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United States Senate

COMMITTEE ON FOREIGN RELATIONS  
WASHINGTON, D.C. 20510

PAT M. HOLT, CHIEF OF STAFF  
ARTHUR M. KUHL, CHIEF CLERK

November 22, 1974

*ole 74-2446*

[Redacted]

Associate Legislative Counsel  
Central Intelligence Agency  
Washington, D. C. 20505

Dear [Redacted]

As you know, Senator Fulbright wrote to Mr. Colby on October 7 to advise him that the Committee on Foreign Relations has initiated a staff study of arms sales policies and programs and requested the Agency's cooperation on the study.

As a first step in the study, the staff is attempting to assemble pertinent materials and information on certain arms sales matters. I enclose a list of items which should be helpful to us, and I would appreciate your assistance in pulling this information together. I realize that some items may take longer to assemble than others and, in order to avoid unnecessary delay, I would appreciate the Agency's furnishing the information requested in increments. I hope that the classified material can be kept to a minimum.

Thank you in advance for your cooperation. If you have any questions, please give me a call on 224-5381.

Sincerely yours,

*Norvill Jones*  
Norvill Jones  
Staff Associate

MATERIAL CONCERNING ARMS SALES  
MATTERS REQUESTED BY THE SENATE  
FOREIGN RELATIONS COMMITTEE  
FROM THE CENTRAL INTELLIGENCE AGENCY

1. Please describe the CIA's participation in the decision-making process concerning any aspect of U. S. military sales policy.
2. What, if any, type of analysis of the threat faced by a foreign purchaser, or the intentions of a purchaser, is the CIA called upon to provide? If such analyses are provided, please furnish copies of such documents for the following countries: Iran, Bahrain, Saudi Arabia, Kuwait, Chile, Peru, Brazil, Ecuador, South Korea, Republic of China, and Thailand.
3. Please provide pertinent data concerning the arms sales activities of major Western arms suppliers (Great Britain, France, Germany, Italy, etc.), including, but not limited to, the following information for each:
  - (a) Dollar volume of sales for each of the last five years;
  - (b) Major types of equipment currently sold and the relative share of the Western supplied market for each category;
  - (c) Volume of arms sales relative to overall defense spending (or other indices to relate the importance of sales to local defense spending policy);
  - (d) Estimates of volume and terms of credit extended for arms purchases relative to cash sales (latest year);
  - (e) Restrictions on third country transfers or similar restrictions imposed by the selling country.
4. For arms transfers by the Soviet Union, please provide the following information:

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(a) Arms transfers to (1) Eastern Europe, and (2) major recipients outside Eastern Europe for each of the last five years;

(b) An analysis of the terms of transfer (grant, barter, cash, credit terms) to major recipients of Soviet arms outside of Eastern Europe. Please give particular attention to terms offered on arms transactions with countries where there is competition from Western suppliers.

(c) How many Soviet technicians, by country, are currently working in military advisory or similar roles outside of Eastern Europe. Are their services normally paid for by the host country?

(d) Describe the Soviet organization for, and activities in connection with, the promotion of arms sales. In what countries are the Soviets actively promoting arms sales in competition with Western suppliers, and what terms are being offered?;

(e) What types of Soviet military aircraft are in active sales competition with U. S. or other Western aircraft? Please supply numbers of each type sold, by country, in competition with U. S. or other Western suppliers.

5. Please provide data concerning arms sales by Eastern European Countries (other than the Soviet Union) and the Peoples Republic of China for each of the last five years.

6. Please provide copies of any recent CIA studies relating to:

(a) Transfers of surplus arms;

(b) Impact of arms sales on regional rivalries

(c) The economic significance (to the U. S. or to other suppliers) of arms sales;

(d) Political implications of U. S. arms sales policy.

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(e) Effect of rivalries among supplier countries upon breadth and scope of arms sales.

(f) Correlation between U. S. arms sales and U. S. overseas defense posture or the U. S. force structure.

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COMMITTEE ON FOREIGN RELATIONS  
WASHINGTON, D.C. 20510

October 7, 1974

PAT M. HOLT, CHIEF OF STAFF  
ARTHUR M. KUHL, CHIEF CLERK

The Honorable  
William E. Colby, Director  
Central Intelligence Agency  
Washington, D. C. 20505

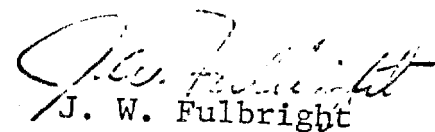
Dear Mr. Colby:

As a step in carrying out its responsibilities for Congressional oversight of administration of the Foreign Military Sales Act, the Committee on Foreign Relations has initiated a staff study of policies and programs for the sale of military equipment to foreign countries.

The study will concentrate on review of the implementation of laws and directives governing arms sales, the decision-making process within the Executive Branch on arms sales matters, and the impact of sales decisions on regional stability.

The Committee would appreciate the Agency's cooperation and assistance on this project. Will you please designate an individual in the Agency for contact in assisting the Committee on this study.

Sincerely yours,

  
J. W. Fulbright  
Chairman