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: CIA-RDP89G01321R000600130004-9

RETURN TO DCI MEETING WITH BOREN/
COHEN, 27 JUL 88, F1d # 135.

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Baltimore Sun 5 March 1988 p. 18B

Pentagon, Toshiba deny 'chip' charges

WASHINGTON (AP) — Toshiba Corp. of Japan illegally sold computer technology to the Soviet bloc, a lawmaker said yesterday, but Pentagon officials and Toshiba spokesmen called the charges untrue.

"A wide variety of available evidence shows that within the last seven years Toshiba Corp. and other Japanese firms have been heavily involved in illegally enhancing the micro-electronic capability of Warsaw Pact nations." Representative Duncan L. Hunter, R-Calif., said through an aide.

The issue could affect pending trade legislation restricting the sale of Toshiba products in the United States for two to five years, a ban congressional aides said could cost the company \$20 billion in sales.

Congressional sources, speaking on condition of anonymity, said U.S. intelligence analysts prepared secret reports that said Toshiba:

- sold Czechoslovakia a complete factory in 1979 to make computer chips, in a deal of questionable legality;

- sold East Germany a more advanced computer-chip assembly line in 1986, in a deal of clear illegality;

- negotiated an illegal deal for a second assembly line in East Germany in 1987.

In public discussion of the classified intelligence reports, the deals have been labeled Toshiba 2, Toshiba 3 and Toshiba 4.

Toshiba 1 refers to the admission by Toshiba six months ago that a unit had sold the Soviet Union tools for making quiet submarine propellers, making it harder for the U.S. military to detect Soviet submarines.

U.S. intelligence learned of Toshiba 4, the second deal with East Germany, protested it through diplomatic channels and managed to kill it before the technology was delivered, according to congressional sources.

Defense Department officials said they did not have enough evidence to prove that any of the deals went through. "The information that we have is that we feel these actions, Toshiba 2, 3 and 4, have not occurred," said a Pentagon spokesman, Army Col. Arnold Williams.

David Houlihan, an attorney representing Toshiba, said the alleged sales either were legal or had not taken place.

Mr. Houlihan said Toshiba 2 was a legal sale of which the U.S. government was aware; Toshiba 3 "never occurred" and Toshiba 4 involved a proposed deal that was canceled after disclosure of the submarine propeller sale.

A second Pentagon source, who was familiar with the intelligence reports, said the CIA had collected "rumors and allegations" which turned out to be unsubstantiated. "They were dog's breath," the source said.

"There is no evidence. If there were evidence, we would pursue this," said the source, who deals with technology transfers to the Soviet bloc.

Within the next two weeks, a conference committee of 20 representatives and seven senators are to complete work on a trade bill that would restrict the sale of Toshiba products in the United States.

The Senate version of bill, pushed by Sen. Edwin "Jake" Garn, R-Utah., would bar the sale of any products made by the Toshiba Corp. for two to five years, as punishment for the sale of the submarine technology.

Toshiba has sales of between \$3 billion and \$4 billion annually in the United States, meaning that the ban could cost it \$20 billion in sales.

The House passed a trade bill that contained no sanctions against Toshiba.

House and Senate conferees are due to sit down within the next two weeks to resolve their differences over the sanctions.

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ROUTING AND RECORD SHEET

SUBJECT: (Optional)

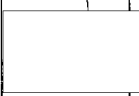
Monthly Meeting with Senators Boren and Cohen 27 July 88 5:00 PM

FROM



Acting Director of Congressional Affairs

EXTENSION



NO.

OCA 88-2294

DATE

26 JUL 1988

TO: (Officer designation, room number, and building)

DATE

OFFICER'S INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

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FORWARDED

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Executive Registry

26 JUL 1988

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Executive Director

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Deputy Director of Central Intelligence

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Director of Central Intelligence

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OCA 88-2294
26 July 1988

MEMORANDUM FOR: The Director

FROM: [redacted] 25X1
Acting Director of Congressional Affairs

SUBJECT: Your Meeting with Senators Boren and Cohen

1. On Wednesday, 27 July at 5:00 PM you are scheduled to have your regular monthly meeting with Senators Boren and Cohen. Sven Holmes and Jim Dykstra probably will be present. The new staff director-designate George Tenet may also attend. The date he will take over for Holmes is still up in the air.

[redacted] 25X1

2. While you were in Europe Senator Boren was hospitalized for several days for treatment of a very serious infection. The infection apparently originated with an abscessed tooth. You may want to express sympathy. [redacted]

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[redacted]

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4. You might want to brief the Senators on the highlights of your recent trip to Europe. [redacted]

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5. Senator Boren has written to you transmitting a letter from Senator Proxmire in which the latter complains about the lack of unclassified information on arms transfers. Senator Boren requested that this issue be discussed at your next meeting with him. A copy of his letter and talking points are attached. [redacted]

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7. Russ Bruemmer recommends you raise the attached issue concerning discovery issues in the Iran-Contra prosecution. [redacted]

8. I suggest you discuss also the following subjects for which talking points are attached:

-- [redacted]

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~~SECRET~~

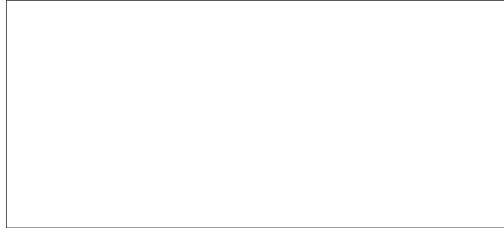
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11. The Committee staff is aware that our officers were surprised and uncomfortable recently to be asked to testify under oath. Staff assures us that this will not be a regular practice. If the Senators raise the subject, I suggest you draw on the attached talking points.

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Attachments



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DAVID L. BOREN, OKLAHOMA, CHAIRMAN	
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ALAN CRANSTON, CALIFORNIA	CHIC HECHT, NEVADA
DENNIS DeCONCINI, ARIZONA	JOHN WARNER, VIRGINIA
HOWARD M. METZENBAUM, OHIO	

United States Senate

#88-2555

SELECT COMMITTEE ON INTELLIGENCE
WASHINGTON, DC 20510-8475

ROBERT C. BYRD, WEST VIRGINIA, EX OFFICIO
ROBERT DOLE, KANSAS, EX OFFICIO

SVEN E. HOLMES, STAFF DIRECTOR AND GENERAL COUNSEL
JAMES H. DYKSTRA, MINORITY STAFF DIRECTOR
KATHLEEN P. MCGHEE, CHIEF CLERK

July 1, 1988

The Honorable William H. Webster
Director of Central Intelligence
Central Intelligence Agency
Washington, D.C.

Dear Judge Webster:

Enclosed please find a copy of a letter from Senator William Proxmire regarding information with respect to world arms transfers. It would be my hope that we could discuss this matter at our next scheduled meeting.

Thank you for your consideration.

Sincerely,



David L. Boren
Chairman

WILLIAM PROXMIRE
WISCONSIN

United States Senate

WASHINGTON, DC 20510

June 13, 1988

The Honorable David Boren, Chairman
Senate Select Committee on Intelligence
Washington, D.C. 20510

The Honorable Louis Stokes, Chairman
House Permanent Select Committee
on Intelligence
Washington, D.C. 20515

Dear David and Lou:

On June 9, I gave a speech on the Senate floor on the subject of arms transfers to developing nations. The idea for the speech grew out of a Memorial Day column in the New York Times by James Reston in which he cited a report that stated that the world was engaged in 25 wars in 1987. Most of these conflicts took place in underdeveloped parts of the world.

In preparation for that speech I sought information detailing the value of the arms exported to these nations at war and the countries that were the main suppliers of these arms. I consulted the annual Arms Control and Disarmament Agency (ACDA) publication on this issue, titled World Military Expenditures and Arms Transfers 1987, but I was unable to find this information. In fact, the most detailed breakdown of nation-to-nation arms transfers was a table that cumulatively covered the period 1982-1986, but it did not even include all the arms exporting nations.

I contacted ACDA to get some answers but much to my surprise, I was told that this type of detailed information was classified and unavailable to the public. Consequently, I was forced to use aggregate figures that detailed the value of the arms transfers from the communist and non-communist world to various regions of the world for the ten-year period of 1977-1986.

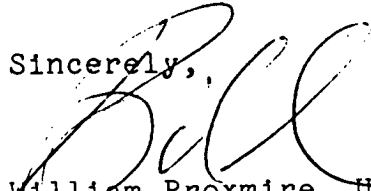
I question the decision to keep classified this important information. I propose that the U.S. declassify a list of all the world's arms exports to countries at war. I believe that this would provide the basis for negotiations with the Soviets on limiting or eliminating the export of arms to nations at war. It also would provide a year-by-year public record of the major arms exporting and importing nations, and the types of arms being transferred.

Page 2

I am interested in the reasons that the U.S. government cites for keeping this detailed arms transfer information classified. I would like to see ACDA publish a yearly report citing the total arms exports of all nations, the recipient nations of these shipments, and the types of weapons transferred. As Chairmen of the Senate and House Intelligence Committees, could you inquire of the administration the justification for classifying this detailed information on global arms transfers and relay to me their response?

With best wishes,

Sincerely,



William Proxmire, U.S.S.

WP:kl

Senate

THURSDAY, JUNE 9, 1988

(Legislative day of Wednesday, June 8, 1988)

The Senate met at 9:30 a.m., on the expiration of the recess, and was called to order by the Honorable JOHN BREAU, a Senator from the State of Louisiana.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray:

Blessed is the nation whose God is the Lord * * *—Psalm 33:12.

Eternal God, just and holy in all Thy ways, thank You that our Founding Fathers took seriously the words of the psalmist—that nation is blessed whose God is the Lord. The professional athlete calls it fundamentals—the sociologist calls it roots—but by whatever name it is indispensable to self-understanding, self-worth and dignity, self-realization and progress, personally and collectively. Our Founding Fathers debated long and hard as to the relation between church and state—but whatever their views, they believed earnestly that virtue and faith in God were indissoluble. They crafted our political system in the conviction that a Creator God endowed human rights, which are inalienable—and to secure which is the mandate of a government which receives its power from the consent of the governed. Help us, Righteous Father, to see that at the heart of present frustration with imponderable social evil is disconnection from our spiritual/moral roots—that to return to these fundamentals which guided and nurtured our unprecedented blessing as a nation is essential to our preservation. Hear us and awaken us, O Lord, our God. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. STENNIS).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, June 9, 1988.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable JOHN

BREAU, a Senator from the State of Louisiana, to perform the duties of the Chair.

JOHN C. STENNIS,
President pro tempore.

Mr. BREAU thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the standing order, the majority leader is recognized.

Mr. BYRD. Mr. President, I ask unanimous consent that my time be reserved until later.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RECOGNITION OF THE REPUBLICAN LEADER

The ACTING PRESIDENT pro tempore. Under the standing order the Republican leader is now recognized.

Mr. DOLE. I make the same request. The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order there will now be a period of morning business not to extend beyond the hour of 10 a.m. with Senators permitted to speak therein for not to exceed 5 minutes each.

The Chair recognizes the Senator from Wisconsin, Mr. PROXMIER.

OUR MOST DISGRACEFUL FEDERAL WASTE: ARMS TO DEVELOPING COUNTRIES

Mr. PROXMIER. Mr. President, recently, senior New York Times columnist James Reston observed a chilling fact. On last Memorial Day, when many of us were speaking in our home States about the blessings of peace, much of the world was engaged in deadly and heartbreaking wars. How many wars were going on last year? Answer: 25. That is the report of a Washington research institute called World Priorities. Reston reports that Ruth Leger Sivard, who signed the report, asserts that more wars were fought in 1987 than in any previous year on record. Of course, practically

all of these 25 wars are still going on. Already, World Priorities estimates that 3 million people—75 percent of them civilians—have died in these wars. It also estimates that in all the wars since the end of World War II in 1945, the death total exceeds 17 million.

This wholesale and largely senseless killing has been going on in Latin America, the Middle East, Africa, and Asia. The location of these wars tells us something. North America has been spared this bloodshed. So has Europe. The killing, the trauma, the misery of war has been entirely imposed on the people of the underdeveloped world. But the efficient, deadly weapons to fight many of these wars came from the United States and the Soviet Union, from France and Poland, from West Germany and Czechoslovakia. Much of the cost of these weapons was extracted from the already impoverished developing countries and all of the profits from fabricating these weapons of death went to developed countries like the United States and the Soviet Union.

The huge war casualties measure only a part of the misery imposed on these countries. People in these developing countries are desperate for capital. They suffer grossly inadequate housing. Many are literally starving. Most are able to afford only the most rudimentary kind of health care. For them, war has been especially cruel. War has taken from these people much of the pathetically limited resources they so urgently need to scrape a bare living from the soil. War has brought widespread burning of their homes. It has brought the killing of their livestock. War has directed the energies of their youngest and strongest manpower from constructive work to killing equally poor and miserable neighbors.

So what can we do about this grotesque situation? Reston proposes as a starter that the major nations that dominate world communications publish an annual tally of those who have been killed in war in the preceding year. This is a wise beginning. I propose that we go further. I propose that the United States declassify a list of all the world's arms exports to countries at war. We should report this along with a record of the number of human beings killed in each war in the preceding year.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

S 7460

CONGRESSIONAL RECORD — SENATE

June 9, 1988

On the basis of this kind of data, the United States would provide the basis for public and congressional as well as administration support for negotiations with the Soviet Union and other major arms exporters to stop export of arms on all sides. We should strive for a mutually agreed elimination or limitation on arms exports to countries at war. Obviously, much of our export business is based on the fear or suspicion that the warring side we oppose in Central America or Africa is receiving heavy arms shipments from the Soviet Union. Similarly, much of the Soviet shipment of arms to warring nations is based on a reciprocal fear that if they do not get there first, the United States or other NATO countries will. Just possibly, with the new sensitivity in the Soviet Union to the public advantage in promoting peace, an intense campaign by this country could help remove Soviet weapons from Cuba and Nicaragua as we remove American weapons from the Contras. In Angola, we could press for the evacuation of the 35,000 Cuban troops now serving there and the massive Soviet weaponry in return for our ending the arming of the Angolan rebel Savimbi.

Mr. President, the cost of the lethal weapons that have poured into developing countries to provide the instruments of death is appalling. In the 10 years from 1977 thru 1986, according to data provided to me by the State Department, the United States and other non-Communist countries have shipped \$140.1 billion in weapons into developing countries! The Soviet Union and its Communist allies have pumped in even more, a grim total of \$167.5 billion in weapons of war.

The non-Communist world has provided in this 10-year period \$13.3 billion in weapons of war to Latin America, with the United States accounting for a surprisingly small percentage of that amount—\$2.3 billion. Both West Germany and France provided more than the United States in the 10 years from 1977 through 1986. The Communist nations moved even more weapons into Latin America than the free world—providing \$14.9 billion worth, with nearly 90 percent of that, or \$13.2 billion, coming from the Soviet Union.

In East Asia, the impoverished but warring developing countries received \$23 billion of war materials from the non-Communist countries, including more than two-thirds of that sum from the United States—a total of \$16.8 billion. The Communist countries shipped \$19.3 billion of weapons and ammunition into developing countries of East Asia with more than 90 percent, \$18.4 billion, coming from the Soviet Union.

In Africa, the Communist countries really swamped the impoverished warring nations with \$44.5 billion of military weapons, a total of \$37.4 billion, or 80 percent, came from the Soviet Union, while the free world provided

far less—\$17.3 billion of military weapons. A total of \$2.2 billion or less than 15 percent came from the United States.

In that terrible cauldron of death and violence—the Middle East—the free world poured almost \$77 billion of military weapons, of which \$28.4 billion, or about one-third, came from the United States. The Communist world shipped \$67.9 billion of military weapons into the violent Middle East with about 75 percent or \$51.2 billion coming from the Soviet Union.

Mr. President, altogether, this is an unsurpassed monument to mankind's revolting stupidity. In the name of communism and the brotherhood of the world's workers, the Communist countries, led by the Soviet Union, are depressing the living standards of their own countries by diverting their limited resources to the 25 or so wars that bedevil the poorest people on Earth. And, in the name of freedom, we are nearly matching this disgraceful performance during a fiscal year crisis that cries out for us to cut all spending, and certainly, to cut spending to kill more impoverished people. Does anyone really believe that this flood of deadly weapons will truly advance either brotherhood or freedom?

Mr. President, I ask unanimous consent that the column to which I referred by James Reston from the New York Times be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

25 WARS ARE STILL GOING ON

(By James Reston)

WASHINGTON.—On Memorial Day, or, as the British call it, Remembrance Day, there were many solemn tributes to the dead of past wars. But what we forgot to remember is that in the real world, below the summit meeting, 25 wars are still going on.

That's not a typographical error: 25 is the number, as tabulated by a Washington research institute called World Priorities.

Ruth Leger Sivard, who signed the study, concedes the difficulty of getting an accurate casualty toll in these wars, but she estimates that they have already taken the lives of three million people, four-fifths of them civilians.

She also noted the following: "The United States and the Soviet Union together spend about \$1.5 billion a day on military defense. . . . The developing countries spend almost four times as much on arms as on health care of their people. Yet 20 percent of their children die before their fifth birthday."

She went on: "To protect Kuwaiti oil tankers in the Persian Gulf costs the United States Navy an extra \$365 million a year above normal operating costs."

More wars, she said, were fought in 1987 than in any previous year on record.

Her catalogue of present wars follows:

Latin America—Colombia, about 1,000 deaths a year since 1958; El Salvador, 65,000 deaths since 1979; Guatemala, 138,000 since 1966; Nicaragua, 30,000 since 1961, and Peru, 10,000 since 1981.

The Middle East—Iran-Iraq, 377,000 lives in eight years; Lebanon, 52,000 since 1982. (The study does not include countries where

uprisings have taken fewer than 1,000 lives a year, as in Israel.)

Africa—Angola and Namibia, 213,000 since 1975. In addition, the Angolan war is linked to a smaller conflict in which 5,000 people have been killed in the south West Africa People's Organization fight to expel South African troops from Namibia; Chad, 7,000 since 1980; Ethiopia, 500,000 by war and related famine since 1980; Western Sahara, 10,000 since 1975; Mozambique, 400,000 since 1981 (plus 850,000 more refugees).

Also in Africa—South Africa, 4,000 since 1985; the Sudan, 10,000 since 1984, and Uganda, 102,000 since 1981.

Asia—Afghanistan, 14,000 Soviet troops and 85,000 Afghans since 1979; Burma, 2,000 since 1985; separatist violence in India, 5,000 since 1984; Indonesia (there are no reliable estimates in the fighting over East Timor); Cambodia, 24,000 since 1979; Laos and Vietnam, 30,000 since 1970; the Philippines, 60,000 since 1970, and Sri Lanka, 6,000 since 1984.

This study estimates that over all, since the end of World War II in 1945, the death total in all wars, rebellions and uprisings of various sorts have taken the lives of 17 million people, about half the deaths of the last world conflict.

The Economist of London, commenting on this study, notes that, outside the Persian Gulf war, all wars between nations have disappeared. The magazine also notes progress in the present evacuation of Soviet troops from Afghanistan and the United States-Soviet efforts to reduce atomic weapons.

The World Priorities study said: "Present nuclear arsenals, scattered worldwide, alone represent over 26,000 times the explosive force of all armaments used in World War II."

But there are other problems. Many of the present wars are fueled by the United States, the Soviet Union and other industrial nations, and the technology to produce nuclear weapons continues to spread.

Also, the news of the present wars is limited by indifference, censorship, as in the Iraq-Iran conflict, and unwillingness on the part of the major governments to share what information they have on these wars with the public.

To a large extent, therefore, these are "the forgotten wars," neglected even by those countries that preach the precious value of every human life.

Much was said at the Reagan-Gorbachev summit conference in Moscow about avoiding future nuclear wars, but little if anything about trying to end present wars fought with everything from clubs and stones to poison gas. Or even about reducing the flow of military weapons to the combatants.

At least, the major nations that dominate the communications of the world could publish an annual tally of the world's dead.

As it is now, if a war is not on television it's not happening.

Mr. PROXMIER. Mr. President, I suggest the absence of a quorum and yield the floor.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. REID. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The Chair recognizes the Senate from Nevada, Senator REID.

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