its arms purchase from other Western sources, such as the purchase of Jaguars from Great Britain in 1978 and the recent tentative intention of purchasing the Mirage-2000 from France. The military modernization plan is likely to cost India as much as \$ 14 billion (Rs. 12,600 crore) during this decade.

Pakistan

Pakistan has always had a limited domestic arms industry and an unlimited threat perception more or less entirely from India. It is in this light that one can understand that Pakistan's defence expenditure has continued to remain approximately 50% of the Government expenditure met from revenue.

During the 1950s Pakistan received large amounts of military aid from the US under the Mutual Defence Assistance Programme of 1954. Senator Saxby in his senate speech of October 12, 1970 estimated military assistance to Pakistan between 1954 and 1965 at \$ 2,000 million.²⁹

Estimates for 1956-60 suggest that Pakistan received approximately 70%-90% of \$517 mn. military assistance, stability aid \$ 387 mn. and \$ 309 mn of PL-480 assistance.³⁰

During its alliance with the West, Pakistan's emphasis was on building its air force. It received 120F-86s, 26 B-57 Canberras and 12 F-1045 along with Sidewinder air-to-air missiles. By 1963 Pakistan became completely dependent on the US for the supplies of spares, repair and maintenance. Similar was the case with the Army which received from America arms like the Patton tanks, heavy artillery and M-24, M-4, M-41 tanks. The Navy however continued to receive vessels from Britain but under MAP finance. The first United-States submarine was given on loan to Pakistan in 1964.

After the 1965 embargo and deterioration of its relation with America, Pakistan turned to China. Rapprochement with China was followed by the signing of the Air

29. Col. R. Rao, "Arms Supplies to Pak", in Seminar on American Arms to Pakistan (New Delhi, IDSA, 1970), p.2.

30. Arms A. Jordan Jr., Foreign Aid and the Defence of South East Asia (New York: Praeger, 1962). According to Selig Harrison MAP commitment was \$522 mn.

Transport Agreement on 29th August 1963. According to the Annual Report of the Defence Ministry 1969, Pakistan had received Chinese equipment which included 120 MIGs, two squads of II-28s, equipment for two infantry divisions, large number of vehicles, artillery pieces and spares for tanks and aircraft.³¹

Around the mid-sixties Pakistan's relationship improved with the USSR as well and the result was military aid from Soviet Union worth \$ 10 million³² as well as MI-6 helicopters, 150 T-54/55 and 20 PT-76 tanks, 130 mm artillery guns, spares for MIG aircrafts, ammunition and other miscellaneous stores.³³ Pakistan also acquired arms from Europe so as to overcome the problems created by the United States embargo of 1965. The French arms transactions included Mirage III, Alouette III aircraft, 3 submarines and missiles. 90 F-86 Sabre jet fighters were imported from West Germany via Iran, M-47 Patton tanks were acquired from Italy. Belgium supplied surplus F-104 aircraft to Pakistan. Turkey, Iran and Portugal also gave arms and ammunition (NATO equipment) to Pakistan and Saudi Arabia gave monetary aid. Finally, in 1970 the US made the "one time exception" and sold 300 M-113 Armoured fighting vehicles to Pakistan.

31. Hindustan Times (New Delhi), 8th April 1970

32. M. Ayub, "Soviet Arms Aid to Pakistan", E.P.W. (Bombay), 19 October 1968, pp. 1613-14.

33. SIPRI, n.27, p. 499.

It also sold to the latter ATM missiles and 100 Corsair bombers in 1977 to dissuade Pakistan from signing a deal with France for nuclear reactors.

Thus Pakistan was successful in diversifying its sources of military hardware towards the late seventies. However, its main suppliers are China and France. The United States and USSR have in the recent years supplied arms to Pakistan only as exception as in the case of LTVA-7 Corsair II Bombers, Hughes BGM-71 TOW, anti-tank missiles, tank recovery vehicles and 'gearing' destroyer from the United States in 1977 and SS-N-2 Styx, Osa-class missile boats and patrol boats from USSR in 1975.

Now however with the recent turn of events in Iran and Afghanistan America has done some re-thinking on Pakistan which is clearly evident in the former's offer of the most elaborate F-16 aircraft to the latter. Thus it would not be preposterous to state that if the \$3.2 billion (Rs.2880 crores) military aid package inclusive of the F-16s is approved by the United States Senate yet another arms race would be triggered off on the sub-continent.

The Soviet Union has been supplying military hardware to Afghanistan right from the early 1930s. Off and on Soviet weapons have been imported inspite of the erratic intentions of Afghans, as in 1946, to import American

weaponry. Soviet weapons to Afghanistan have included Mig-17s Yak-11s, II-28s, Mig-19s and MIG-21s as well as missiles and tanks. Anyhow all previous aid was dwarfed when the series of political events took place starting from Mr. Mohammed Tarakhi's coup in April 1978. Eversince heavy weaponry, like tanks, APCs, MI-24 helicopters, MIG-21s, artillery pieces including mortars and even troops have been made their way down south from the Soviet Union. Thus with the Afghan situation shaping as it is the aspiration of Shah Mahmud (The Afghan Prime Minister in 1946) that Afghanis-³⁴tan would no longer be used as a 'pathway to empire' seems to be diminishing.

Nepal's recent decision (1979) to set up an Air Force has attracted the U.S. (besides France, Britain and China) to provide the aircraft. As regards army supplies Nepal's traditional supplier has been India but in recent years the Soviet Union supplied small arms, anti-tank grenades and mines.

Chapter III

POLITICAL AND STRATEGIC FACTORS MOTIVATING THE SUPPLIERS

Having briefly summarized the quantum of arms trade, it now becomes feasible to deal with factors that motivate arms transactions. This chapter and the next however take up the reasons as to why suppliers (the super powers) supply arms to the Third World.

After the Second World War the United States and the USSR emerged clearly as the two strongest political and military powers. The rivalry between the two powers could be seen right from the beginning of the alliance of USSR and the Allies on the question of Germany, Soviet role in international politics, Eastern Europe followed by the Soviet-Czech alliance and subsequent Coup d'etat in February 1948 and finally the Soviet nuclear detonation of 1949. Thus what resulted was the 'Cold War', generating an arms race and a bipolar world order of power.

To America the issue was not merely one of capitalism versus Socialism but its a major concern was protecting Europe from falling prey to 'Stalinism' and according to A.Schlesinger, it was an issue between "democracy and Stalinism".

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1. Arthur Schlesinger, Dynamics of World Power: A Documentary History of United States Foreign Policy (1945-73) (N.Y.: Chelsea House Publishers in association with McGraw Hill Book Co., 1973).

The Cold War became even more entrenched as both superpowers got involved in conflicts in distant lands - perceiving relative differences as absolute, raising local issues to global level and further by introducing the element of morality and ideology. In actuality what existed was the struggle for power. Unfortunately even the under developed countries fell prey to the superpower rivalry. Besides the European theatre the points where the Cold War got aggravated happened to be in the under-developed regions.

When dealing with the political and strategic factor motivating the superpowers to supply arms to the third world it would be prudent to take the case of each superpower separately.

The case of the United States

Following the Potsdam Conference the hopes of future world peace were cast aside. George Kennan then postulated the United States foreign policy of containment of the Soviet expansive policies. He wrote in his "X'-article",

"... In these circumstances it is clear that the main element of any U.S. policy towards the Soviet Union must be that of long term, patient but firm and vigilant containment of Russian expansive tendencies --- by the adroit and vigilant application of counterforce at a series of constantly

shifting geographical and political points, corresponding to shifts and manoeuvres of Soviet policy" The American policy of containment of Soviet power necessitated the creation of a far flung system of military bases. Because a lot of strategically important area was in the third world many an underdeveloped world nations signed various treaties with the United States under the auspices of the latter's containment policy.

In the late fifties the United States policy under Eisenhower changed from "containment of communism" to "Massive Retaliation". This policy was characterized by continuation maintenance and, most importantly, extension of the military assistance programme. Under this policy the third world area that figured most conspicuously on the American arms aid charts was the periphery of China.

By the late 1950s, with the development of new and better delivery systems for nuclear weapons the 'Massive Retaliation' policy became obsolete. The objective during Kennedy's time was to combine "flexible response" with "assured destruction capability".³ The United States then

2. George Kennan under the pseudonym "X", "The Sources of Soviet Conduct", Foreign Affairs (N.Y.) vol. 25, July 1947, pp. 566-82.
3. Robert McNamara defined it as the strategic policy "to deter deliberate nuclear attack on the US or its allies. We do this by maintaining a highly reliable ability to inflict unacceptable damage upon any single aggressor or combination of aggressors at any time during the course of a strategic nuclear exchange, even after absorbing a surprise first strike ... We must possess an actual assured destruction capability, and that

(contd....)

tightened its strategic control over its allies. The strategy of flexible response led to the growth of conventional and counter-insurgency arms. The centre of cold war confrontation shifted from Europe to the developing countries and the most devastating demonstration of this new confrontation was in Vietnam.

The American policy in the years following 1969 remained unchanged and Nixon attempted to merely modify the Kennedy Johnson policy. In his report before the Congress he said: "The post-war order of international relations --. The configuration of power that emerged from the second world war -- is gone"⁴. Based on his understanding of

(last page f.n. contd.)

3. capability must also be credible". Cf. The Essence of Security (N.Y. Harper and Row, 1968), p. 52.
4. President Richard M. Nixon's report to the U.S. Congress, U.S. Foreign Policy for 70s; Building for Peace (Washington D.D. 1971). "Revolution and Technology of war, superpower parity; revitalization of war debilitated economies, social cohesion and political self-assurance of Western Europe and Japan; increasing number of newly independent nations; polycentrism of the Socialist Bloc into competing centres of power and ideology; and fluidity in international relations had contributed in changing the international scene from a bipolar to a multipolar world". Laird also added that the increasing Soviet military capability and deployment of its naval forces, the emerging Chinese nuclear threat, need to reduce the resources devoted to defense and maintenance of United States personnel, need to share defense burden with its allies must also be taken into account. M.H. Laird, Statement before the House Armed Services Committee on Fy 1972-76 Defense Programme and 1972 Defense Budget (Washington 1971).

international politics as "parity, multipolarity and (need for) reduced American drive",⁵ Nixon advocated a policy based on principles of strength, partnership and willingness to negotiate. He further emphasised the need of U.S. policy to preserve adequate strategic nuclear capability for deterrence. He stressed upon increasing self-reliance amongst the U.S.'s allies and upon counter-insurgency operations and intervention in local conflicts. However it may be noted that "Nixon and Kissinger both tended to regard arms selling as an extension of diplomacy, in the nineteenth century tradition, and neither had serious inhibitions about their means."⁶

The U.S. has from the Nixon period and through President Carter's time has maintained a balance with Soviet Union in Europe, Middle East and South East Asia. Where its interests are directly threatened the U.S. provides a shield for its allies - such as the guarantee of survival for Israel and protection of Japan. It maintains a presence in the Mediterranean and the Pacific. In the third world it maintains a special presence of influence in West and East Asia to prevent any changes in the military balance of the region which might jeopardize its strategic (and economic) interests. Since the coming

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5. Walter F. Hahn, "The Nixon Doctrine: Design and Dilemmas", Orbis, vol. 16, no. 2, Summer 1972, pp. 363-63.
 6. Anthony Sampson, The Arms Bazaar (New York, Bantam Books, 1978), p. 273.

of Reagan administration the U.S. policy seems to be once again hardening as regards the U.S. presence in foreign lands especially in terms of arms assistance and base facilities. Even the pretence of human rights considerations seems to be missing.

It was during the Second World War that the US launched its policy of transfer of arms under the lend-lease programme. Military assistance became a basic post war policy beginning with aid to Greece and Turkey, the NATO alliance with Europe, Iran and South East Asia, China, Philippines and Korea. Europe alone received 59-68 per cent of the total military aid between 1951 and 1958; thereafter its share declined.⁷

It was during the cold war period that the U.S.A. adopted the Military Assistance Programme (MAP). In fact till the early 60s the U.S. literally gave away weapons to the third world countries which had any importance in the American strategy. Upto 1970 the deliveries under MAP included 8,500 fighter aircrafts, 98 destroyers, 24 submarines, 20,000 tanks, 3000 howitzers, 5,000 105mm howitzers, 29,000 mortars, 7,000 machine guns and 81,000 sub-machine guns besides a formidable collection of missiles.

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7. Military Assistance Facts (Department of Defence, March 1964), Quoted in: Harold A. Hoary, United States Military Assistance: A Study of Policies and Practices (New York: Praeger, 1965), p. 76.

In 1954, attempts were made to reduce the grants assistance by the Congress. Thereafter, 30 per cent of the authorized funds were to be used in the form of loans. Aid to Europe was reduced and funds diverted to Vietnam, West Asia and Latin America. Gradually various types of programmes developed within the U.S. policy of arms transfer under the following legislations: Mutual Defence Assistance Act, 1949; Mutual Security Act 1951; Foreign Assistance Act 1961; Foreign Military Sales Act 1968; and International Security Assistance and Arms Export Control Act, 1976. The main objective of MAP is stated in the Foreign Assistance Act 1961; "... the intention (is) to promote the peace of the world and the foreign policy, security and general welfare of the United States by fostering an improved climate of political independence and individual liberty, improving the ability of friendly countries and international organizations to deter or, if necessary, defeat Communist or Communist supported aggression, facilitating arrangements for individual and collective security, assisting friendly countries to maintain internal security and creating an environment of security, and stability in the developing friendly countries essential to their more rapid social, economic and political progress".⁸ Now exactly how the altruistic the latter bit of the act about 'developing

8. Robert J. Wood, "Military Assistance and the Nixon Doctrine", Orbis, vol. 15, no. 1, Spring 1971, p. 251.

friendly countries' and their 'progress' is to be taken is another question. It is however a fact that often aid is given to those countries where the United States wishes to maintain base and overflight rights or to those countries which seem susceptible to Soviet pressure. The USA came to Turkey's aid and extended economic and military assistance to the tune of \$ 700 mn. each between 1947 and 1950.⁹ Turkey then became a party to NATO and the Western faction of the "Northern Tier". Similarly aid was extended to Iran, Iraq and Turkey when it was felt that they were the most likely to join an anti-USSR alliance system.¹⁰ Thereafter the United States encouraged the formation of the Baghdad Pact, without itself joining it. The SEATO, CENTO alliance countries of the Cold War period or else ~~the~~ Pakistan, West Asia or Latin America of today all bear testimony to the American intentions behind the various arms transactions. Had it not been for the aid in arms offered to many a country like Chile, the Philippines or Korea etc., the United States of America may not have been able to exercise a political influence over them at all. To meet the exigencies arising out of the reaction of various countries to the alliances the Eisenhower

9. G. Lenczowski, Middle East in World Affairs (New York: 1952), p. 149.

10. J.C. Campbell, Defence of the Middle East: Problems of American Policy (New York: Harper and Row, 1960), pp. 49-60.

doctrine was evolved. It emphasized the need to strengthen and assist the national independence and integrity of the free nations and to protect their territorial integrity, if requested, against overt arms aggression from any communist country. This allowed America to intervene in the affairs of West Asian countries and it allowed Saudi Arabia and Jordan to co-operate with the United States without any formal commitments. It was unfortunate for America that inspite of having lavishly supplied the most modern weaponry to Iran, events shaped in a way that it lost all its reconaissance and base facilities in a strategically important area.

According to an official, American statement, the political and strategic interests that are secured by arms aid can be summarized as:

To support diplomatic efforts to resolve major regional conflicts by maintaining local balance and enhancing our access and influences vis-a-vis the parties;

To influence the political orientation of nations which control strategic resources;

To help maintain regional balances among nations important to (the US) in order to avert war or political shifts away from (the US);

11. "President asks for authorization for US Economic Program and for Resolution on Communist Aggression in Middle East", Department of State Bulletin, Vol. 36(917), 21 January 1957, p. 86.

To enhance the quality and commonality of the capabilities of major allies participating with (the US) in joint defense arrangements;

To promote self sufficiency in deterrence and defense as a stabilizing factor in itself and as a means of reducing the level and automaticity of possible American involvement.

To strengthen the internal security and stability of the recipients (important to the USA);

To limit Soviet influence and maintain the balance in conventional arms;

To enhance (the US's) general access to and influence with governments and military elites whose political orientation counts for (the US) on global or regional issues;

To provide leverage and influence with individual governments on specific issues of immediate concern to (the US);

To secure base rights, overseas facilities, and transit rights to support the deployment and operations of (American) forces and intelligence systems.¹²

The Case of the Soviet Union

The overall foreign policy of the USSR, according to Leonid Brezhnev, "has always been and will be a class policy,

12. 95th U.S. Congress, Senate, Committee on Foreign Relations, Arms Transfer Policy (Washington 1977) pp. 11-12. These objectives are applicable to all developing countries except for restraints imposed upon Africa and Latin America.

a socialist policy in control and aim.¹³ Based on the Marxist-Leninist principles of proletarian internationalism and peaceful co-existence of the two social systems (capitalist and socialist), its chief task is to fight imperialism, to ensure favourable conditions for the development of socialism and communism; to strengthen the unity and solidarity of the socialist countries; to aid national liberation and revolutionary movements throughout the world and to cooperate with the developing countries. Since the two-camp theory did not recognize the complete independence of the developing countries, the Soviet Union initially extended aid only to the Socialist states and to those countries where anti-imperialist movements had emerged. Later, in the Khrushchev era, the Soviet policy became one of supporting all the newly independent countries irrespective of the class character of the ruling elite. This of course was an important change in the policy as henceforth the USSR could befriend any regime of the third world - which it greatly required in view of the Sino-Soviet split and its desire to continue as the leader of the Socialist world.¹⁴ The Soviet Union extended its influence in the Third World and developed friendly relations

13. L.I. Brezhnev, The Fifteenth Anniversary of the USSR, (A Report, (Moscow 1972), p. 41.

14. See, Lewis A. Frank, The Arms Trade in International Relations (New York: Praeger, 1969), p.84; SIPRI, Arms Trade with the Third World, Ch.4; Joshua and Gibert, Arms for the Third World (Baltimore: The John Hopkins Press, 1969), p. 34.

especially with the non-aligned states like Egypt, India, Indonesia and Burma. The global involvement of the Soviet Union increased in subsequent years and so did Soviet military transactions. The change was marked with Brezhnev taking over the leadership.

The development of Soviet arms transfer policies took place in the context of a reorientation of the overall foreign policy. The main concerns of the policy of arms transfer have been to undermine the influence of Western countries, to extend the area of Soviet influence, to have friendly relations with neighbouring states, to support national liberation movements and to control strategically important areas thereby curbing Western access to them. Another consideration may be the Soviet desire to maintain the position of the Soviet Union as the leader of the Socialist world and to meet the Chinese challenge to her position.

With the signing of ^{the} arms deal with Egypt in 1955, the Soviet Union and its allies broke the Western monopoly of weapons supply, particularly to the third world. ¹⁵ Arms assistance began in 1954 to Syria and Guatemala with the Soviet Union as the major donor, furnishing nearly 90% of the estimated aid by the Socialist blocs to the third world

15. George Thayer, The War Business (New York: Simon and Ghuster, 1969), p. 327.

16
between 1955 and 1965. Most arms transactions are carried out by the Soviet Union on loan or long term credit basis varying from 6 to 12 years period or more at a nominal rate of 2%-2.5% interest.¹⁷ Mostly the credits are repayable on soft terms in local currency or in exchange for commodity goods.

Contemporarily it is the pro-Soviet stand in international affairs and/or hostility to USA and China that determine largely as to how favoured the recipient country is to be. West Asia is an important area for the Russians not because the Russians want the oil but in order (i) to counter the Mediterranean flank of NATO, (2) to counter-balance the presence of the U.S. Sixth Fleet, (3) to control important oil reserve areas on which the West is heavily dependent. Moreover, the Russians have been against Zionism and favour the Arab cause thus pursuing the 'diplomacy of polarization'.¹⁸ While pursuing detente with Washington, Moscow made inroads into West Asia, winning over pro-US nations like Turkey.¹⁹ It was the desire of countries like

16. Joshua and Gibert, n. 14, p. 98.

17. SIPRI, n. 14, p. 183; Joshua and Gibert, n. 14, p. 104. Uri Ra'anani, The USSR Arms the Third World (Mass.Mit., 1969), Part I; G. Thayer, n. 15, p. 33.

18. J.C. Hurewitz, 'Origins of the Rivalry', in: Soviet American Rivalry in the Middle East (N.Y., Praeger, 1969), p. 1.

19. See J. Glassman, Arms for the Arabs: The Soviet Union and War in the Middle East (Baltimore: The John Hopkins University Press, 1975), ch. 6, p. 191.

Egypt to acquire arms from the Soviet bloc that largely facilitated the Soviet entry into the region. Russian arms like the Mig-21s and the T-54/55 tanks marked a qualitative change from the otherwise obsolete arms available from the U.S. for the third world. Soviet supplies to Egypt, Syria, Iraq and Algeria upgraded the strategic bombing capabilities of these countries. Later the Soviet Union supplied arms to Yemen via Egypt and signed defence agreements with Cyprus and Algeria.²⁰ In the 1970s the Russians supplied Egypt advance weaponry like 'Scud' missiles as well as combat troops. Finally, all this helped the Soviet Union to maintain its fleet in the Mediterranean and thus challenge the supremacy of the West there.

In the South and South-East Asia, Afghanistan, India and Indonesia have held considerable strategic importance for the Soviet Union. Thus in Afghanistan it maintained friendly government-to-government relations by using arms and related technical aid as a major diplomatic lever culminating in the overthrow of the Daoud regime in 1978, by a more pro-Soviet regime. With India, the USSR has maintained an extremely cordial relationship, particularly from 1955 onwards. Cooperation in the field of arms and defence industry has been one of the main features of Soviet policy regarding India. Sino-Soviet conflict has been an important

20. Joshua and Gibbert, n. 14, p. 96. SIPRI, n. 14, pp. 202-3.

factor in this policy. Indonesia got some economic and military aid from the Soviet Union in 1964 as the latter did not want to lose the former to China. However, after the fall of the Sukarno regime, Indonesia turned completely towards the West for aid.²¹ Furthermore, Cambodia received a substantial military aid package from the USSR in 1964 in the latter's bid to undermining Chinese influence in Cambodia and also to undercut American assistance. Vietnam received approximately \$ 25 mn. worth of aid from the USSR and China from 1956 to 1969.²² In Laos military aid was being pumped by the Soviet Union in its bid once again to compete with China for influence and to counter American support for pro-Western forces.

As regards Africa and Latin America, the Soviet strategic motives have been to gain port facilities, landing and overflight rights, to counter Chinese influence and to neutralize the western influence. In Africa the Soviet arms (largely small arms with the exception of MIG-17) have gone to Mali, Somalia and Nigeria. The major portion of Soviet aid to the region, however, has gone to national liberation movements, especially those with Marxist-Leninist ideological commitments, such as MPLA in Angola and PAIGO in

21. See, Joshua and Gibert, n. 14, Ch.4; SIPRI, n.14, p. 205.

22. US Department of State, Communist Governments and Developing Nations: Aid and Trade in 1967. Research Memorandum RSE- 120 (Washington: August 14, 1968), p. 3.

Guinea-Bissau. In Latin America the only notable recipient of Soviet military assistance is Cuba besides a few other countries which have benefited from only economic assistance from Russia. Cuba turned to Soviet Union following the deterioration in US-Cuban relations in 1959-60. By 1961 Cuba had received 75 MIGs, 250 Tanks, 100 Assault guns, 1000 anti-aircraft guns, 500 mortars, 2000 small arms and unspecified number of patrol vessels and torpedo boats,²³ and a large number of training personnel. Since Cuba had immense strategic value for USSR the Soviet leaders gave all they could to come as close to the Cuba as possible. However when Soviet Union tried to station its nuclear missiles there what resulted was a strong American reaction which is best known as the 'Cuban Missile Crisis'.

Out of the total 54 countries to which the Soviet Union supplies arms the major recipients are still the West Asian countries closely followed by South-East and South Asia. Arms transfers as political, strategic and diplomatic levers are likely to keep playing an important role in the Soviet foreign policy.

Whatever it be, arms aid as an instrument of foreign policy and diplomacy is used by America and Russia equally effectively, though, of course, more liberally by the latter

23. ~~STEPHEN~~ Stephen P. Gibert, "Wars of Liberation and Soviet Military Aid Policy", Orbis (Philadelphia), Vol.10, Fall 1966, p. 853.

as the former has to bother about economic considerations too. However when one considers strictly an ideological ground for any arms transfer, available facts prove that to be a flimsy one. Out of 54 countries acquiring arms from the USSR as much as 18 took American arms as well. The third world countries involved in these transactions have obviously a different set of priorities in the field of defence and the East-West ideological confrontation is not a very important factor.

Arms transfers have thus become a 'vital currency' in the yet non-military aspects of competition between the two superpowers and that makes one re-examine the relevance of Mao's famous dictum, '--- political power grows out of the barrel of a gun'. This then becomes an apt assertion of correlation between political influence and arms trade.

Chapter IV

ECONOMIC FACTORS MOTIVATING THE SUPPLIERS

Arms trade and aid have been important instruments of diplomacy -- instruments for the maintenance of influence and dominance of suppliers in the developing world. Economic gains accruing from such transfers have also been important considerations. In the case of the superpowers, however, direct economic gains have been secondary considerations, though of course from positions of political dominance economic benefits invariably flow. The various economic motivations can be discussed under the following headings.

Sustenance and Productivity

Since the defense industry is engaged in the production of weapons whose largest area of consumption is an actual war situation it is only too fair to question as to how the defense industries (producing mainly conventional arms) of the superpowers not only sustain but thrive in peacetime as well. The fitting answer to this query would be - the arms export. And since most developed countries produce most of their arms it is the underdeveloped countries that figure prominently in the import of arms. The third world not only provides good return on surplus weapons but also

1. It is the conventional military hardware that is the mainstay of the arms trade with the developing countries.

absorbs the obsolete arms at very profitable terms for the supplier. How sustenance was provided by a third world market is suitably exemplified by a situation created in America in the early 1970s when the Pentagon began cutting back on Vietnam war spending which resulted in tremendous unemployment. Some firms even predicted the closure of entire production lines. Nixon came up with his 'hard sell' plan to sell arms to the West Asian countries which became the saviour of a section of the U.S. arms industry.²

Yet another facet of sustenance of the arms industry is Research and Development it carries out not only for the export market but for improving the domestic defence capability as well. There are instances where R and D is not only financially facilitated by profits from arms exports but directly financed by an underdeveloped nation. Israel financed the development of the MD-660 medium ballister rocket, South Africa contributed for the development of 'Crotale' anti-aircraft missile. Iran provided (as mentioned earlier) \$ 200 million to 'Grumman', the U.S. Corporation, for developing and producing the F-14A air superiority fighter. Iran also financed the development of Bell 214 helicopters.

2. The Grumman Corporation in New York, in an acute financial crisis was actually financed by Iran in the development of the F-14 Tomcat aircraft. See, Anthony Sampson, The Arms Bazaar, (New York: Bantam Books, 1978) pp. 280-9.

According to a 1976 study conducted by the U.S. Congressional Budget Office, U.S. Arms exports of \$8 billion per year would produce savings of \$560 million in production outlays largely through recoupment of R & D expenses. Most of the R & D expenses are generally on projects that have not reached production stage. If this expenditure is 30% then a country exporting 20% of its produce would recover 14% of total R & D expenses and 30% export would help to realize 21% of R & D expenses. Besides it is interesting to note that third world countries have now become a testing ground for 'hot off the design table' weapons. The Americans tested many a weapons in Vietnam as the Russians are doing with their new combat helicopter by deploying it against the Afghan insurgents. During the second Arab-Israel war both Soviet and French arms were put to test. The French Dassault Mystere on the Israeli side destroyed a 100 MIG-15 fighters on the Egyptian side.³ Dassault advertised this achievement of theirs throughout the world for their sales promotion drive.

Another factor related to R & D is the fact that long production runs permit the benefits of 'learning'. (see Fig. 6 in appendix). This refers to the fact that increasing familiarity, specialization and efficiency, reduced wastage of materials and great utilization of plant

3. See, Anthony Sampson, n.2, pp. 192-3.

and machinery -- the overall experience -- results in the reduction of unit cost by a certain percentage, for increase in the number of units produced within a given sector.

Thus a well-maintained arms industry is more of an asset to an economy than other industries when it comes to the export aspect. This is more so because arms-trade is one which is impervious to short term fluctuations of the markets. The development of the industrial bases of the third world is an entirely foreseeable phenomenon and thus countries supplying to the third world need not be wary of sudden eventualities in the trade.

The Profit Factor

It was Dwight D. Eisenhower who rightly and ~~admittedly~~ said, "Under the spur of profit potential powerful lobbies spring up to argue for even larger munitions expenditures. And the web of special interest grows"⁵. Military hardware business is one that extracts a 400% profit incentive. When weapons are exported there comes into being a long-drawn liasion between the supplier and the recipient. This is because now whole weapons systems are transferred. This may entail the transaction of maintenance infrastructure with a perpetual sale of spares and at times even the

5. D.D. Eisenhower in "Waging Peace", (New York, Doubleday; 1965) p. 615. Quoted in Anthony Sampson, n.2, p.95.

technical aid in terms of technicians who have to familiarize the recipients with the weapons they bring. All this, therefore, adds an enormous expenditure for the recipient and for the supplier is a profit like no other. When, for instance, Iran imported the phenomenal weaponry from the United States, it also incurred expenses upon the huge entourage of American advisers besides the expenses on the exorbitant maintenance 'infrastructure'. Similar is the case with various other West Asian countries where the presence of an 'army' of American or Soviet advisers is not an uncommon feature any more. Moreover the presence of advisers or technical staff further aids and abets the prevalent ideas of the ruling elite in the former's favour and thus serves a diplomatic purpose as well.

As regards the United States another indirect effect is in the form of advance payments under Foreign Military Sales policy (FMS) by the buyers. The excess of such payments of 'floats' reduces need for borrowing from the Treasury which benefits \$250-300 million a year on savings on interest payments on debts. Therefore for a decline in 'float' of \$1 billion the interest expenses of Treasury increase by \$50 million a year.

Balance of Payments

Foreign military sales are considered an important tool for improving international balance of payments position. Weapons systems have their 'intrinsic value' and 'high conversion ratio'.⁶ Methods evolved to meet the deficits include joint ventures, cooperation in R & D, use of available supplies and facilities in recipient country and logistic cooperation.

As early as 1960s Robert McNamara was stated to have said about promoting foreign Military Sales Program.⁷ The principal objectives of this FMS program are:

"1. To further the practice of cooperative logistics and standardization with our allies by integrating our supply systems to maximum extent feasible and by helping to limit proliferation of different types of equipment.

2. To reduce cost to both our allies and ourselves of equipping our collective forces by avoiding unnecessary and costly duplicative development programs and by realizing the economic possibility for larger production runs.

3. To offset, at least partially, the unfavourable payments impact of our deployment abroad in the interest of collective defense".

6. That is, arms represent greater earning power than other export goods. M. Pearton & J. Stanley, The International Trade in Arms (London: Chatto & Windus, 1972) p. 124.

7. SIPRI, The Arms Trade with the Third World (Stockholm: Almqvist and Wiksell, 1971), pp. 170-71.

In 1960 when there occurred the American foreign exchange crisis the government decided to correct the balance partly by cuts in spending and partly lay increasing arms sales abroad thus cutting down supplies under MAP and promoting outright sales. Following the price hike, the oil revenues of the OPEC countries had increased to \$89.1 billion in 1974. Of that only 50% was used for internal development and the rest, if unloaded on the money market, had the potential of causing a great financial crisis. Thus the United States policy makers were faced with the task of finding a way wherein the Arabs could spend their petrodollars without taking control of the American economy. What was said by an American policy maker is self explanatory the quickest way to recycle oil money was to sell arms in exchange than having the surplus oil money "slashing around the short term capital markets of the world." The ideal answer to this problem turned out to be arms export. Therefore it was decided to step up sale of arms to reduce balance of payments position. The result was that arms sales went up from \$1.3 billion a year in 1970-71 to \$4 billion in 1972-73 to \$ 10 billion in 1974-75.

8. See H.A. Hovey, United States Military Assistance, (New-York: Praeger, 1965), p. 30.
9. Stanley Katz (Assistant for Economic Policy and Research) writing in National Defence, May/June 1976, quoted in Anthony Sampson, n. 2, p. 274.
10. Michael T. Klare, "The Political Economy of Arms Sale" Bulletin of Atomic Scientist, November 1976, pp. 11-18.

The other aspect that may be discussed under balance of payments is that of exchange of raw materials with arms between a developed supplier and underdeveloped recipient. In this case, the transaction has to take place with advantage for the supplier as is evident when the Afro-Asian countries supply (in exchange for arms) tropical or sub-tropical to produce to the Soviet Union and in the bargain they loose a lot of hard currency that they could have gained from the Western markets. Besides, the recipients annual produce is that tied up for years to pay for arms. The USSR also insists on evaluating the prices of commodities at depressed world prices and expects annual re-adjustments to be made. In case of bankruptcy, it expects to be paid¹¹ the rest of the amount in convertible currency or produce. What is worse is that in case the Soviet Union decides to re-sell that product the former becomes a competitor to those handicapped nations.

Employment Factor

The employment offered by the arms industry or the entire 'Military Industrial Complex' is of no non-serious proportion. In the United States of America this fact became conspicuous when in 1970 Pentagon cut down on Vietnam war expenses and employment in the aero-space industry,

11. Uri Ra'anan, The USSR Arms and the Third World, (Mass: MIT, 1969), Part I, pp. 329-331.

dropped from 1.5 million to 900,000. It is worth noting that for every \$ 1 billion worth of military hardware exported 40-70,000 jobs are created and \$ 2 billion added to the GNP of the country. When from 1955 onwards the defence industries moved from Michigan to California unemployment in Michigan from 1957 to 1958¹² rose from 5 per cent of the labour force to 10 per cent. However, the effects of employment factor would be felt greater for the skilled and technical jobs in this sector of industry.

The importance of economic factors motivating the supplier can be further assessed by using the facts available for the United States of America. A study was undertaken by the Treasury department of the United States to assess the effects of restraints in arms transfers on the United States economy. The two alternative assumptions used in projecting the adverse effects of arms restraints were:

(a) "That additional inflows of liquid funds will exactly match the said deterioration of the balance on current and long term capital account, thus preventing the dollar from depreciating;

(b) That no additional inflow of liquid funds will take place, thus forcing the exchange rate of the dollar down by the amount necessary to equilibrate the current and long-term capital account."

12. See, J. Stanley and M. Pearton, The International Trade in Arms (London: Chatto and Windus, 1972), pp.132-6.

13. 95th US Congress, Senate, Committee on Foreign Relations, Arms Transfer Policy (Washington D.C. GPO, 1977) 1st Session, July 1977, pp. 11-12.

Moreover, no account was taken of diversion ~~the~~ of funds for high technology civilian goods from military technology, or of purchase of such goods by potential recipients from their unspent funds for buying U.S. made arms.

The 40% dollar value of military sales was accounted for the aircrafts and missiles in 1976, This alongwith construction and technical assistance accounts for two thirds of total value of defence goods and services.

Thus besides various economic benefits accruing to them, arms transfers allow the domestic industry to maintain and expand the on-going production base. Long run production also allows the availability of weapons at a short notice to meet domestic requirements. Therefore a control on arms trade would reduce the economic gains for the supplier.

But whether some or all these facts discussed apply to the Soviet Union is a difficult question to answer. Lack of adequate data on USSR makes it difficult to come to conclusions about its profits. There is, however, little doubt about arms trade generating economic and technological benefits for the Soviet Union. Despite the fact that most Soviet arms transactions are made on barter or long term credit basis many agreements have also entailed cash payments or credit payments with interest. Thus it can be concluded that both superpowers are motivated by economic considerations also in arms transactions no matter what precedence the other considerations might have comparatively.

Chapter V

THE CASE OF THE RECIPIENT

Though in an arms transaction it is the supplier who plays the more important role it is nevertheless the recipient who provides the market for consumption. In the recent decades it is the third world nations who have had the misfortune of nearly saturating the buyer's ranks in the world market for weapons.

From 1963 upto 1973 the developing countries military expenditure rose from \$ 12.3 billion to \$30.5 billion out of which imports alone rose from \$ 1135 million to \$ 3769 million - a nearly three-fold rise. An exemplary case is of Iran whose weapons bill saw an increase of an alarming 800%¹ from 1953 to 1977. Considering the fact that out of the \$ 400 billion world arms trade volume the third world accounts for \$ 300 billion it becomes relevant to examine the question as to why the developing world needs the weapons which it inevitably imports from the industrialized countries.

In the case of the underdeveloped recipients the motivations (for arms acquisition) arise largely out of situations and circumstances that have already been created by the larger world order as it existed in the early post-colonial and post-war days and also as it exists today.

1. Based on R.L. Sivard, World Military and Social Expenditures 1977 (Virginia: WMSE Pub., 1977).

More often than not, it is hardly a matter of options for the less developed countries when they decide to acquire arms; in fact in most situations it is a compulsion. The various factors which necessitate import of arms are summarised below.

Lack of Industrial base

The distinguishing feature of the Third World is its weak technological foundations. This handicap, itself the result of a long process of historical evolution, has resulted in a vicious circle of underemployment. A weak industrial base leads to technological and political dependence and this, in turn, further erodes whatever technological and industrial capability that exists in a developing country. This weakness is dramatised in the sphere of defence. Since the contemporary defense equipment required by a country to meet its various security needs entails a capital-intensive technology and a firm industrial base, an underdeveloped country obviously has to depend on an industrialized supplier for the military hardware it needs.

It is a fact that some third world countries, like India, Brazil etc., have acquired a rudimentary industrial capacity for the manufacture of arms but it cannot be denied that they are still heavily dependent upon imports. In spite of having facilities for the licensed production of

aircrafts like the MIG-21 India had to go in for the import of the Jaguar DPSA aircraft to meet the contemporary strategic requirements. Even before the acquisition of the Jaguar is complete the country feels the need of going in for the Mirage 2000 in order to keep up with the further strategic requirements in the subcontinent. The reason as to why industrial development in the third world is retarded can largely be explained in what follows.

Colonialism and the patterns of its retreat

The post-war period saw the decolonization of the empires in Africa and Asia. Colonization was characterized by the retarded development of the various colonies owing to the exploitative policies of colonial masters. In order to keep the balance of trade in their favour the imperial policies discouraged particularly the overall industrialization in their colonies which were largely used as markets for finished products and for procurement of raw materials. Thus on gaining freedom from the colonial chains the newly independent countries discovered that they would have to remain dependent on their former rulers, or other developed nations, in various ways. One of the areas of dependence was that of heavy industrial goods including arms. Moreover, just as the politico-administrative structure was left behind

intact so were the defense establishments, as colonial legacies. This dependence on the West then continues the link between developing countries and the West.

A peculiar feature of these armies is that in the colonies they came to acquire more awareness and an elite character that gave them an edge over the neglected civilian section of society. Besides, "armies, after all, were needed as reliable instruments against internal discontent"² by the ruling elite. These now are the important reasons why armies have come to play an important political role in many developing politics. Whenever the defense services are playing dominant political role, there seems to be (for various reasons)³ an undue emphasis on the defense development programmes resulting in an extravagant arms import. Besides an unproportional representation of various groups and regions and lack of any officer corps the other colonial legacy was antagonism between armed forces and post-independence civil elite -- yet another cause for civil strife resulting in coup-de-etat and insecurity problems for the ruling elite who willy-nilly had to depend upon foreign military aid.

Even when the British troops were replaced by Arab troops in Kuwait the country continued to purchase military

2. Ruth First, The Barrel of a Gun (London: Allen Lane, The Penguin Press, 1970), p. 77.
3. One of the chief reasons is repression and counter-insurgency that is dealt with later in the chapter.

hardware from Britain. Most ex-French colonies still show a great deal of dependence on France for supply of arms just as India and Pakistan relied upon Britain for arms supplies immediately after independence and right until 1954-55. Indonesia had received aid from United States of America and UK during its liberation struggle and after independence⁴ it continued receiving assistance from the United States. After the World War II, North Korea depended entirely upon the Soviet Union for arms. After the Korean War, China too aided North Korea and while South Korea became one of the US "forward defense areas", a United States military mission was stationed even after the withdrawal of the United States troops in 1948. The Korean forces were equipped with left-over world war II stocks. In 1951 Laos was still a member of the French Union and the ex-rulers continued to control the armed forces. France provided even the instructors to train the army and set up an aviation unit and provided equipment in 1955.

Another legacy of the colonial rule was the one caused by circumstances following the former's retreat. At many a place vacated by the metropolis there was left regional instability and conflict caused due to new-found independence after centuries of foreign rule. Israel is a legacy of colonial-imperial relations and domination of

4. SIPRI, The Arms Trade with the Third World (Sweden: Almqvist & Wiksell, 1971), p. 462.

the British in West Asia. The creation of a zionist state, Israel turned West Asia into a cockpit of world politics. The protracted Arab-Israeli confrontation has led to a series of wars and a never-ending crisis which has consolidated a lucrative arms trade in the region.

When the British left the Indian sub-continent what came into being was the partition of the region and formation of a state on the basis of religion - all because before independence the British could divide their subjects, by encouraging communal rivalries, without weakening the unity of their empire. The antagonistic attitude of the Muslim League and the Indian National Congress later took the shape of hostility and suspicion at governmental level in the newly independent countries. Thus the problem of identity, the need to make Pakistan a viable state and its fear of India have shaped its relations with India ever since. Consequently India and Pakistan have fought three wars since 1947, their problems continue to remain linked to their historical inheritance thus enhancing their security needs and the resulting need for arms import.⁵

Nationalism

The national liberation movements of the third world countries were a major factor in the retreat of colonial empires. The process of nation-building still requires a fairly widespread mass upsurge. The repercussions of this phase of nationalism have a bearing on relations between neighbouring countries.

5. The dynamics of the Indo-Pak arms race have been pointed out in Chapter I.

A very common sentiment (a component of Nationalism) amongst people of a newly independent country is the one that brings them together within one free nation. Since the memories of the colonial past are still fresh in such societies there is a strong sense of aversion for any possibility of loosing the new found independence again. Thus the security factor is over emphasized and what results is a close relationship between militarization and nationalism under the auspices of which many third world countries have embarked upon a rapid and exorbitant programme for boosting their defense capabilities.

As has been mentioned - the rapid militarization in many West Asian countries was a result of the Arab nationalism. Similarly the Indonesian army symbolises nationalism. Its three winged defense forces were well developed at the time of independence - in fact the Indonesian army actively participated in the country's liberation struggle. Consequently after independence Indonesia set out on heavy defence development and training plans thus taking aid from a few industrialized countries.

6. Guy J. Parker, "The Role of Military in Indonesia", in J.J. Johnson, ed., The Role of the Military in Underdeveloped Countries (New Jersey: Princeton University Press, 1962), p. 365.

Global and Regional Tensions

The other important factors influencing the inflow of arms into a country are, its perception of threat and its involvement in an actual local conflict situation.

After the World War II there were two developments that occurred simultaneously -- the emergence of a number of free third world states and -- the formation of a bipolar world order and the cold war causing the need for the superpowers to increase their areas of influence. It was a very simple equation -- America and Russia wanted friendly regimes in the strategically important third world nations and the latter required economic assistance to build up their economies besides political and military support to acquire better bargaining positions vis-a-vis their neighbours. This then resulted in the military-strategic alliances of the superpowers like the SEATO, CENTO etc. Consequently countries like Iran and Pakistan found themselves caught up in global tensions and super power rivalry that in actuality had no direct relevance for them initially but when such acquisition of arms exacerbated endemic rivalries what resulted was a chain reaction or the "contagion effect"⁷ generating a local arms race. This keeps "alive the anachronistic idea that wars are inevitable"⁸. Therefore,

7. The term has been used by J.L. Weaver in "Arms Transfers to Latin America: A Note on the Contagion Effect", Journal of Peace Research (Oslo) vol. II, 1974, pp. 213-219.
8. Philip Noel Baker, The Arms Race (London: Atlantic Book Publishing Co. Ltd., 1956), p. 74.

the desire to maintain military balance and to achieve the capability of limiting damage in event of war leads to competitive arms build up.⁹ This is also how the Domino Theory explains the action-reaction syndrome of arms acquisition.

Thus when America aids Pakistan to contain the growing Soviet influence in the region India feels threatened by the capability of weapons like the F-16 aircraft (a part of the proposed aid). It would not be unlikely that in a short course of time India might acquire the Mirage-2000 aircraft (from France) for its growing security needs. Therefore the consequences of the superpower rivalry in the region affect the developing countries of Afghanistan, Pakistan and India to the extent where they are victimized so as to divert enormous funds from developmental purposes to wasteful military expenditure. For countries like Afghanistan and Pakistan their military expenditure is more or less entirely upon import of arms - benefitting the superpowers economically and politically.

9. See, Collin S. Gray, "The Arms Race Phenomenon", World Politics (Princeton, New Jersey), Vol. 24, no. 1, Oct. 1971, pp. 39-79; Collin S. Gray, "The Urge to Compete Rationales for Arms Racing", World Politics, vol. 26, no. 2, January 1974, pp. 207-233; Lewis F. Richardson, Arms and Insecurity (Chicago, Quadrangle books, 1960). He begins with the assumption that hostility, ambition and grievances and fear of military insecurity lead to increase in the armaments of a country.

In terms of regional tensions what may be considered are actual local conflicts. Two (or more) countries in a region may be at war owing to some clash in their national interests or aspirations. Whatever the actual cause is the fact remains that a war provides the supplier country(s) with an excellent selling point for weaponry since in a war there is a drastic consumption of arms and ammunition and constant need for more. In such circumstances the belligerent countries do not hesitate in replenishing their military hardware stocks at any cost since lack of that would result in loss of prestige too besides the larger economic and political losses. When the Arab countries face a mere threat of war their first priority becomes the strengthening of military forces which entails an exorbitant and a disproportionate defense budget.

Counter-Insurgency and Repression

Last but not the least is the counter-insurgency motive for the acquisition of arms by the third world countries. And as has been correctly pointed out --- "The focus is no longer on collective defense and deterrence of external attacks but has increasingly concentrated on internal control in the third world countries. At the beginning of the 60s there was an assumption that this had to a large extent to be called out through direct military intervention. Towards the end of the decade

there was a change of emphasis towards strengthening the capacity of the police and military of the third world for local control by their own forces, but with the equipment and training from outside"¹⁰. And since the third world's is a society in transition and its civil institutions are inadequately developed to meet the various stresses and strains within more of an emphasis is given to the military-police sector. There have emerged primarily two kinds of counter-insurgency patterns in such countries.

A) When there is a lack of popularly elected government and power is in the hands of a dictator or despot. In such situation the ruling elite becomes very intolerant of democratic institutions and popular organizations like political parties, unions, leagues etc. Political activity is restrained which results in the militarization of public institutions and/or 'garrison state' which in turn relies on state-sanctioned violence or its threat to compel obedience to government decrees.¹¹ In such cases it becomes easier for outside powers to exercise control over a country.

10. Asbjorn Eide, 'Transfer of Arms to Third World and their Internal Uses', International Social Science Journal, vol. II, 1976, p. 310.

11. See, Abraham S. Loventhal, ed., Armies and Politics in Latin America, (New York, Holmes and Mier, 1976).

This is because the ruling elite wants to remain in power in the face of popular revolt and the only way out for the former is to acquire as much foreign assistance as possible. Thus between the rulers and the outside power it becomes a reciprocal relationship of interests. The results of such a liason are puppet regimes and the subversion of the larger national interests leading to large-scale repression as can be read in between the lines of a statement of the Pentagon's Chief Military Aid Administrator in 1970. The underlying rationale behind U.S. assistance for the third world is to help. "... maintain military and paramilitary forces capable of providing (along) with the police forces internal security essential to orderly political, social and economic development"¹². Under the auspices of such a policy perception when counter-insurgency (or COIN) weaponry is given to either the Shah of Iran, the Nicaraguan National Guard and the Philippines Constabulary by America or modern arms technology is made available to the colonial army in Algeria by the French, arms trade becomes an outright instrument of repression. When the South African forces entered Angola in a bid to maintain the white supremacy in 1975 they had with them the AMX-13 light tanks as well as the American M-41 Walker Bulldog tanks. The South African army is organized into 9 territorial

12. Gen. R. W. Warren in U.S. Congress House Committee on Appropriations 1971, Hearings, 91st Congress, 2nd Session, 1970, Part I, p. 389.

commands which have considerable autonomy in the conduct of repressive operations. Most of the weapons used by the army are either French or British made.¹³ It would be alarming to note that America has provided COIN weapons to the underdeveloped countries under as many as five different aid plans - a) Military Aid Programme (b) Foreign Military Sales (c) IMET, International Military Education and Training Programme (d) PSP, Public Safety Programme and (e) INC, International Narcotics Control. However in his tenure President Carter did curtail export of police hardware to countries with repressive regimes like Nicaragua, Uruguay and Paraguay but recently again there has been some rethinking by the Reagan administration in the estimation of which the national security perspective by American Alliance system far outweighs human rights considerations.

B) The second dimension of import of weapons owing to internal factors is when weapons are acquired by the insurgents. This factor comes more into play when considering the Soviet aid to the many national liberation

13. Asbjorn Eide, "South Africa: Repression and the Transfer of Arms and Arms Technology", in Mary Kaldor and Asbjorn Eide, ed., The World Military Order: The Impact of Military Technology on the Third World (The MacMillan Press, London, 1969), pp. 190-92.

movements. The Soviet Union, in keeping with one of the cornerstones of its aims and policy, has supplied substantial amount of military hardware to insurgent groups like the MPLA in Angola and PAIGC in Guinea-Bissau. During the Algerian liberation war the liberation army imported weapons financed by the Arab countries. By 1958 even the East European countries agreed to supply arms to the liberationists.¹⁴ In Afghanistan the Soviet Union maintains a puppet regime supplied with the most elaborate weaponry and the Americans are pumping arms from the bottom to the Afghan rebels determined to fight the Marxist regime. This then is a case of insurgency and counter-insurgency both being aided by arms from the superpowers.

So far an attempt has been made to consider the motivation of the recipients in this chapter and those of the supplier in the last chapter. This study has attempted to consider and analyse the various factors separately in isolation from each other. In reality however the reasons as to why the arms transactions are carried out between the superpowers and the underdeveloped countries may apply more than one at a time and ^{maybe} interlinked in many combinations in supplier-recipient relationships. For

14. Hartmut Elsenhans, "Counter-Insurgency: the French War in Algeria", in: Mary Kaldor and Asbjorn Eide, ed., n. 13, p. 114.

instance for America as the supplier it is more often that political and economic motives are interlinked (especially in their supply to the West Asian countries). Amongst buyers Iran's was a case (during the Shah's rule) where all the motivations (dealt with above) applied in its policy of arms import. Thus it would be prudent to understand the motivational factors in a broader spectrum rather than pinpoint specific 'country-motivation' relationships.

Chapter VI

THE AFTER-EFFECTS

A case has been made out for the supplier of arms. Another case has been put forth to justify the import of weapons. But when one sets out to examine the consequences of arms transfers it would be preposterous to evolve a justification.

Arms Trade between industrialized countries and underdeveloped nations has consistently increased ever since the post war period. The stage has now come where both the parties have become extremely dependent upon such transfers. The relationship of the two has become an established manufacturer and consumer liason wherein it becomes natural for the producer (in his best interests) to improve and enlarge the consumption of his product. Thus his efforts are largely employed (a) in the sustenance of his production base and (b) the enlargement of the market. If this very simple logic of the market is applied to the international trade in arms a clear picture emerges as to why the U.S.A. and the Soviet Union would like to pursue their supply of arms to the third world. Political or economic, the benefits are immense for the supplier in these transactions as has been elaborately discussed in Chapter II. There is however a reciprocal relationship of augmentation in this trade. When the supplier creates a bigger demand he has to augment his production capability

too and therefore improvement in the market results in improvement of production which again demands the former thus setting a chain effect causing increased dependence for the produce and consumer on the trade in what may be called a symbiotic relationship.

Consequently the priorities of the developing nations are reversed and what they need to import for development and industrial purposes is replaced by import of military hardware and technology. Many developing states' military imports account for as much as one third (Turkey in 1969) of the total imports¹ (Korea in 1965, Egypt in 1969) ² In the mid-sixties under President Sukarno Indonesia was spending over seventy-five per cent of its budget on arms - an example of 'an underdeveloped country pre-occupied with a military build-up that is out of proportion to its economic resources. Even some of the oil-rich nations that have oil as the major weapon to offset balance of payments have been in a difficult situation owing to military imports. Iran, inspite of considerable revenue from oil exports could not balance its external account in 1976. For countries with meagre financial resources, balance-of-payment problem causes

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1. Peter Lock and Herbert Wulf, "The Economic Consequences of the Transfer of Military Oriented Technology", in Mary Kaldor and Asbjorn Eide, ed., The World Military Order: The Impact of Military Technology on the Third World (The MacMillan Press, London, 1979), p. 213.
 2. SIPRI, The Arms Trade and the Third World (Stockholm: Almqvist and Wiksell, 1971), p. 461.

severe slumps in income and exports which could clear the debt that further causes long term effects of balance of payment. Thus totally the non-oil exporting countries' external debt has risen by \$ 30 billion in the period between 1974-77 while the total investment in arms was only \$13 billion. Another reason for this is because, as mentioned earlier, with heavy military goods like aircraft and tanks whole maintenance systems and technologies have to be imported. For long periods the presence of foreign engineers and other specialists is required. The import of spares is another problem- According to American estimates it takes 70,000 spare parts to keep a squadron of F-4 Phantoms operational under war conditions.³ The introduction of a new aircraft into a developing country further entails construction of additional airports, extension of runways and improvement of navigation and control systems.

Therefore the total costs of importing military hardware in actuality far overshoots the mere list price of weapons. The overall consequence is a debilitating effect on the import capability of a poor nation. Besides other scarce factors of production like labour, modern infrastructure and power are absorbed into military activity

3. Michael T. Kåare, "Hoist with Our Own Pahlavi", The Nation, Jan. 1976, Quoted in Mary Kaldor and Abbjorn Eide, ed., n. 1, p. 214.

infrastructure and power are absorbed into military activity generated by import of elaborate hardware. If after all this further production was to be indigenous the expenses could have been bearable but unfortunately for the third world recipient, by the time it has completely indigenized the production of a certain range of weapons they become obsolete because technological advances in the developed countries completely outpace the progress in the underdeveloped world.

The import of military technology as a sine-qua-non of importing weapons systems disturbs other traditional sectors of a developing economy causing an imbalance. One of these sectors is subsistence agriculture. Military production installations serve as an incentive to modern capital-intensive technologies, that encroach upon the priority given to agro-industries and agriculture. Instead of industrialization from within and in course of development there is, as a result of militarization, a super-imposed industrialization that results in lopsided development.

How military purposes can interfere with the infrastructure is best illustrated by the penetration of Mekong Delta by a network of military roads during the Vietnam war. The roads adversely affected the canal systems which owing to lack of competition became useless for transportation.

In countries where there is scarcity of land, like in Singapore,⁴ improvement of military arsenals and establishments, owing to imports, causes dislocation of the population as well as pre-empts civilian sector priorities.

In the South East Asian countries there was a remarkable influx of American military establishments during the Vietnam war. The extravagant military spending by the Americans there led to high growth rates in the economy. It has been aptly pointed out that:

The 'war and base' boom altered the structure of demand, leading to a 'biased' expansion of the secondary sector, particularly construction and maintenance, and to a virtual explosion in tertiary sector, including entertainment. The inability of the parasitic services in the tertiary sector to support themselves in the long run became obvious in Thailand after the withdrawal of American troops. (5)

The other dimension of the booming arms business is employment. The effects of militarization, negative and positive, upon employment have been earlier pointed out. It is however a fact that in underdeveloped economies where labour-intensive technologies are required, capital-intensive

4. Singapore troops are trained in Taiwan since 10% of the available place occupied by the army is not sufficient to meet the space requirements for training.
5. Peter Lock and Hubert Wulf, "The Economic Consequences of the Transfer of Military-oriented Technology", in: Mary Kaldor and Asbjorn Eide (ed.), n. 1, p. 225.

technologies (like military technology) are likely to be detrimental. When in an underdeveloped country there is an influx of arms and related technology from abroad there seems to be a likelihood of vast employment opportunities. But this in actuality is not the case because the unemployment in such countries is rampant amongst unskilled workers and not qualified persons which are what military establishments require until they be very broad based.⁶ There again broad based military industrial establishments require heavy investment of scarce capital which if invested practically in any other sector would create similar and as much employment if not more. Yet some argue that jobs in the arms industry improve technical skills of all labour force. This can be refuted on the 6 rounds that the skills acquired in the arms industry are not of much value for other civilian employments.

It is well known that the defense industry of the world consumes a wide range of non-renewable resources. The world military consumption of liquid hydrocarbons alone has been about 700 to 750 million barrels per year. But what is important to note is that this is twice the annual

6. An economic study of U.S. Government expenditure, civil and military, argues that a 'high level of military expenditure creates unemployment', M. Anderson, The Empty Port Barrel, Unemployment and the Pentagon Budget, Public Interest Research Group (Michigan, 1975): Quoted in Mary Kaldor, ed., n. 1, p. 230.

consumption for the whole of Africa. Metals and oils are also under consumption by the defense industries. If 2000 tons of Uranium employed for purposes of destruction was to be released it could provide the fuel for an installed capacity of about 100,000 electrical megawatts from thermal reactors.

The cost of one Trident submarine is enough to put 16 million children through a year of good schooling. The expenses on a single F-16 jet can be utilized to construct 50 hospitals with the latest facilities. Anyhow these are merely hypothetical assumptions. But it is a fact that 1.4 billion people in Latin America, Africa and Asia do not have access to safe drinking water and 520 million suffer from malnutrition, while the developed nations spend 20 times more on their military and related programmes than for economic assistance to the developing countries. The world military expenditure is around fifteen times larger than official aid provided to the underdeveloped countries and is equivalent to the combined gross national product of all the countries in Africa, West Asia and South Asia.⁷ If the developed countries or just the super powers were to channelize 1% of the resources that they allot to military expenditure to the developing countries it would increase the flow of assistance by 20% or \$ 2000 million.

7. Alva Myrdal, The Game of Disarmament, (Manchester University Press, 1977), pp. 3-5.

Unfortunately military expenditures do create purchasing power and effective demand but do not produce an offsetting increase in immediate consumable output or in productive capacity to meet future requirements. This is how these expenses have an inflationary effect on infant economies.

From the economic point of view by-products of military development like meteorological research, monitoring of environmental health hazards, natural resource surveys etc. are not commensurate to the resources spent upon them. Thus on construing from the economic consequences of arms transfers to the third world, one discovers that Abjorn Eide is not entirely wrong in defining arms trade as "... a subtle lucrative and exploitative trade - manipulative and extractive investment ... dependency creating commerce between industrialized patrons and underdeveloped clients".⁸

Besides the drastic economic consequences there are the social and political implications of arms trade.

The most glaring consequence that in effect becomes a cause of many other maladies is the arms race phenomena. For various reasons discussed in the previous chapters, the super powers had acquired a power formation vis-a-vis each other that gave the world politics a bipolar structure. Arms race between the two became a sine-qua-non of bipolarism as

8. Asbjorn Eide, "Transfer of Arms to the Third World and Internal Uses", International Social Science Journal, vol. 2, 1976, p. 321.

did their proliferating influence into the third world. The imminent effect of this was the filtering down of the arms race to the underdeveloped world. In fact it is worth noting that since 1945 there have been 133 wars and 95% of these have been fought in the third world. Mostly super powers (if not other great powers) have been directly or indirectly involved in most of these wars. The reasons for this involvement are always the same - either countering another power's proliferating influence or expanding their own. Had it not been for the involvement of foreign powers wars in West Asia, Vietnam, Korea, Africa and Latin America may never have occurred altogether or at most ended up as mere border skirmishes. In fact after certain stages in wars like the Korean war and the Vietnam conflict the issues had become those of a mere ego conflict between the foreign powers involved but the tremendous cost was being borne by the economy of those countries that already had a long way to go in terms of self-sufficiency and sustenance.

Even where there existed an entirely local hostility between underdeveloped countries the superpowers had been quick enough to exploit the situation and feed the local arms race thus disturbing the local power equilibriums. This would lead to instability in the region and the inevitable and devastating outcome would be war. The

partition of India on the basis of religion and the consequent hostility and suspicion between the two nations was a colonial heritage. The Indo-Pak tension was aggravated by the intrusion of the United States in the form of military aid to Pakistan. This upset the local power balance and necessitated an Indian effort to neutralise this external involvement. Soviet Union, as part of its policy of countering American influence, entered into military arrangements with India involving transfer of arms and licensed production of selected military items. Recent American initiatives regarding Pakistan are again imposing fresh burdens on India. And, of course, arms transferred are on the increase in the region. Similarly, if America was to totally abide by human rights considerations and not aid Israel, thus reducing the threat to the Arabs to the minimum, how would its elaborate war machinery sell in the oil-rich countries to enable it to recycle the petro-dollars?

Therefore an unstable situation in a region which is definitely negative to well being there happens to be a positive situation for the external vested interests. As a natural rule any positive development has to be abetted. Thus we have the ruling elite of most recipient nations in absolute collaboration with donor powers out to challenge the interests of the country and its people at large. When Lockheed was trying to sell the Hercules aircraft to Bogota they had to supply sugar (worth \$100000) as bribe to the 'high officers of the Airforce' in order to procure orders for the aircraft. Thus, according to Anthony Sampson, arms

were sold where they were not needed at the expense of corrupting the top officials.⁹ In effect the ruling elite more or less 'lease' their nation out to the foreign power for their benefit. This normally happens, as has been mentioned earlier, in those countries that have not had a democratic tradition or else are infant polities with the armed forces having an upper hand over the civil rulers. Thus another consequence of arms transfers is the very creation and/or maintenance of regimes like the Shah's in Iran or Zia-ul-Haq's in Pakistan.

In aiding and abetting an unpopular regime what an outside power does is rather detrimental. The entire political processes in such countries are perverted, the political development is dwarfed and once again there is a reversion to the colonial dictatorial power structure. Whether it is Afghanistan of today or Iran of yesterday all bear testimony to some distasteful realities.

What has earlier been discussed as a motivation for one country can herein be cited as an after-effect for another country acquiring arms. It is the 'contagion effect' or the chain reaction. At times a country X may go in for import of arms only because its neighbour Y has replenished its arsenal. Thus Y boosting its defence capability is merely a consequence of X acquiring weapons and no real issue might exist between the two countries but all the same a stage might reach where the two countries acquire belligerence and inflict onto each other unprecedented harm.

9. Anthony Sampson, The Arms Bazaar (London: Bantam Books, 1978), p. 205.

If from the reality of the Indo-Pak relations in 1981 a hypothetical sketch is made out for an imminent and foreseeable war, the main reason for India's anxiety would be the immense acquisition of American arms by Pakistan which the latter claims to be acquiring on its perception of the Soviet Afghan threat mainly. This then at the face of things clearly exemplifies the chain reaction called the 'contagion effect' by Jerry L. Weaver.¹⁰

Arms transfers further reinforce the political hegemony of the supplier nations that is later used as an instrument for pre-empting markets, for spreading and maintaining further the influence of the dominant supplier and for furthering relations with countries of vital interests - economic, strategic and political. It has been aptly said: "When you buy an airplane you also buy a supplier and supply line - in other words, you buy a political partner"¹¹. The entire politics of even democratic recipient nations can be controlled by supply of arms. Herein what plays the important role for the supplier is the dependence of the recipient on the former which becomes vulnerable to political manouvres

10. Jerry L. weaver, "Arms Transfer to Latin America: A Note on the Contagion Effect", Journal of Peace Research (Oslo), vol. II, 1974, pp. 213-19.

11. William D. Perreault to Michael T. Klare in Michael T. Klare, "Political Economy of Arms Sales", Bulletin of Atomic Scientists, Nov. 1976, pp. 11-18.

of the latter. Thus as long as America is aiding Egypt with all what the latter requires it has a substantial influence over Egypt's foreign policy and may even express its apprehension for a domestic policy running counter to American interests. What the recipient country loses in this case is its independence in various spheres until of course it decides to completely break away from the donor country. Another outcome of transfer of arms and military technology when carried too far is the import and super imposition of an alien culture that threatens the existence of the intrinsic culture. This phenomena has been noticed in the South-East Asian countries. On the peak of the American presence in Singapore it was observed that nearly every facet of the local culture had been replaced by its western counter-part. The Americans left but what they left behind was pop-music, hamburgers, discotheques, Teens English language and the lot that today does not strike a very compatable note with all that is oriental and so very different from the West. In Thailand entire teritiary sector (mainly entertainment) catered for the American forces. When the Americans left this sector was unable to support itself and became a cause of many a manifest social problems.¹² After American withdrawal from Vietnam there

12. George J. Vikanins, "United States Military Spending and the Economy of Thailand: 1967-72", Asian Survey 5(1973) no. 5, pp. 441-57.

were export crises in South Korea and Taiwan as well when¹³
their support supplies for the war were no longer needed.

Arms are the instruments but their purpose is violence for whatever purpose it be. Thus what the third world countries buy along with arms is the inherent idea of violence. Violence inspite of being an intrinsic characteristic of nation-state societies is abhorred by man who considers it least conducive to his well being.

Arms have been used as diplomatic currency to barter¹⁴
nuclear restraint in the case of Pakistan, Phillipines and Taiwan. They have been resorted to - to abrogate a treaty as in the case of Taiwan as also to make a treaty alibi Egypt and Israel. They have been used to keep a regime intact as also to topple regimes as in Somalia and Angola. Or else weapons have been gifted away to make friends as in the case of Soviet offer of help to Peru. So vast is the utility of arms transactions that it becomes difficult to perceive the limits.

But then there is the arms salesman. He claims to boost the very prerequisite of sovereignty-defense capability. He also claims that arms supply helps to correct regional

13. Seiji Nayá, "The Vietnam War and Some Aspects of its Economic Impact on Asian Countries", The Developing Economies, Vol. IX, 1(1971) no.1, pp. 31-57.
14. President Carter offer of arms aid to Pakistan in 1980 was motivated by few reasons, one of the main being to restrain Pakistan from acquiring nuclear arms capability.

imbalances by helping the weaker states from regional 'bullies' and from other external intimidation. He further claims that his arms help the 'poor' recipient in enhancing self-esteem and diplomatic flexibility. Well, all this definitely sounds fine but if the motivations of the suppliers are to be taken seriously then the question as to how many transfers are made in this spirit be asked - the answer would be negative.

Chapter VII

CONCLUSION

Some observers are of the view that the arms market¹ is gradually becoming the buyer's market. They probably offer the growing affluence of the oil producing countries and their strategic importance as evidence to support their convictions. It is, however, substantiated in the course of this study that no matter how much of political and economic leverage some third world countries may have acquired, it is the industrialized countries that shape and influence the demand and necessity for weapons and their potential use.

The world of the arms transactions seems to be gradually replacing political considerations with economic ones as D.C. Gompert and A.R. Vershbow have rightly pointed out: "North-South economics more than East-West politics will decide the directions, composition and volume of armaments flow"². They are further of the opinion that the Soviets and the Americans will increasingly sell arms to each other's clients. As the former are beset by a long-term poverty of hard currency and the Americans face at least

1. A.H. Cahn, J.J. Kruzel, P.M. Dawkins, J. Huntzinger, Controlling Future Arms Trade (McGraw-Hill Book Company, 1977), p. 8.
2. Ibid., pp. 7-8.

another decade of massive dependence on foreign oil and all its consequential balance of payments problems market forces are likely to prevail. Thus in the picture that emerges one can visualize the buyers interest on one side and the suppliers interest largely on another side. However it is the former's interests that on the long run are jeopardized as a consequence of any arms transfer. Why inspite of all the inherent dangers the third world continues to equip itself with armaments has been dealt with. It would be relevant as a concluding note to examine as to what can be done to remedy the situation.

Soon after taking office, President Carter of the United States announced his intention to pursue a policy of (a) unilateral US arms export restraint, (b) negotiations with other major supplier of arms and (c) encouragement of regional restraint in receipient areas. As a result of this policy four rounds of Conventional Arms Transfer (CAT) talks, commencing in December 1977, were held between the US delegation led by Leslie H. Gelb and the Soviet delegation led by Lev Mendelevic.³ Everything went fine upto the third round but the deadlock that occured in the fourth round is yet to be resolved. In early 1980 a new international appeal to take up the issue of containing the arms build-up

3. SIPRI Yearbook 1980, pp. 122-23.

in the third world was launched by the Independent Commission on International Development Issues chaired by W.Brandt. In its report there is a chapter on 'Disarmament and Development' wherein two of the recommendations made are:

(a) Military expenditure and arms exports might be one element entering into a new principle for international taxation for development purposes. A tax on arms trade should be at a higher rate than that on other trade.

(b) Increased efforts should be made to reach agreements on the disclosure of arms exports and exports of arms-producing equipment. The international community should become more seriously concerned about the consequences of arms transfers or of exports of arms producing facilities and reach agreement ^{to} ₄ restrain such deliveries to areas of conflict or tension.

Before these recommendations could be put into practice a gamut of practical lacunae were pointed out if they were to be implemented. Besides, what could have been an exemplary action on the part ^{of} _^ the USA to unilaterally restrain its arms exports (during Carter's time) never came off. However, efforts should continue and each individual arms exporting state can formulate policies so as to ensure that

4. Frome, Report of the Independent Commission on International Development Issues, (ICDI Secretariat, Bonn. 1980), p. 92. Quoted in SIPHI, Yearbook 1980, p.123.

ramifications of each arms sale, its impact on regional security and other foreign policy objectives are clearly understood before a deal goes through. Besides, collaborative efforts at arms transfer restraint, amongst suppliers or recipients or both, in a given region or situation, can be conducive to the security of the parties concerned. However what becomes very necessary for this is "the exchange of information, the candid articulation of concerns, the challenging of 'worst-case assumptions', the personal professional contact, the experience of making even rhetorical or even substantive progress and the shaping of embryonic institutional forums that could one ~~day~~ mature into active security apparatus".⁵ Unfortunately the issue of monitoring or limiting arms transfers has as yet not been taken up effectively by the United Nations despite a reference made about the problem in the Final Document of the UN Special Session on Disarmament.⁶

There is also a need for the poor developing countries to maintain the minimum level of militarization which can be afforded by their technological-educational-industrial infrastructure, and there is need to exercise due restraint in indiscriminate import of weapons to merely boost their

5. Cahn, Kruzel, Dawkins, Huntzinger, n.1, p. 23.

6. See, SIPRI Yearbook 1980, p. 122.

national prestige. It is needless to say that cuts in arms expenditure and disarmament efforts will free a world of resources that could be used to bolster economic development and raise standards of living - something that for the developed countries may not be a priority but for the majority of mankind (living in the third world) is an absolute and immediate necessity.

Thus the fate of limiting or restraining the trade in those instruments of destruction called weapons now depends upon the discussion and debate between the two opinions - one that advocates the feasibility and practicability of disarmament and arms control and the other that contends that "It is possible to have all kinds of societies, theocratic society, athiestic, plutocratic, communistic etc., but so far it has not been possible and may be not to have a warless society"⁷. Today violence is the reality and peace is considered a myth; but should it not appeal to even the poorest man that he is armed enough with prudence to transmute this myth into reality?

7. J.F.C. Fuller, Armament and History (New York: Charles Scribners Sons, 1945), p. 13.

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Washington Post (Washington D.C.)

APPENDIX

Indo-Soviet Treaty signed on August 9, 1971
Articles 8, 9 & 10

Article 8. In accordance with the traditional friendship established between the two countries, each of the High Contracting Parties solemnly declares that it will not enter into or participate in any military alliances directed against the other.

Each of the High Contracting Parties pledges to refrain from any aggression against the other side and not allow the use of its territory for committing any act that may be militarily detrimental to the other High Contracting Party.

Article 9. Each of the High Contracting Parties pledges to refrain from giving any assistance to any third party taking part in an armed conflict with the other side. In the event that either side is attacked or threatened with attack, the High Contracting Parties will immediately enter into mutual consultations in order to eliminate this threat and take appropriate effective measures to ensure the peace and securities of their countries.

Article 10. Each of the High Contracting Parties solemnly declares that it will not undertake any commitment, secret or open, to a third state or states and will not make any commitments that may be militarily detrimental to the other side.

Source: Current Digest of Soviet Press, 23 August 1971, p.5.

SHARES OF THE MAJOR WEAPON EXPORTING AND THIRD WORLD IMPORTING COUNTRIES 1977-80

EXPORTERS

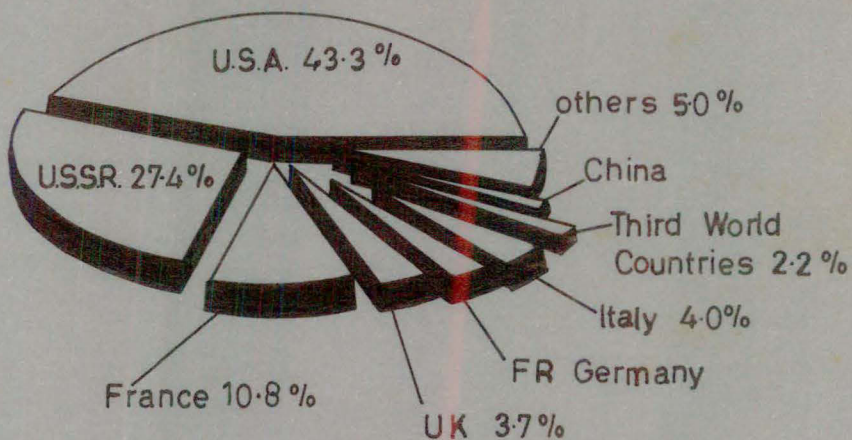


Fig. 11

IMPORTING REGIONS

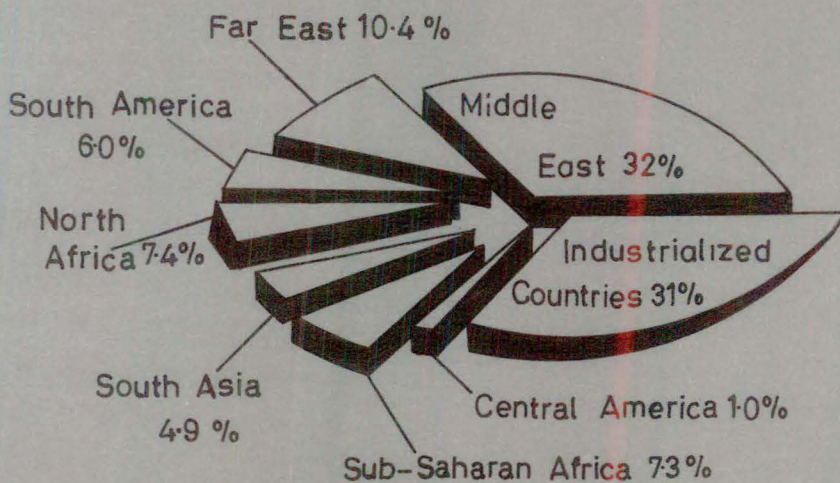


Fig. 12

SOURCE: SIPRI, Year Book, 1981, p. XXI

VALUE OF WORLD MAJOR WEAPON EXPORTS 1961-80

VALUES ARE IN US \$ THOUSAND MILLION AT
CONSTANT 1975 PRICES

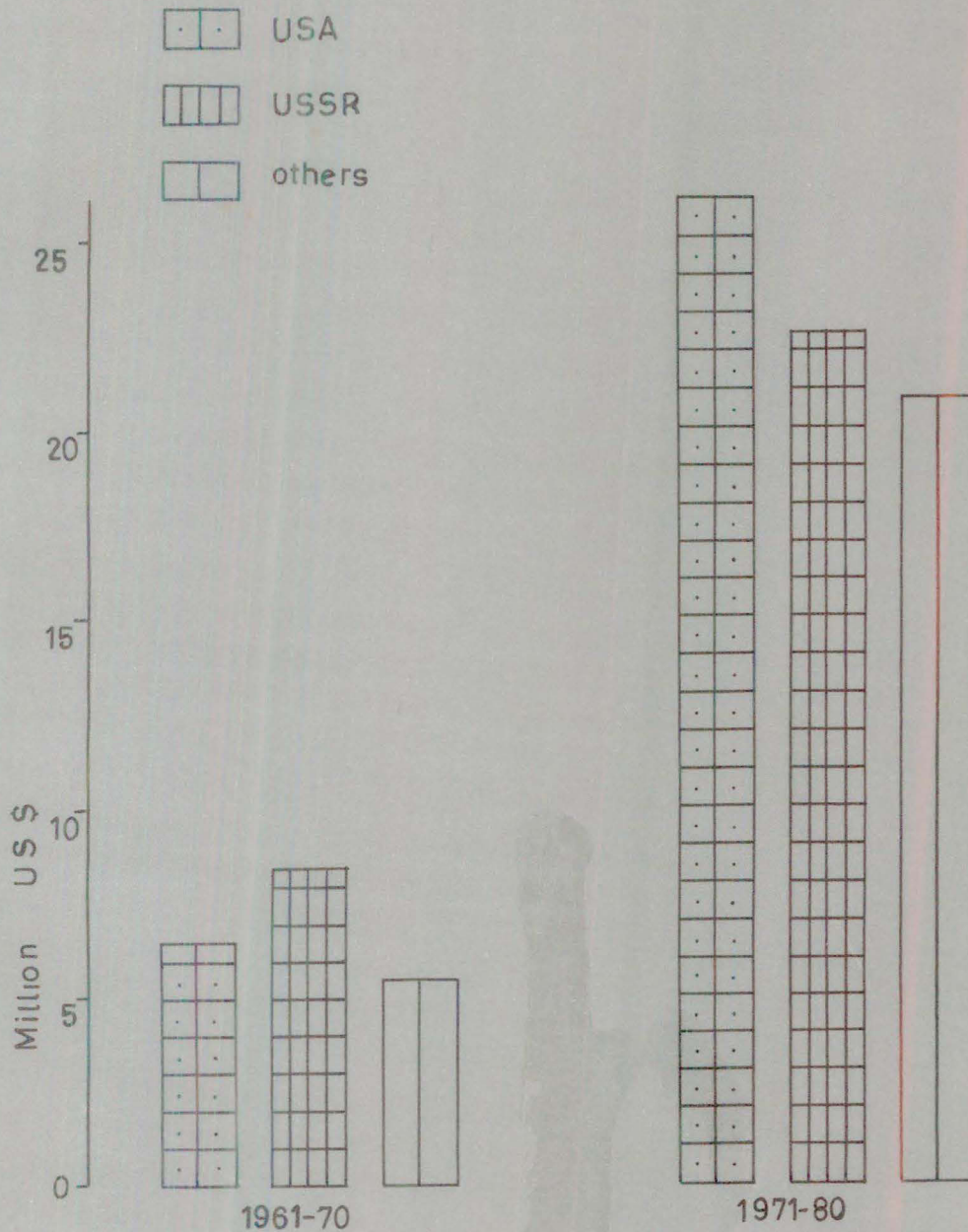


Fig. 2

The SIPRI arms production and trade data cover the four categories of major weapons that is aircraft, missiles, armoured vehicles and warships

SOURCE: SIPRI, Year Book, 1981, P. XX

BRIDGE

BRIDGE

BRIDGE

BRIDGE

FMS REVENUES AND MAP EXPENDITURES FOR THE UNITED STATES 1970-79

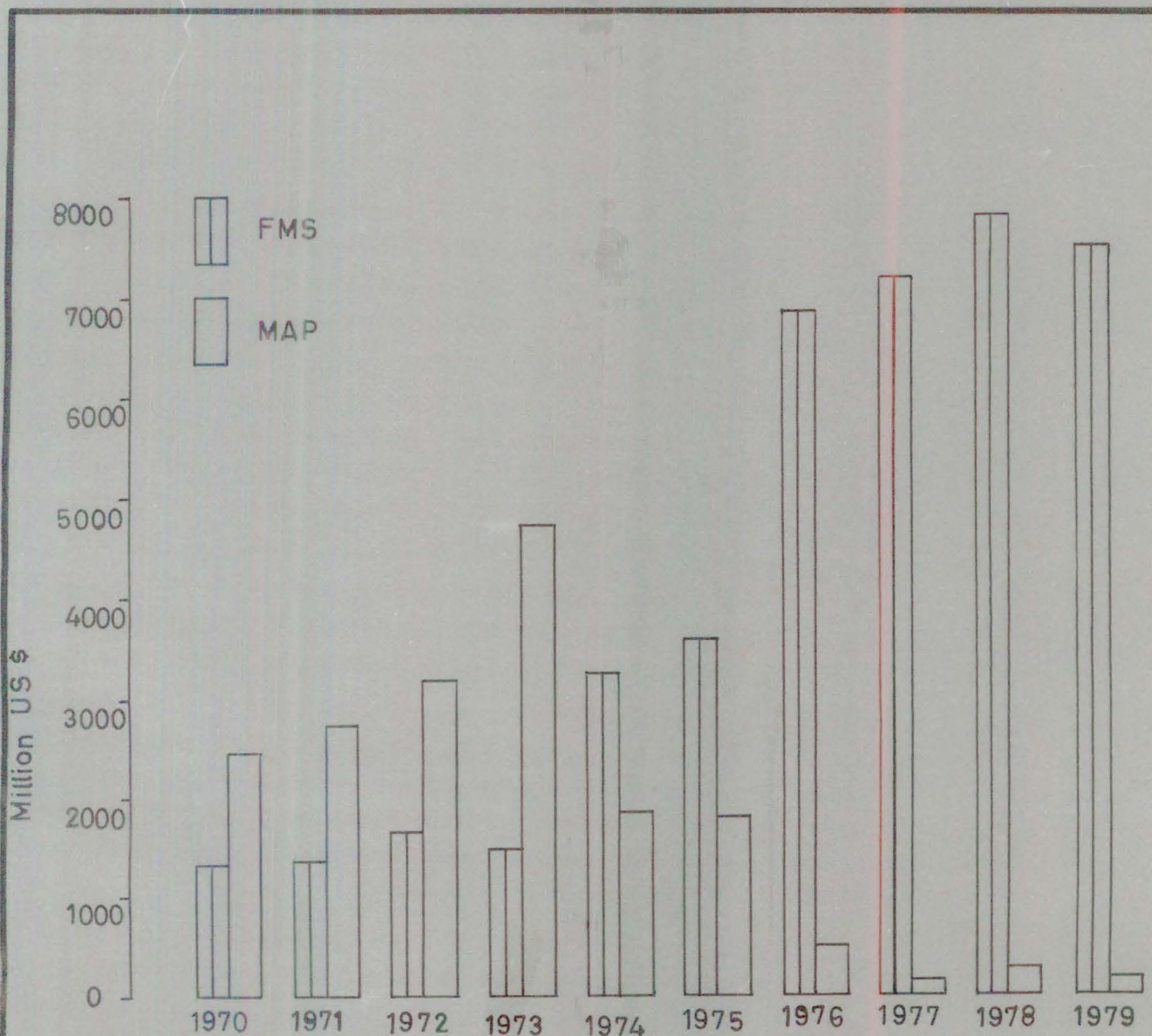


Fig. 3

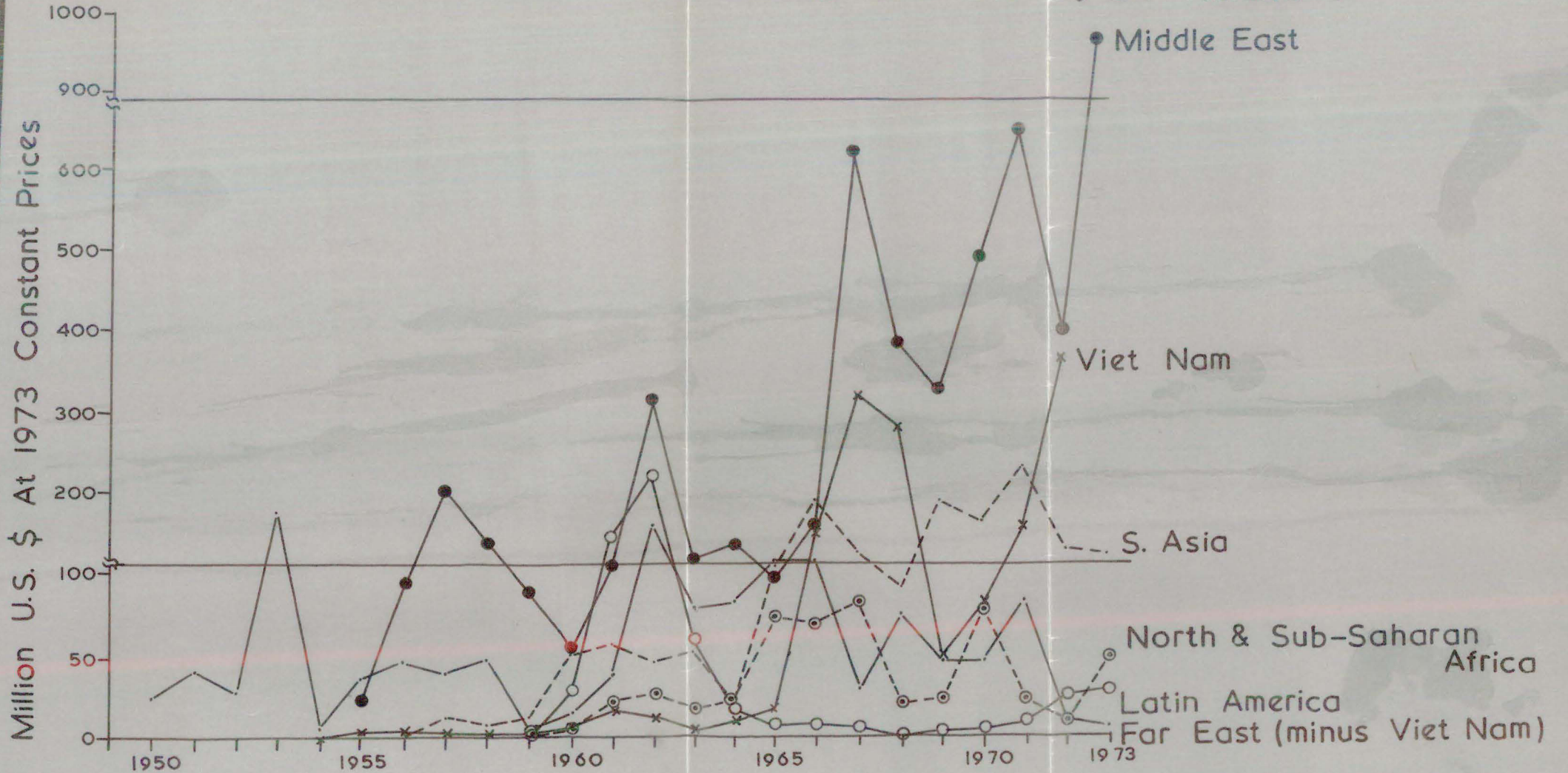
Note: The high MAP expenditures during 1970-73-are explained by Viet Nam War but otherwise the trend towards sales is a prominent one.

SOURCE: SIPRI, Year Book, 1981, P. 108

WINDY
BOND

Fig.- 4

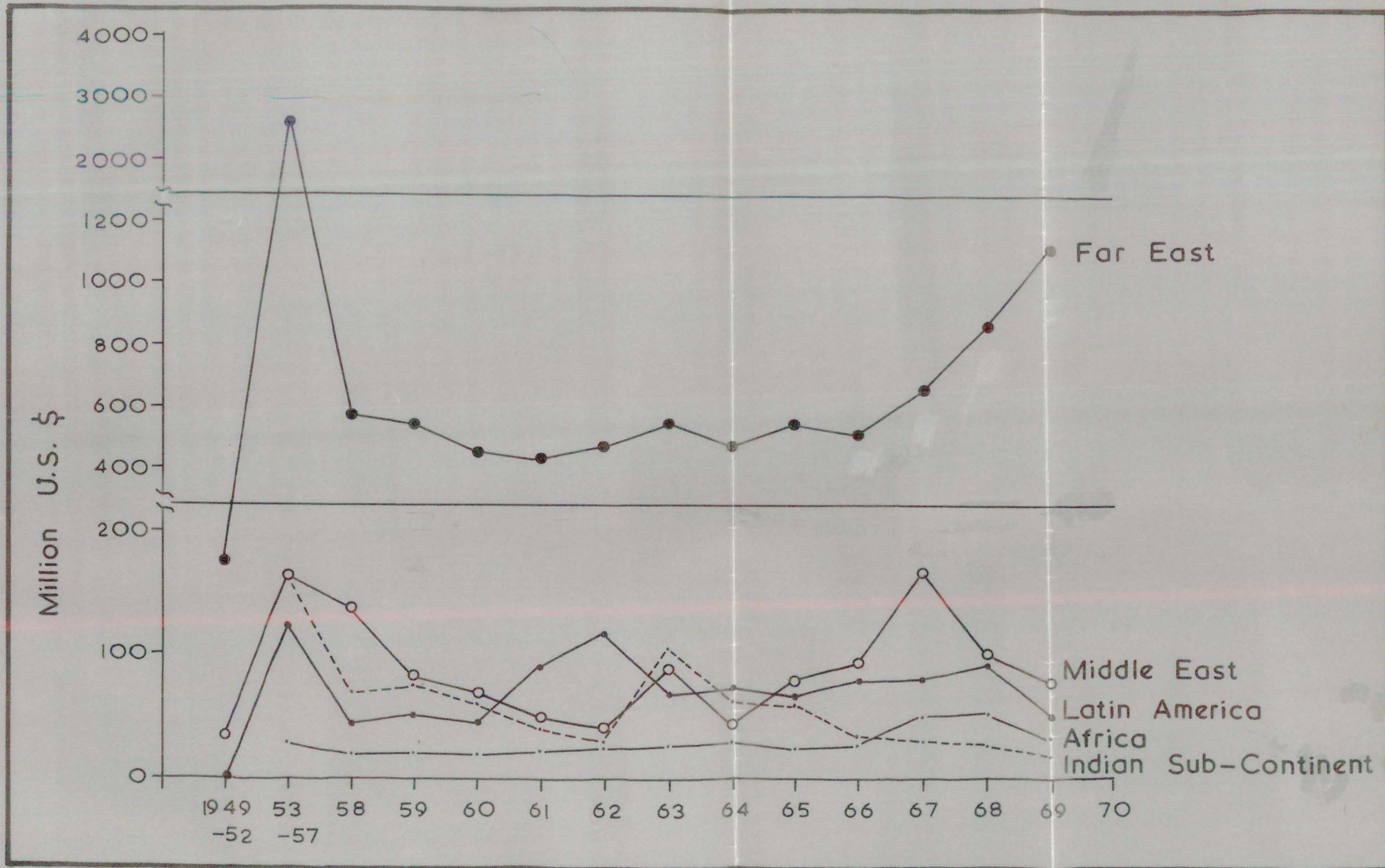
USSR MAJOR WEAPONS EXPORTS, BY REGION



Source: SIPRI, Arms Trade Registers, 1975, pp. 154-155.

Fig.- 5

U S MILITARY ASSISTANCE TO THE THIRD WORLD COUNTRIES BY REGION



Source : SIPRI, Arms Trade With The Third World (Sweden 1971), pp. 146-147.

LEARNING CURVE

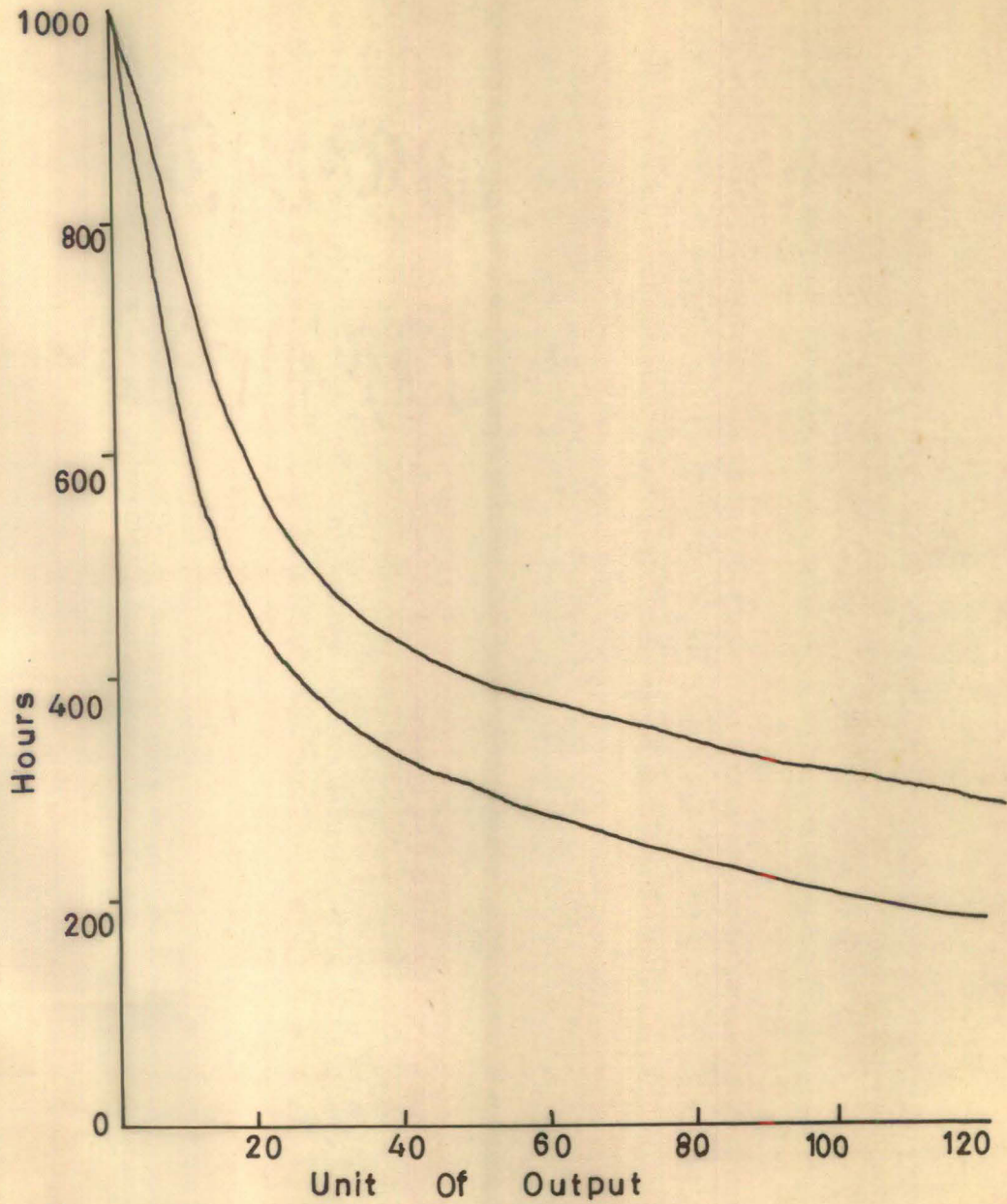


Fig. 6

SOURCE: J. Stanley, M. Pearton, *The International Trade In Arms* (London Chatto And Windus, 1972) pp. 144-45

Table 1

<u>Supplier Relation</u>	USA	USSR
Sole Supplier	Barbados	Afghanistan
	Bolivia	Mali
	Gautamala	Mozambique
	Haiti	Yemen
	Uruguay	
	S. Korea	
	Liberia	
----- Predominant Supplier within Block	Argentina	N. Korea
	Brazil	N. Vietnam
	Chili	Equatorial Guinea
	Colombia	
	Jamaica	
	Mexico	
	Nicaragua	
	Panama	
	Philippines	
	Thailand	
	Taiwan	
	Turkey	
	Greece	
S. Vietnam		
----- Predominant Supplier Cross Block	Ethiopia	Algeria
	Iran	Cuba
	Peru	Cyprus
		Guinea
		Iraw
		Somalia
		Syria
	UAR	

Source: Harpreet Mahajan, "Arms Trade and Aid to the Third World Countries; A Study with special reference to the Indian Sub-continent", (New Delhi: JNU, Ph.D. Theiss, 1979), pp.212-13.

Table 2.1

Rank order of major Third World arms importers, 1970-74

Importing region	SIPRI total indicator value of arms imports (1975 \$mn)	% of Third World total	Largest recipient countries	SIPRI total indicator value of country's arms imports (1975 \$mn)	% of region's total	Largest supplier to each country	% of country's total	Four largest suppliers per region	% of region's total
1	2	3	4	5	6	7	8	9	10
Middle East	9 344	50	Syria	2 320	25	USSR	95	USSR	51
			Egypt	2 181	23	USSR	98	USA	34
			Iran	2 055	22	USA	60	UK	10
			Israel	1 685	18	USA	97	France	2
			Iraq	336	4	USSR	95		
			Saudi Arabia	324	3	USA	51		
Far East	3 728	20	S. Vietnam	1 475	39	USA	100	USA	62
			N. VietNam	861	23	USSR	93	USSR	28
			N. Korea	261	7	USSR	100	UK	4
			Thailand	243	6	USA	82	China	2
			Taiwan	213	6	USA	100		
			S. Korea	169	4	USA	98		
South Asia	1 869	10	India	1 281	68	USSR	70	USSR	54
			Pakistan	457	24	China	53	UK	15
			Afghanistan	60	3	USSR	100	China	13
			Bangladesh	49	3	USSR	92	China	10
			Sri Lanka	15	1	UK	47		
			Nepal	6	0.3	UK	33		

contd.../-

Table 2.1 (contd.)

1	2	3	4	5	6	7	8	9	10
South America	1 479	8	Venezuela	270	18	France	53	France	27
			Brazil	255	17	USA	15	USA	24
			Chile	255	17	UK	41	UK	21
			Argentina	254	17	USA	33	FR German5	10
			Peru	204	14	USA	30		
			Uruguay	51	3	USA	25		
Sub-Saharan Africa	1 276	7	South Africa	483	38	France	51	France	36
			Zaire	122	10	France	82	USSR	17
			Uganda	111	8	Libya	49	China	9
			Tanzania	107	8	China	78	Italy	7
			Sudan	96	7	USSR	83		
			Somalia	81	6	USSR	100		
North Africa	783	4	Libya	656	84	France	67	France	63
			Morocco	64	8	USA	69	USSR	78
			Tunisia	41	5	France	96	USA	12
			Algeria	23	3	France	52	UK	4
Central America	231	1	Cuba	153	66	USSR	100	USSR	66
			Gautemala	17	7	USA	92	USA	19
			Mexico	17	7	USA	72	UK	7
			Nicaragua	12	5	Israel	98	Israel	4
			El Salvador	7	3	USA	57		
			Jamaica	5	2	USA	86		
Third World Total	18 720	100							

Source: SIPRI, Yearbook, 1980, p. 96.

Table 2.2

Rank order of major Third World arms importers, 1975-79

Importing region	SIPRI Total Indicator value of arms imports (1975 \$mn)	% of Third World Total	Largest recipient countries	SIPRI Total indicator value of country's arms imports (1975 \$mn)	% of region's total	Largest supplier to each country	% of country's total	Four largest suppliers per region	% of region's total
1	2	3	4	5	6	7	8	9	10
Middle East	20 141	48	Iran	6 229	31	USA	81	USA	61
			Saudi Arabia	2 806	14	USA	79	USSR	15
			Jordan	2 615	13	USA	98	France	7
			Iraq	2 418	12	USSR	93	UK	5
			Israel	2 008	10	USA	95		
			Syria	1 170	6	USSR	84		
Far East	6 679	16	S. Korea	2 515	38	USA	98	USA	49
			Viet Nam	1 094	16	USSR	91	USSR	21
			Taiwan	845	13	USA	95	France	2
			Malaysia	325	5	USA	54	China	1
			Philippines	307	5	USA	61		
			Indonesia	306	5	USA	36		
North Africa	4 021	10	Libya	3 151	65	USSR	79	USSR	61
			Morocco	863	20	France	81	France	19
			Algeria	660	14	USSR	79	USA	3
			Tunisia	72	1	Italy	38	UK	1

contd. ./-

Table 2.2 (contd.)

1	2	3	4	5	6	7	8	9	10
Sub-Saharan Africa	4 021	10	South Africa	969	24	France	53	USSR	31
			Ethiopia	533	13	USSR	95	France	21
			Angola	350	9	USSR	99	USA	7
			Mozambique	315	9	USSR	100	UK	5
			Sudan	232	6	France	64		
			Nigeria	188	5	UK	22		
South America	3963	9	Brazil	965	24	USA	34	USA	21
			Peru	806	20	USSR	41	UK	18
			Argentina	692	17	UK	26	France	11
			Chile	543	14	France	22	Italy	11
			Ecuador	304	8	France	45		
South Asia	2 031	5	India	1 055	52	USSR	57	USSR	42
			Pakistan	564	28	France	53	France	18
			Afghanistan	253	13	USSR	100	UK	14
			Bangladesh	59	3	China	78	China	7
			Nepal	7	0.3	France	57		
			Sri Lanka	4	0.2	France	50		
Central America	624	1.5	Cuba	279	45	USSR	100	USSR	45
			Mexico	172	28	UK	74	UK	21
			Bahamas	37	6	USA	100	USA	8
			Honduras	34	5	USA	50	France	3
			El Salvador	30	4	Israel	83		
			Gautemala	23	4	Israel	39		
Oceania	8	0.02	Papua New Guinea	5	63	Australia	100	Australia	63
			Fiji	3	37	USA	100	USA	37
Third World Total	42 315	100.5							

Source: SIPRI, Yearbook, 1980, p. 97.

Table 3

A Comparative glance at the Superpower Exports from 1970 to 1976

Supplier	Percentage of World Trade	Largest receiptent Region	Largest receiptent country in region	Country's percentage of Supplier Total
U.S.	38	Mid East 62 Far East 27 S. America 7	Iran S. Vietnam Brazil	31 12 2
USSR	34	Mid East 57 North Africa 13 Far East 13	Iran Libya N. Vietnam	23 13 7

Source: SIPRI Yearbook, 1976, p. 140.

Table 4.

US arms transfer agreements, 1950-78

US \$

	1950s	1960s	1970-73	1974-78
<u>Grants</u>	2 213 877	1 080 855	3 159 863	686 529
<u>Sales</u>				
FMS agreemtns	162 331	1 010 749	2 523 730	12 509 100
Commercial exports	--	--	409 029	1 016 552
Total current	2 376 248	2 091 604	6 088 622	14 121 181
Total (1978 constant dollars)	6 137 887	5 292 785	9 769 081	16 399 333

Source: SPPRI, Year Book, 1980, p. 67.

Table 5

Regional Distribution of Exports of Major Weapons
to the Third world, 1972-73
by major (% distribution) supplies

Supplier	Value of Supplies U.S. \$ mn.		Mid East		Far East		S. Asia		Africa		Latin America	
	1972	1973	1972	1973	1972	1973	1972	1973	1972	1973	1972	1973
USA	722	612	20.9	67.7	72.1	24.4	--	3.5	0.8	0.3	6.2	4.1
USSR	605	807	41.0	87.0	47.3	0.5	8.5	5.4	--	3.6	3.1	3.5
France	210	297	7.4	7.3	0.7	9.5	10.6	12.7	54.6	29.8	26.7	40.5
U.K.	208	194	61.0	45.2	5.2	13.1	18.0	14.5	4.7	8.6	10.9	18.5

Source: SIPRI Yearbook, 1974, Table 8.4

Table 6
Arms supplies to India

Date	Number	Item	Supplier	Comment
<u>Aircraft</u>				
1949-53	62	HAL/Percival Prentice	UK/India	Produced under licence in India
1950	10	Short Sealand	UK	
(1950-51)	(20)	DHC-1 Chipmunk	Canada	
1953	5	Fairey Firefly T.T.I	UK	
1953	(10)	DH Vampire N.F. 54	UK	Ex-RAF
1953-54	71	Dassault M.D. 450 Ouragan	France	
1953-59	230	HAL/DH Vampire FB 9	UK/India	Produced under licence in India
1955	10	Auster AOP 9	UK	
1956	30	NA T-6G Texan	USA	
1956	20	Auster AOP 9	UK	
1956-60	50	HAL/DH Vampire T-55	UK/India	Produced under licence in India
1957	6	DHC Otter	Canada	
(1957)	33	Dassault M.D. 450 Ouragan	France	
1957-58	6	Bell 47G-38	USA	
1957-61	160	Hawker Hunter F. 56	UK	
1957-61	22	Hawker Hunter T.66	UK	
1958	5	Fairey Firefly T.T. 4	UK	
1958	66	English Electric Canberra(B(1)58	UK	
1958	8	English Electric Canberra FB-57	UK	
1958	6	English Electric Canberra T.4	UK	

contd../-

Table 6 (contd.)(i)

Date	Number	Item	Supplier	Comment
1958	25	Folland Gnat	UK	
1958	110	Dassault Mystery IVA	France	
1958	20	DHC-3 Otter	Canada	
(1959)	15	Folland Gnat	UK	in component form for local assembly
1960	2	Sikorsky S-62	USA	Cost \$ 540 000 supplied for evaluation
1960	24	B-14	USSR	
1960-63	24	Armstrong Whitworth Seahawk	UK	Partly new, partoy ex-RAF
1960(65)	100	HAL/Folland Gnat	Uk/India	Produced under licence in India
1961	29	Fair Child C-119G Packet	USA	
1961	6	Bell 47-G-3B	USA	
1961	10	MG-4	USSR	U.c: \$ 150 000 sold for cash
1961	8	An-12	USSR	
1961	15	Brequet 1050 Alize	France	
1961-65	12	Armstrong Whitworth Seahawk	UK	Refurbished
1962	2	DHC-4 Caribou	USA	MAP
1962	16	Mi-4	USSR	For cash
1962	8	An-12	USSR	
1962	8	DH Vampire T.55	Indonesia	
(1962)	(23)	Fair Child C-119G Packet	USA	
1962-64	12	Lockheed C-130 Hercules	USA	Free loan basis with air and ground crews provided
1963	5	Auster AOP 9	UK	
1963	24	Fair Child C-119G Packet	USA	MAP
1963	6	MiG-21	USSR	
1963	6	Mi-4	USSR	For cash
1963	8	An-12	USSR	
1963	20	Sud Alouette III	France	
1963	5	DHC-3 Otter	Canada	Emergency aid
1963	8	Douglas C-47	Canada	Emergency aid
1963	36	CCF T-6 Harvard	Canada	Emergency aid
1963-64	16	DHC-4 Caribou	Canada	On loan
1965	36	Mi-4	USSR	On deferred payments

contd../-

Table 6 (contd.) (ii)

Date	Number	Item	₹	Supplier	Comment
1965	6	BAC Canberra B(1) 58		UK	
1965-67	(90)	MiG-21		USSR	Direct purchase
1965-67	10	HAL/HS-748		UK/India	Produced under licence in India
1966	40	Mi-4		USSR	U.c: \$ 120 000; on deferred payment terms
1966	24	Armstrong Whitworth Seahawk Mk 100 and ICI		Fh Germany	
(1966)	14	MiG-21 UTI		USSR	
(1966)	10	An-12		USSR	
1966-69	100	HAL/HS Gnat		UK/India	Production expanded due to Gnat success in Indo-Pakistan War 1965
1966-73	120	LAL/Sud Alouette III		France/India	Produced under licence in India. indigenous content 96 per cent. Indian export price: \$ 235 000.
1967	3	Tu-124		USSR	
1967	36	HS Hunter F 56		UK	Refurbished
1967	12	HS Hunter T 66D		UK	Refurbished
1967-74	196	HAL/MiG 21 FL		USSR/India	Produced under licence in India; indigenous content 60 per cent 1972
1968	3	Brequet 1050 Alue		France	
1968	4	LHC-4 Canbou		Canada	
1968-69	4	HAL/HS-748		UK/India	Continued licence production
1968-70	100	Su-7B		USSR	U.c: \$ 1 mn
1970-71	12	BAC Canberra B 15 and 16		UK	Ex-RAF refurbished
1970-71	5	HAL/HS-748		UK/India	Continued licence production
1970-71	10	BAC Canberra B(4) 12		New Zealand	
1971	50	Su-7B		USSR	
1971	6	Westland Sea king		UK	Cost \$ 4.8 mn incl. spares and support equipment; for ASW Far Navy
(1971)	10	Hughes 300		USA	
(1971)	20	Mi-8		USSR	

contd.../-

Table 6 (contd.) (iii)

Date	Number	Item	Supplier	Comment
1972	7	MiG-21M	USSR	Delivered prior to start of licence production
(1972)	5	HS Hunter	UK	Refurbished
1972	150	HAL/MiG-21MF	USSR/India	Improved version produced under licence in India
1972	26	HAL/HS-748	UK/India	Continued licence production to meet IAF order for 45
1972	8	Aerospatiale Alouette III	France	For use on "Leander" class frigates
1972	200	HAL/Aerospatiale SA-315 Cheetah	France/India	Produced under license in India
1973-74	6	Westland Sea King	UK	Option for 3; for ASW
		HAL/HS Gnat Mk2	UK/India	UK/India Production to be resumed of improved version
	20	HAL/HS-748	UK/India	Freighter version to be produced under licence
		<u>Missiles</u>		
1963	(36)	K-13 "Atoll"	USSR	To arm Mig-21
1965-66	102	SA-2	USSR	17 sites, cost: \$ 112 mn.
1966-67	(540)	K-13 "Atoll"	USSR	To arm Mig-21
1967-73	(1120)	K-13 "Atoll"	USSR/India	Produced under licence in India; to arm MiG-21
(1968)	(50)	Nord AS 30	France	
1968-72	(75)	SA-2	USSR	8 batteries on 50 sites
1969	(50)	Nord Eruac	France	
1969	(50)	Nord SS 11	France	
1971-72	(96)	SS-N-2 "Stya"	USSR	4 missile launchers in 2 pairs on motor torpedo boats
1971-73	(750)	Nord SS 11	France/India	Produced under licence in India; indigenous content 70 percent by 1973-74
(1972)	(20)	Short Seacat	UK	2 quadruple launchers on frigate "Leander" class
1972-73	40	Short Tigercat system	UK	Cost \$ 10.4 mn.
	(100)	Short Seacat	UK	2 quadruple launchers on each of remaining 5 frigates "Leander" class

contd.../-

Table 6 (contd.) (iv)

Date	Number	Item	Supplier	Comment
		<u>Naval Vessels</u>		
1950	3	Destroyer, "R" Class	UK	Displ: 1,725t; Completed 1942; refitted 1949
1953	3	Destroyer escort "Hunt" class	UK	Displ: 1,050t; 1 completed in 1941; 2 in 1944; on loan
1953	1	Oiler	Italy	Displ: 3,500t;
1954-55	2	Insure Mine Sweeper, "Ham" class	UK	Displ: 120t; launched in 1954
1956	4	Coastal Mine Sweeper, "Ton" class	UK	Displ: 360t; completed 1956
1957	1	Cruiser, "Colony" class	UK	Displ: 8,700t; completed 1940; refitted 1954
1957-58	4	Seaward defence craft, "Savitri" class	Italy	Displ: 63t; 1 completed in 1957, 3 in 1958
1958	1	Anti Aircraft Frigate "Leopard" class	UK	Displ: 2,251t; completed 1958
1958	3	Anti Submarine Frigate "Backwood" class	UK	Displ: 1,180t; 1 completed in 1958; 2 in 1959
1959	2	Seaward Defence Craft, "Sharada" class	Yugoslavia	Displ: 86t; completed 1959
1960	2	Anti Aircraft Frigate "Leopard" class	UK	Displ: 2,251t; completed 1960
1960	2	Anti Submarine Frigate "Whitby" class	UK	Displ: 2,144t; completed 1960
1961	1	Air craft carrier "Magestic" class	UK	Displ: 16,000t; launched in 1945; sold in India 1957; completed 1951
1966	2	Landing craft "Polnocny" class	USSR	Displ: 900t.
1967	5	Fast Patrol Boat "Poluchat" class	USSR	Displ: 100t.
1968	1	Submarine tender, modified "Yugra" type	USSR	Displ: 6,000t; light

contd.../-

Table 6 (contd.) (v)

Date	Number	Item	Supplier	Comment
1968	2	Landing craft "Polnocny" class	USSR	Displ: 900t
(1968)	1	Fast Patrol Boat "Poluchat" class	USSR	Displ: 100t.
1968-69	2	Submarine "F" class	USSR	Displ: 2,000t; surface 2,300t; submerged
1969	5	Frigate, "Petva" class	USSR	Displ: 1,050t.
1970	2	Submarine "F" class	USSR	Displ: 2,000t, surface, 2,300t; submerged
1971	1	Submarine tender	USSR	Displ: 790t; ex-Soviet Fleet minesweeper
(1971)	1	Frigate, "Petya" class	USSR	Displ: 1,050t.
1971-72	8	Motor Torpedo Boat	USSR	Similar to "OSA" class; armed with "Styx" SSMs.
1972	2	Frigate, "Petya" class	USSR	Displ: 1,050t
1972	6	Frigate "Leander" class	UK/India	Displ: 2,450t; being built in India; armed with "Seacat" SAMs.
<u>Armoured fighting vehicles</u>				
1950	(120)	Daimler and Humber AC	UK	
1953	180	M-4 Sherman	USA	Large numbers supplied before 1950
1956-57	210	Centurion	UK	
(1956-57)	(50)	Ferret	UK	
1957-58	150	AMX-13	France	
1964	70	BT-76	USSR	
(1965)	80	PT-76	USSR	
1967-73	500	Vijayantha	UK/India	Version of Vickers 37 produced under licence; indigenous content 68 percent 1972
1968-71	225	T-54	Czechoslovakia	
1968-71	225	T-55	USSR	
1969-72	(120)	OT-62A	Czechoslovakia/ India	Produced under licence in India
1971	(30)	OT-64	Czechoslovakia	

India

contd.../-

Table 6 (contd.) (vi)

Date	Number	Item	Description	Supplier	Comment
<u>India</u>					
..	100	Aero L-39	Basic Trainer	Czechoslovakia	Ordered in 1974 due to delays in the production of HAL, HJT-16 Kiran Trainer.
..	20	Aero L-29 Delfin	Basic Trainer	Czechoslovakia	Delivery pending completion of L-39 orders.
(1975)	2	Patrol Boat, ASW equipped		France	To be built in Sweden and fitted in India.
1975	5-40	"A-14" - Class	Submarine	Sweden	
1974	3	Westland Sea King	ASW Helicopter	UK	In addition to 3 delivered in 1973
..	--	Short Seacat	S-S Missile	UK	To arm licence-produced "Leader" - class frigate.
..	50	MIG-23 "Flogger"	Strike/Inter- ceptor	USSR	
..	(..	YAK-36	VTOL Strike Fighter	USSR	Chosen vs: UK Harrier)
1975	..	SAM-6	S-A Missile System	USSR	
1976	1	Frigate, "Petya"-class	Displ: 1050 tons	USSR	In addition to 9 previously delivered
1976-77	50	WSK-Mielec TS-11	Iskra Jet Trainer	Poland	
(1975)	(100)	Short Seacat	ShShM	UK	For Leander Frigates
1976-1977	4+3	Ilyushin 11-38	"May" Bomber/ Maritime recce	USSR	For Navy
..	..	SS-N-9	ShShM	USSR	Arming Nanutchka Ships

contd.../-

Table 6 (contd.) (vii)

Date	Number	Item	Description	Supplier	Comment
..	..	SS-N-2 "Styx"	ShShM	USSR	Arming Osa ships.
(..	..	BMP-76	APC	USSR	Unconfirmed reports)
..	8	"Nanutchka" class	Fast mille Boat	USSR	Arms: SS-N-9 ShShM
..	..	"Osa"-class	Missile Boat	USSR	Arms: SS-N-2 Styx ShShM
1973-75	4	"F"-class	Submarine	USSR	In addition to earlier 4
1975	1	"Polnocny"- class	Landing ship	USSR	In addition to earlier 2
May, 1976	5	Britten-Norman Defender	Light Transport aircraft	UK/Belgium	For Patrol
(..	6	Westland Wasp	ASW Helicopter	UK	For "Leader" class)
1976	..	Short Seacat	ShShM	UK	For "Leander" class
1977	7	11-38 "May"	Maritime recce/ ASW aircraft	USSR	Navy order instead of too costly H's Nimrod.
..	..	SA-6 "Gainful" SA-7 "Grail"	SAM Infantry SAM	USSR ⁰ USSR ⁰	To be supplied prior to future licensed production
1977	54*/144	SS-N-9	ShShM	USSR	Arming 8 new "Nanuchka" class missile boats.
1976-77	48*/84	SS-N-2 "Styx"	ShShM	USSR	Arming new "Osa"-class (7) missile boats.
1977	3*/8	"Nanuchka"- class	Missile Corvette	USSR	Arms: SS-N-9 ShShM
1977	(78)/2*	"Osa 65"- class	Missile Patrol Boat	USSR	Arms: SS-N-2 "Styx" ShShM
1975-76	4	"Polnocny"- class	Tank landing ship	USSR	In addition to earlier 2
..	12	Alize	ASW Fighter	France	
..	..	R-550 Magig	AAM	France/India	Licensed Production

contd../-

Table 6 (contd.) (viii)

Date	Number	Item	Description	Supplier	Comment
1973-77	70*/140	SA5315 B	Cheetah Light Helicopter	France/India	Licensed Production
1975-77	99*/99	SA-316 B Alouette-3	Helicopter	France/India	Licensed Production
1972-77	2100*/3000	SS-11	ATM	France/India	Licensed Production
1976-77	10/100	Gnat Mk-2	Fighter-Bomber	UK/India	
1976-77	10	HS-748 M	Military Transport	UK/India	
1972-77	4*/6	"Leander"	Frigate	UK/India	
..	*/5	Westland Sea King	ASW Helicopter	UK	
1972-77	96*/144	Short Seacat	ShAM	UK	
1975-77	300*/1000	Vijayanta-2	Tank	UK/India	Licensed Production
..	2	Boeing 737-100	Transport	USA	
1977	4*/4	Il-38	ASW Aircraft	USSR	
1973-79	600*/600	K-13 A Atoll	AAM	USSR/India	
1978	5	Ka-25 Hormone	ASW Aircraft	USSR	
1978	2	"Kashin"	ASW Destroyer	USSR	
1978-78	24*/150	MIG-21-Bis	Fighter	USSR/India	
1973-79	100*/100	MIG-21M	Fighter	USSR/India	
1978	../92	SSN-11	ShShM	USSR	

Source: SIPRI Year Book, 1975, pp.230-31.
 " " " 1976, p. 264.
 " " " 1977, p. 317
 " " " 1978, pp.262-63.

Table 7
Arms supplies to Pakistan

Date	Number	Item	Supplier	Comment
		Aircraft		
1950	16	Hawker Sea Fury FB.60 and T.61	UK	
(1950-42)	(5)	Short S.A.6 sealand	UK	
(1950-55)	62	Bristol Freighter Mk 21/31	UK	
1951-53	36	Vickers Attacker F.1	UK	
1956	10	Lockheed T-33A	USA	
1956-58	120	NA F-86F Sabre	USA	MAP
(1957)	6	Lockheed BT-33A	USA	
(1957)	1	Vickers Viscount 734	UK	
1958	26	Martin B-57B Canberra	USA	MAP
(1958)	(6)	Martin RB-57 Canberra	USA	
1958-62	(75)	Cessna O-1 Birdog	USA	
(1960-61)	(15)	Bell 47	USA	
(1960-62)	(15)	Sikorsky S-55	USA	
1962	(2)	Lockheed F-104B Star-fighter	USA	Probably refurbished
1962	12	Lockheed F-104A Star-fighter	USA	Ex-USAF; probably refurbished
(1962)	4	Gumman HU-16A Albatross	USA	
1963	4	Kaman HH-43B Huskie	USA	
1963	25	Cessna T-37B	USA	
1965	4	MiG-15 UTI	China	
1965	1	Fokker Friendship	Netherlands	
1965	6	IL-28	China	

contd..

Table 7 (contd)

Date	Number	Item	Supplier	Comment
1966	40	F-6 (MiG-19)	China	
1966	90	NA F-86 Sebre	FR Germany/Iran	
1966-67	2	Lockheed C-130B Hercules	USA	
1967	1	HS Trident IE	UK	
1967	4	Lockheed C-130B Hercules	Iran	
1968	4	Sud Alouette RI	France	
1968	18	Dasszult Mirage III EP	France	
1968	3	Dasszult Mirage III RP	France	
1968	3	Dasszult Mirrage III DP	France	
1968	3	Lockheed TF-104G Starfighter	Belgium	
1968-71	12	Mi-8	USSR	U.c: \$504 000 approx. repayable over 10 years; operated by Army
1971	4	Cessna T-32	USA	
1971	(50)	F-6 (MiG-19)	China	
1971	10	Lockheed F-104 Starfighter	Jordan	Believed to have been returned after 1971 war with India
1971	3	Northrop F-5 Freedom Fighter	Libya	Believed to have been returned
1971	2	Aerospa	Saudi Arabia	Reportedly on loan
1971	10	DHC-2 fleaver	Saudi Arabia	Reportedly on loan
1972	(60)	F-6 (MiG-19)	China	
(1972)	1	Dasszult Falcon	France	For VIP
1972-	(5)	Cessna/Dhamial O-1 Birdog	USA/Pakistan	Assembled from previously acquired spares; indogenous content 60 per cent approx.
1972-	28	Aerospatmie/Dhamial Alouette III	France/Pakistan	Produced under licence in Pakistan
1972-	28	Dassault Mirage V	France	
(1972)	2	Dassault Mirrage III	France	20 delivered by end 1973
1974-	47	Saab MF1-17	Sweden	
	10	Sikorsky helicopter	USA	On order

contd.,.../-

Table 7 (contd.)

Date	Number	Item	Supplier	Comment
1959	2	Coastal minesweeper	USA	Displ: 335t; MAP transfer
1959	1	Tug	USA	Displ: 1235t; completed 1963; MAP transfer
(1959)	1	Water carrier	USA/Italy	Off shore procurement; built for MAP
1960	2	Tug	USA/Italy	Off shore procurement; built for MAP
1960	1	Oiler	USA/Italy	Displ: 600t; Off shore procurement built for MAP
1962	1	Coastal minesweeper	USA	Displ: 335t; MAP transfer
1963	1	Oiler	USA	Displ: 5730t; on loan under MAP
1963	1	Coastal minesweeper	USA	Displ: 335t; MAP transfer
1964	1	Submarine, "Tench" class	USA	Displ: 1570t; completed 1945; ex-US; on loan
1965	4	Patrol Boat "Town" class	UK	Displ: 115t; completed 1965
1970-71	3	Submarine, "Daphne" class	France	Displ: 700t; new
1971-72	9	Motor Gun Boat, "Shanghai" class	China	Displ: 120 t full load; No. 4 may be converted for missile firing in Pakistan.
	2	Frigate, "Whity" class	UK	Displ: 2560t; ex-British; on order

Table 7 (contd.)

Date	Number	Item	Supplier	Comment
<u>Armoured fighting vehicles</u>				
(1950)	(10)	Daimler AC	UK/India	
1954-55	50	M-41 Bulldog	USA	
(1954-55)	(150)	M-24 Chaffee	USA	
(1954-55)	200	M-4 Sherman	USA	
1955-60	400	M-47 and M-18 Patton	USA	
(1958)	(20)	M-36	USA	
1965-66	(80)	T-59	China	
(1968)	100	M-47 Patton	Italy)	Conflicting information as to whether Pakistan received.
<u>Missiles</u>				
(1958-64)	(400)	NWC Sidewinder	USA	To arm F-86, F-104, MiG-19 and Mirage
1965-	(500)	MPB Bo Cobra	FR Germany/Pakistan	U.c. \$756: being built under licence in Pakistan
(1968)	(72)	Matra R-530	France	To arm Mirage; limited use due to high unit cost
<u>Naval Vessels</u>				
1951	1	Destroyer	UK	Displ: 1 800t, completed 1941-42
1955	1	Coastal minesweeper	USA	Displ: 335 t, MAP transfer
1955	1	Tug	Netherlands	Dimensions: 105 x 30 x 11ft; completed 1955
1956	1	Light Cruiser "Dido" class	UK	Displ: 5500t; completed 1944; refitted 1957; adapted for training 1961
1956	1	Coastal minesweeper	USA	Displ: 335t; MAP transfer
1956-57	2	Destroyer "Battle" class	UK	Displ: 2325t; completed 1946; refitted in UK 1956; 1 refitted in USA under MAP
1957	2	Coastal minesweeper	USA	Displ: 335t; MAP transter
1958	2	Destroyer "CH" class	USA/UK	Displ: 335t; completed 1945; purchased by USA from UK; under MAP; refitted in UK; 1 scrapped
1958	2	Destroyer "CB" class	UK	Displ: 1730t; completed 1946; refitted in UK under MAP

contd../-

Table 7 (contd.)

Date	Number	Item	Supplier	Comment
1959	2	Coastal minesweeper	USA	Displ: 335t; MAP Transfer
1959	1	Tug	USA	Displ: 1235t; completed 1963; MAP transfer
(1959)	1	Water carrier	USA/Italy	Off shore procurement; built for MAP
1960	2	Tug	USA/Italy	Off shore procurement; built for MAP
1960	1	Oiler	USA/Italy	Displ: 600t; off shore procurement built for MAP
1962	1	Coastal minesweeper	USA	Displ: 335t; MAP transfer
1963	1	Oiler	USA	Displ: 5730t; on loan under MAP
1963	1	Coastal minesweeper	USA	Displ: 335t; MAP transfer
1964	1	Submarine, "Tench" class	USA	Displ: 1570t; completed 1945; ex-US; on loan
1965	4	Patrol Boat "Town" class	UK	Displ: 115t; completed 1965
1970-71	3	Submarine, "Daphne" class	France	Displ: 700t; new
1971-72	9	Motor Gun Boat, "Shanghai" class	China	Displ: 120t; full load; No. 4 may be converted for missile firing in Pakistan
	2	Frigate, "Whithy" class	UK	Displ: 2560t; ex-British; on order
<u>Pakistan</u>				
late 1974	1 squad	Shenyang Mig-19 Fighter	China	including spares
..	..	SAM-6 SA Missile system	China	New Production in China
1975-76	3	Brequet Atlantic ASW Plane	France	Ex-aeronavale (Credit \$38.2 mn refurbished)
1972-74	28	Dassault Mirage 5 Fighter	France	
1974	..	Lockheed-C-130B Hercules Transport	Transfer Iran	In addition to previous 7C-130 Bs.
1974-76	45	Saab Supporter MFI-17 Primary Trainer	Sweeden	Arms: AS.11/12 ASM Arms: 2xAm-3A Exocet ASM Unspecified number ordered.
1974-75	3*/6	Westland (Sikorsky) ASW Helicopter	UK	Unspecified number ordered.
1977	2	Sea King MkYS "Whitby" class Frigate/Destroyer	UK/USA	U.C: \$ 4.7 mn ex-UK, fitted with radar electronic equipment
1974	1	Lockheed C-130B Hercules Transport	USA	Ex-USAF

contd.../-

Table 7 (contd.)

Date	Number	Item	Supplier	Comment
1977	10	Dassault Mirage IIIR Tactical race/Fighter	France	Credit \$ 71mn, sold at 1973 price
1975	..	Aerospatiale AM 39 Exocet ASM	France	May arm saab supporters
..	..	Aerospatiale AS.11/12 ASM	France	For 4 Seaking Helicopters
..	(6-12 batt)	Matra-CSF-Thomson Crotale SAM	France	Purchased under \$ 155 mn Credit of 1973
1976	1	"Daphne" class Submarine	France	Purchased under \$ 155mn credit of 1973; in addition to 3 in 1970.
1976	50	Northrop F-5A Freedom Fighter	Iran	Ex-Iran. To be delivered in US approval - may be on loan.
..	100	M-48 Tank	Iran	Formally owned by Turkey being refurbished in Iran
1976	..	.. Submarine	China	Sale/Gift not known (small number)
1976	..	.. Destroyer	China	
..	4	Aerospatiale Super Frelon	France	
1977	10	Dassault Mirage 5 Fighter	France	In addition to SA-330 Puma
..	..	Matra/Oso Melara OTO MAT ShShM	France/Italy	
..	35	Aerospatiale/Westland SA-330 Puma Helicopter	France/UK	In addition to Mirage 5 preferred to USLTVA-7)
..	100	BAC/Dassault-Brequet Strike/Jaguar International Fighter	UK/France	Corsairo BAC delegation in Pakistan (December 1976)
..	100	LTVA-7 Corsair II Hughes BGM-USA 71 TOW Bomber/Attack ATM	USA	\$ 700mn; offered only if Pakistan does not through its deal with France for nuclear reactor. Pak. Govt. went through with the deal --announced on Jan 5, 1977 (\$28mn incl. 200 launchers).
(1977-78)	840	Raytheon AIM-9J-1-Side- Winder AAM	USA	\$34.2 mn; For Congressional approval see above Supplied.
1977	..	.. Tank Recovery Vehicle	USA	See above
1976-77	60	Shenyang F-6 Aeropatiele Fighter	China	

contd.../-

Table 7(contd.)

Date	Number	Item	Supplier	Comment
1976-77	24	AM-39 Exocet ASM	France	
1977	2	Dassault Brequet 1150 Marine Patrol Aircraft	France	
1977	9	Matra-Thomson Cortale AMX-30 SAM	France	
1977	120	Matra R-550 Magic AAM	France	
1977	1	Daphne Submarine	Portugal	
1977	2	"Gearing" Destroyer	USA	
<u>Sri Lanka</u>				
1974-75	..	SS-N-2 "Styx" ShShM	USSR	Arming Osa ships
1974-75	6	"Osa"-class Missile Boat	USSR	Arms: Styx ShShM
1975	1	Patrol Boat	USSR	Ex-USSR minesweeper
..	5	Fast Patrol Boat	UK	
<u>Nepal</u>				
<u>Aircraft</u>				
(1962)	3	Scottish Aviation Twin Pioneer	UK	
(1963)	(1)	D-14	USSR	Gift
1970-71	2	Short Skyvan	(UK)	
(1971)	2	Douglas C-47	Australia	
1972	1	Aerospatiale Alouette III	France	
(1972)	3	DHC-6 Twin Otter	(Canada)	
(1969-70)	(5)	Armoured fighting vehicles AMX-13	Israel	

Source:

SIPRI, Year Book, 1975, p. 231.

SEPRI, Year Book, 1976, p. 264.

SIPRI, Yearbook, 1977, pp. 331-32.

SIPRI, Year Book, 1978, pp. 272-73.

Note *= Number of delivered items.