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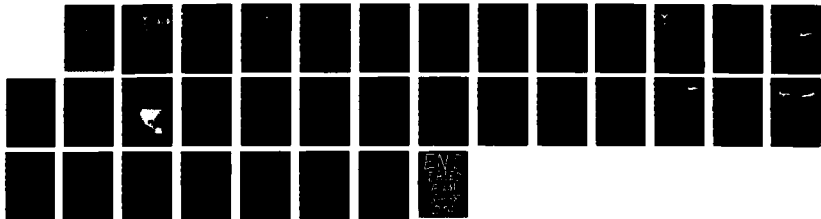
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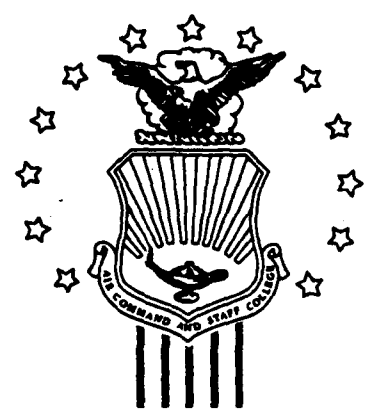




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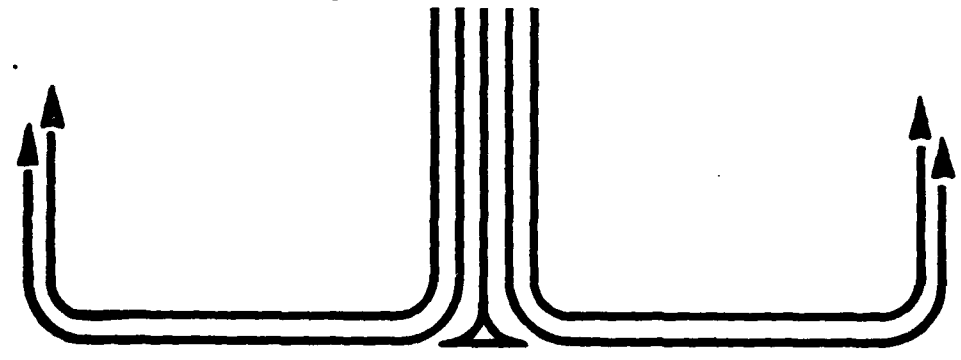
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STUDENT REPORT

WHY SELL THE F-5 AIRCRAFT TO HONDURAS?

MAJOR CRAIG D. CHRISTMAN 88-0545
"insights into tomorrow"



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TITLE WHY SELL THE F-5 AIRCRAFT TO HONDURAS?

AUTHOR(S) MAJOR CRAIG D. CHRISTMAN

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Submitted to the faculty in partial fulfillment of
requirements for graduation.

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PREFACE

Foreign military sales, as a function of United States foreign policy, have become increasingly controversial in recent years. This study attempts to evaluate the factors surrounding one of these sales; the sale of 12 F-5E/F aircraft to Honduras. Factors examined include historic U.S. interests in the region, and political, economic, and military considerations both in the United States and Honduras. However, it does not claim to be all-inclusive. It is based on sources readily found in the public domain. At no time was classified or sensitive material referenced. However, material from several sources used was gathered from areas that may not be readily available to the general public. These sources include communications with the Honduran Country Manager at PRIA Americas Division, Headquarters, United States Air Force, and a personal interview with a former Honduran Air Force Chief of Staff.

The author wishes to express his sincere appreciation to his wife and children for their support and understanding during the many hours spent preparing this study. Additionally, the author would like to express his thanks to Lt Col Paul Tribble for his initial direction, helpful comments, and most of all, patience.

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ABOUT THE AUTHOR

Major Craig D. Christman graduated from Texas Tech University at Lubbock, Texas on 15 May 1976 with a Bachelor of Arts in Political Science and a commission from the Reserve Officer Training Corps. Additionally, he received a Master of Arts in Business Administration from Webster University in June 1986. In October 1976 he reported to Mather AFB, California to attend Undergraduate Navigator Training. Following graduation in 1978, he was assigned as a KC-135A navigator at McConnell AFB, Kansas. In March 1982, Major Christman was reassigned to the Air Training Command at Mather AFB where his duties included service as the Assistant Chief of Squadron Standardization and Evaluation, and as an Assistant Flight Commander. He was assigned to the faculty of Squadron Officer School, Maxwell AFB, Alabama in January 1985 where he served as a Section Commander and as the National Security Affairs Curriculum Phase Manager in the Force Employment Branch. While serving in this capacity, he became interested in Latin American affairs and U.S. regional policies and interests. After graduation from Air Command and Staff College, Major Christman will return to the Strategic Air Command to fly the KC-135R at Altus AFB, Oklahoma.

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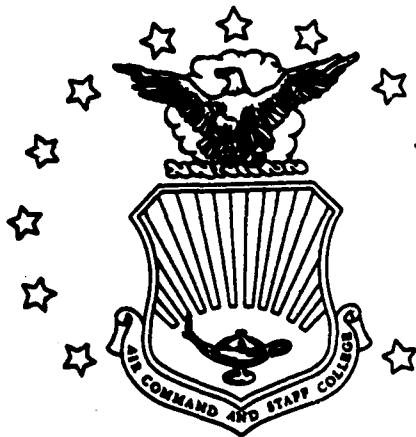
GLOSSARY

FOREIGN MILITARY SALES (FMS): "That portion of United States security assistance authorized by the Foreign Assistance Act of 1961, as amended, and the Arms Export Act of 1976, as amended. This assistance differs from the Military Assistance Program and the International Military Education and Training Program in that the recipient provides reimbursement for defense articles and services transferred" (AFR 130-1, Security Assistance Management).

MILITARY ASSISTANCE PROGRAM (MAP): "That portion of the United States security assistance authorized by the Foreign Assistance Act of 1961, as amended, which provides defense articles and services to recipients on a nonreimbursable (grant) basis" (AFR 130-1, Security Assistance Management).

"The MAP consists of material, services, and training provided to eligible allies, as specified by the Congress, without charge to the country. MAP appropriation requests are defended before the Congress by the Office of the Secretary of Defense (OSD) because MAP appropriations are separate from Military Department appropriations" (AFR 400-20, Administration of Military Assistance Programs).

INTERNATIONAL MILITARY EDUCATION TRAINING (IMET): "Formal or informal instruction provided to foreign military students, units, and forces on a nonreimbursable (grant) basis by offices or employees of the United States, contract technicians, and contractors. Instruction may include correspondence courses, technical, educational or informal publications, and media of all kinds" (AFR 130-1, Security Assistance Management).



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REPORT NUMBER 88-0545

AUTHOR(S) MAJOR CRAIG D. CHRISTMAN, USAF

TITLE WHY SELL THE F-5 AIRCRAFT TO HONDURAS?

I. Purpose: To determine the influences factored into the U.S. decision to sell F-5E/F aircraft to Honduras.

II. Problem: Although foreign assistance programs have been frequently used during the past decade as diplomatic tools to exert U.S. influence, their effectiveness, especially military sales, are being increasingly questioned by Congressional critics. To understand the reasons for and effects of the sale of F-5 aircraft to Honduras requires an awareness of historic U.S. regional interests, and U.S. and Honduran political, economic, and military factors that influenced the sale.

III. Data: Foreign assistance, both economic and military, is based on U.S. foreign policy. Current foreign policy goals include protecting U.S. territory, insuring access to overseas resources and foreign markets by keeping the seas open to ships of all nations, and supporting freedom and democracy throughout the world. United States foreign policy in Latin America and the Caribbean is based, in part, on historical interests. Geopolitical theorists such as Admiral Alfred Thayer Mahan stressed the importance of secure U.S. borders and control of

CONTINUED

the Caribbean region and the vital sea lanes as a primary reason for the U.S. ability to project national power worldwide. Pressure to retain tight control of the region is also influenced by international prestige. Yet, because the southern flank handles over half of all imports arriving in the U.S., as well as providing a major route to reinforce the European theater, interest in the region has heightened in recent years. Economic interests within the U.S. and Honduras play a key role in foreign policy formulation and implementation. The Latin American debt has changed the way governments and international corporations do business with each other. Indeed, fiscal constraints prevent Honduras from purchasing aircraft more advanced than the F-5E. As a result, they are dependent upon MAP funds to modernize their aging Air Force. Similarly, U.S. weapons manufacturers facing diminished domestic and international markets, are pressuring Congress for relief, while seeking alternative markets. Likewise, fiscal budgetary concerns resulting in the Gramm-Rudman-Hollings Act are forcing reductions in or termination of many foreign assistance programs. Foreign military sales provide tens of thousands of jobs for American workers in direct or related military industries. Honduras, with its small armed forces facing a rapidly expanding military threat from Nicaragua, is attempting to use MAP funds given to it by the United States to upgrade its antiquated Air Force. As a result, the sale poses no direct burden on the Honduran economy. The modernization effort is precipitated by Honduras' need to protect its vast territory through the use of the regional air superiority it has maintained over the past decade. An economical alternative that provides a qualitative improvement in capability, the F-5E is also politically acceptable to the United States and all regional powers except Nicaragua. As a result, the introduction of the F-5 into the region does not appear to be a major destabilizing factor. However, evidence indicates the introduction of MiG-21Bs into Nicaragua would provoke action by either the United States or Honduras to eliminate them.

IV. Conclusions: The sale of F-5E/F aircraft to Honduras is based on foreign policy decisions influenced by historic interests, and by current U.S. and Honduran political, economic, and military interests. Likewise, reference to the acquisition of the F-5 as a "sale" is a misnomer since Honduras is paying for the weapon system with MAP funds (a grant-in-aid) rather than through borrowed or domestically generated funds. As a result, the F-5 acquisition has little damaging effect on the Honduran economy, though additional purchases may be affected by the potential elimination of MAP funds resulting from U.S. domestic constraints. Finally, the F-5E/F provides an economical and needed upgrade for the Honduran Air Force, resulting in a stabilizing effect on the region.

Chapter One

Introduction

In late 1986, President Reagan approved a \$60 million sale of F-5E/F aircraft to Honduras under the Foreign and Military Assistance Program. Many of the critics of the sale, both within the United States and abroad, have stated the sale of these aircraft potentially alters the military balance in Central America. This may lead to a confrontation with Nicaragua over its proposed acquisition of MiG-21Bs if the F-5s are delivered (18:17,22). Therefore, the intent of this paper is to provide a brief analysis of what influences were factored into the U.S. decision to provide F-5s to Honduras.



Figure 1-1

To accomplish this complex task requires an examination of political, economic, and military factors. First, the author will attempt to determine what the stated U.S. foreign policy goals are for Central America and the Caribbean. Likewise, a brief examination of the impact of historical U.S. regional interests is important to gain a better perspective of the significance of today's goals. This understanding is closely tied to the discussion of the economic and budgetary influences affecting the sale. Here, the author will briefly examine potential economic and the budgetary considerations of both countries in foreign policy formulation and implementation. Finally, the author will examine the stated needs for the sale of the F-5, and its capabilities as a replacement for the Super Mystere. Additionally, the charge that the F-5 is a destabilizing factor in the region will be addressed.

While this study attempts to describe the factors surrounding the sale of F-5 aircraft to Honduras, it does not claim to be all-inclusive. It is based primarily on unclassified sources readily found in the public domain. However, material from several sources used was gathered from areas that may not be readily available to the general public.

These sources include interviews with the Honduran Country Manager at PRIA Americas Division, Headquarters, United States Air Force, and with a former Honduran Air Force Chief of Staff.

Chapter Two

American Foreign Policy in Central America and the Caribbean

To understand why the United States decided to sell F-5 aircraft to Honduras, one must begin with a brief examination of stated American foreign policy goals in the region. This analysis will include present policy and, perhaps more important to understanding current policy, a review of historical U.S. regional interests.

As a basis for beginning, we must determine what goals make up U.S. national interests or national security. The article "Why We Defend a World of Interests," describes the term national security ". . . [as] one of the most widely used and least understood phrases in government." It states U.S. policymakers seldom agree on what national security constitutes, but have agreed on five broad goals necessary to preserve the American way of life (25:9). These goals include:

. . . making sure nuclear war doesn't happen;
protecting U.S. territory and our system of government;
preventing the Soviet Union from dominating Europe
and Asia; ensuring U.S. access to overseas resources
and foreign markets by keeping the seas open to ships
of all nations; [and] supporting freedom and democracy
throughout the world (25:9).

Whether all five goals apply to Central America is a subject of considerable debate among critiques and supporters of the Reagan Administration. Writing in Scholastic Update, Maura Christopher, for example, states that Reagan Administration policymakers have three central goals for Central America, two of which mirror these broad goals. The first goal identified is to ". . . promote democracy within the region." Likewise, and closely tied to the first goal, is the Administration's attempt ". . . to help the region's nations achieve economic and political stability." Finally, and perhaps the most publicized and overriding goal, is ". . . to prevent communism from gaining a foothold [in the region]" (9:7). However, the 1984 report of the National Bipartisan Commission on South America, (the Kissinger Report) softens this last goal by stating ". . . that preventing the Soviet

Union from establishing military bases or facilities in the region is not the sole or even primary concern' of U.S. foreign policy (16:266).

Dr Lewis A. Tambs, Professor of History at Arizona State University, disagrees with this aspect of the Kissinger report. He feels ". . . the militarization of a Marxist-Leninist Nicaragua in Meso-America by the Soviet bloc presents [the United States with] problems of a strategic, economic, ideological, and metaphysical nature." Dr Tambs believes the U.S. has two major goals in Central America, "peace and reconciliation." The U.S., he says, is attempting to achieve its goals through programs of ". . . defense, democracy, demilitarization, and [the] departure of foreign forces, [emphasizing that defense is a prime concern of the U.S. and its allies in Central America]." Additionally, Dr Tambs stresses the emphasis placed on the demilitarization of the region since disarmament would free Central America's limited resources for reinvesting in programs designed to improve the standard of living of its citizens, especially in the areas of health and education (24:380-381).

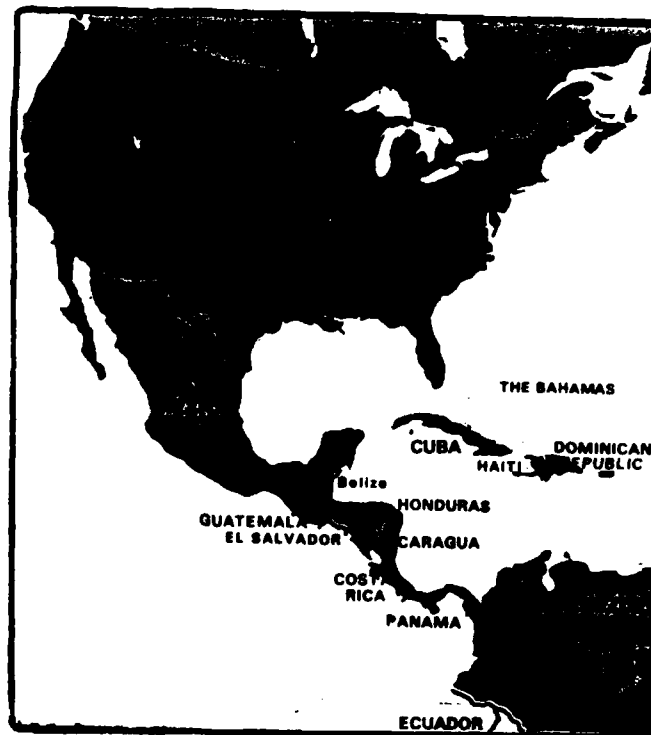


Figure 2-1 The Caribbean and Latin America

Yet reasons for U.S. interest in the region and today's policies appear rooted in historical interests dating back as far as the Monroe Doctrine of 1823. According to Abraham

Lowenthal, Professor of International Studies at the University of Southern California and the founding director of the Latin American Program at the Woodrow Wilson International Center for Scholars, . . . the concept of the Caribbean Basin has been resurrected in recent years from the writings of the nineteenth-century geopolitical theorists, particularly Admiral Alfred Thayer Mahan and Sir H. Halford MacKinder." Mr Lowenthal states:

. . . these writers emphasized the strategic and tactical importance for the United States, then an emerging power, of controlling its border region and of securing the naval passages through the Caribbean. From their standpoint, the entire circum-Caribbean region (including the Central American isthmus) was of vital significance to the United States because of its proximity.

He concludes that ". . . the urge to retain tight control is further strengthened by a calculus about international prestige. United States officials do not want the [U.S.] to be perceived as being unable to maintain dominance so close to home" (16:266, 270).

Indeed, Dr Tambs describes Central America and the Caribbean as "America's power perch." He says:

. . . the U.S. has not been obliged to divert massive resources of men, money, or material southward since the turn of the century. Hence, U.S. ability to project power eastward across the Atlantic to Europe and the Middle East and westward across the Pacific to Asia rests upon a secure southern flank (24:380).

Today, the southern flank has become particularly important to the U.S. since ". . . half of the oil the U.S. uses and half of all imports and exports are shipped through this region. If a military emergency in Europe required [repositioning of armed forces around the world], the U.S might ship half of its forces through the Panama Canal" (9:8).

Protecting these historical interests and asserting American influence in the region today is accomplished in great part through monetary assistance, both economic and military. The apparent importance placed on this aid by the Reagan administration is evident in the congressional testimony of Mr Elliott Abrams, the Assistant Secretary of State for Inter-American Affairs. Testifying before the Senate Foreign Relations Committee's Subcommittee on Western Hemisphere Affairs, Mr Abrams stated, "Many of our allies in Latin America at the present time do not have the resources to provide

simultaneously for their own security and the basic economic needs of their people" (5:84). One aspect of this aid, foreign military sales (FMS), has been referred to as a ". . . military welfare program, because the loans are often made at low cost, [or no cost] at all. From 1982 through 1985, according to one report, payments waived or forgiven went from \$500 million to \$2.6 billion" (12:27).

Supporters of the U.S. foreign assistance programs are quick to state their diplomatic value, emphasizing the proportion of economic assistance to military assistance. For example, of the \$1042.6 million in Central American bilateral assistance requested for FY88, the vast majority of the funds, \$826.6 million, is designated as economic assistance. The remaining \$216 million is designated to military assistance (5:86). Through the program, the current Administration ". . . has tried to [use the \$4.7 billion in aid over the past six years] to encourage Central Americans to move toward democracy, [paying] for everything from the interest charges on a country's debts to helping prevent election cheating" (9:8).

In Central America, this aid is especially important to Honduras. According to Mr Abrams, "Honduras is the key player in U.S. and regional efforts to promote democracy and economic development in Central America." Of the \$236.6 million in aid requested for Honduras, only \$80 million is allocated as military assistance program (MAP) money (5:87,89). It is through these MAP funds, aid monies given as assistance in grant rather than loans for the purchase of military hardware, that Honduras is purchasing F-5 aircraft from the United States (28:--).

Yet, how susceptible are foreign assistance funds to the economic and budgetary issues, both domestic issues within the United States and Honduras? Likewise, do these events have an effect on the sale of F-5 aircraft to Honduras?

Chapter Three

Economic Influences on the Sale

Before directing attention to discussing why the F-5 was chosen by Honduras to replace its aging fleet of B-2 Super Mystere aircraft, we must ask what effect the economic and budgetary influences of both Honduras and the United States may have exerted on the sale. To accomplish this requires a brief discussion of regional economic factors in general, then focus on Honduras. Additionally, and probably more important, is an examination of the potential effect of U.S. economic and budgetary influences on the sale, specifically falling U.S. weapons export sales and congressional cuts in foreign assistance funds.

The much publicized Latin American debt problems have had a profound affect on how companies, financial institutions, and even governments do business with one another. According to Pedro-Pablo Kuczynski, Co-Chairman of First Boston International and former Minister of Energy and Mines in Peru, the depression affecting most of the region not only inhibits . . . the political prospects of the new democracies in the area, but [also negatively impacts] traditional suppliers of Latin America, especially the United States." As a result, U.S. export sales to the region, about \$42 billion in 1981, fell approximately \$12 billion annually between 1984-86 (15: 136). Likewise, the economic recession beginning in 1981 magnified the impact of the external debt on regional economies. Honduras' 1985 foreign debt of \$2.5 billion, for example, consumed 17 percent of the export earnings in interest payments on the foreign debt (4:81).

Yet, if Honduras' economic difficulties effect the way business is accomplished internationally, what affect do U.S. fiscal economic and budgetary issues have on foreign policy, thus impacting the sale of the F-5s? One indicator of the economic impact is the tremendous rise in public and private debt over the past six years. Of fiscal year 1986, Leonard Silk, the economics columnist of The New York Times, states . . . the U.S. budget deficit reached a record \$221 billion, raising the national debt above \$2 trillion, double its level in 1981." When private debt figures are factored into the public debt, the total American debt . . . has grown to nearly

\$9 trillion, more than twice its level at the start of the decade." These figures, he concludes ". . . [mean] large numbers of business firms and individuals have put themselves in a more difficult position to repay debts if the economy turns down" (22:459-460).

These economic constraints and the resulting passage of the Gramm-Rudman-Hollings Act have had a dramatic effect on the U.S. foreign affairs budget. According to Secretary of State George Shultz, Congress reduced the FY 1987 foreign affairs budget request "by over 20 percent, reducing our [State Department] operating base by \$1.8 billion," even though the request was within Gramm-Rudman-Hollings ceilings. "This was on top of the \$1.5 billion cut from prior year levels which we suffered in the FY 1986 congressional appropriations process" (21:7). According to Ronald I. Spiers, Under Secretary of State for Management, "Many Congressmen feel little pressure to spare the foreign affairs budget because most of their constituents are far more interested in domestic issues" (23:48).

The impact of the FY 1987 reductions is even greater after congressional earmarking and other constraints placed on State Department spending are taken into account. Michael Armacost, Under Secretary of State for Political Affairs, states earmarkings for countries such as Egypt and Israel, which consume over 35 [percent] of the foreign assistance budget, ". . . [limits the latitude] to allocate cuts in an equitable fashion." He says these limitations translate into cuts of 50-60 percent for non-earmarked programs (7:64). The effects are felt worldwide. For example, Secretary Shultz states Korea was abruptly cut off from a large FMS credit program, while aid to Spain were reduced by 73 percent. Additionally, the MAP funds to Portugal, Turkey, Greece, and the Philippines were reduced by 50 percent (21:9). "[One] reason why cuts in America's foreign affairs budget is so difficult to explain to our friends and allies [is that] our economy is the most prosperous in the world" (7:64). This raises what Secretary Shultz refers to as ". . . fundamental questions about U.S. dependability and risk the loss of vital military and port facilities" (21:9).

The economic effect on foreign policy is not as gloomy as it may appear. When considering arms sales such as the F-5 to Honduras, it should be noted that the security assistance program does have several benefits worthy of mention. According to Edward J. Derwinski, Under Secretary of State for Security Assistance, Science, and Technology, the actual MAP funds ". . . constitute less than \$6 billion: about a third of our 'foreign policy budget,' six-tenths of [one percent] of the Federal budget, or roughly [two percent] of our defense

budget." He says a ". . . large part of our security relationship with many friendly and allied countries consists of sales of military equipment requiring no appropriated funds [such as FMS or direct commercial sales]." Yet the sales also have other added benefits. They enable these countries to defend themselves, and ". . . greatly reduce the risk that U.S. forces will have to be committed in support of U.S. interests." Additionally, ". . . these purchases sustain tens of thousands of U.S. jobs while lowering the costs of equipment for our own forces because they lower the unit cost of each item purchased." Specifically, he concludes that ". . . each \$1 billion of U.S. exports supports roughly 26,000 American jobs and one out of five manufacturing jobs today is related to U.S. exports to these Third World markets" (11:84-87).

The arms industry, in the face of government cutbacks at home and increased foreign competition, has a vested interest in foreign affairs budget cuts. Writing in Aviation Week and Space Technology, Paul Mann states, "FMS constituted only [six percent] of the total arms sales of the top 10 U.S. arms-exporting companies [from] 1982-1985." However, ". . . the stall in President Reagan's military buildup presents domestic manufacturers with the dilemma of trying to increase their weapon export sales while coping with diminished demand overseas and fending off the rising number of foreign competitors." As a result, ". . . defense contractors will be squeezed out during the decade by the mounting federal deficit and the Defense Department's need to pay for weapons it ordered during the early days of the buildup. This, in turn, will add pressure to market abroad" (17:134).

Indeed, John Ralston Saul, a Canadian novelist and historian writing in World Press Review, confirms the impact government domestic and foreign aid reductions have on the arms industry. "Counting only directly related industries [supporting the arms industry], some 400,000 jobs are involved in the U.S. and 750,000 in Europe." Additionally, he states economists believe in the ". . . trickle-down effect from military programs to civil programs." Here, he assumes that an investment of \$1 billion into a non-growth area such as a tank will result in a civil trickle-down of \$100 million. Therefore, as the arms industry changes under economic pressures, the arms market evolved into ". . . a buyer's market, and winning a large contract often [involved] the promise of military or financial support for the buyer rather than the contrary." Arms dealers, he says, have become more desperate to beat the competition thereby ". . . increasing vaunting [their] products' qualities and by selling to any buyer, [making] nonsense of strategic weapon development." As an example, he describes how Vickers of Britain, and Ford Motor Company of the United States developed an armored personnel

carrier with the Chinese, who are now selling it to Iran. In the midst of this, governments worldwide are financing arms industries. Of France he says:

. . . the government will guarantee loans up to 85 percent of the contract at less than 7 percent [interest]. In the U.S. the Foreign Military Sales program will give credits on 100 percent of the contract at 3 percent interest, reimbursable in 30 years (19:20-21).

It is the author's opinion, therefore, that economic factors, both foreign and domestic, are a consideration not only in the way governments and industry do business on the international level, but in the actual formulation and implementation of U.S. foreign policy as well.

Yet, no matter what effect political or economic factors may have on the formulation and implementation of foreign military assistance programs, U.S. Air Force regulations concerning these programs are very specific. Air Force Regulation (AFR) 170-3, Financial Management and Accounting for Security Assistance and International Programs, for example, states foreign military assistance plays an historic and prominent role in U.S. foreign and defense policies. According to this regulation:

The security assistance program is an essential component of the overall U.S. defense effort. When we directly assist other nations in meeting their defense needs, we also make a contribution to our own security. It represents a visible aspect of our foreign policy in that its implementation results in tangible facts of U.S. interests and presence. These facts are represented by the delivery of defensive weapon systems to friendly foreign governments; by numbers of international military students in U.S. service schools; by U.S. personnel advising representatives of other governments on mutual defense interests; and by giving guidance and assistance in setting up a practical infrastructure and academic base through which regional stability can be achieved and maintained (26:1).

Of these programs, this regulation concludes that:

[military and economic transfers] are carried out if they are essential to the security and economic well being of these governments and international organ-

izations. Therefore, they are equally vital to the security and economic well being of the United States' (26:1).

Still the question arises, why sell the F-5 aircraft to Honduras when modern state of the art aircraft such as the F-16 are being exported worldwide?

Chapter Four

Why the F-5?

To this point, the author has spent a great deal of time discussing broad U.S. foreign policy goals in Central America and the Caribbean, their historical roots, and how the economic interests of today influence the formulation and execution of foreign policy. So, when high performance aircraft such as the U.S. built F-16, or the Dassault-Breguet Mirage F.1 are being exported worldwide, one must ask why Honduras is purchasing the F-5, an aircraft of 1960/70s technology. The answer appears to lie in the economic, political, and military realities of the region. As Elizabeth Bibb, writing in Scholastic Update states, "Honduras is like an acrobat walking atop a highwire, . . . faced with the task of balancing its economic links to the United States against its fear of attack from neighboring Nicaragua" (8:12).

In testimony before Congress, Mr Abrams states Honduras requires an economical replacement for the Super Mystere and ". . . cannot afford to engage in a costly arms race, instead it must seek a cost effective means of defense" (6:88). This argument appears to be based, in part, on the small size of the armed forces of Honduras, numbering only 17,000, which is required to defend over 43,000 square miles of territory (1:417). The Defense and Foreign Affairs Handbook, 1987-88, describes the 1220-man Honduran Air Force as ". . . [the elite branch and superior to neighboring countries in equipment and training, though the] equipment is old and not very numerous by international standards." An invasion by Nicaraguan armor, it says, ". . . [can only be] stopped by tactical air strikes from the Honduran Air Force, provided they retain mastery of the air" (1:417). As a result, Mr Abrams contends the F-5 fulfills the requirement of an economical aircraft capable of maintaining the air superiority Honduras has depended upon for defense since the mid-1970s (6:88).

Therefore, one of the prime reasons driving Honduras to purchase the F-5 is procuring an economical replacement for their 1950s vintage fleet of B-2 Super Mysteres. According to Colonel Marco Rivera, a former Chief of Staff of the Honduran Air Force, the selection of the F-5 was primarily an economic compromise. He said the Super Mystere ". . . was still a

viable deterrent weapon system [in the region], but had outlived the logistics system needed to maintain them." Colonel Rivera states his country therefore sought an affordable aircraft with a logistics system lasting . . . 20 or more years after purchase of the aircraft" (27:--).

To buy time for procuring a new weapon system, MAP funds were used to refurbish eight Super Mysteres and provide a limited number of spare parts to maintain operational capability for approximately 4 years (6:88).



Figure 4-1

Whether the F-5 is an ideal replacement for the Super Mystere depends upon perspective. The official U.S. point of view is the F-5 is "the most logical choice for Honduras because it is inexpensive and easy to maintain and provides the necessary interceptor and ground attack capabilities" (6:88). The proposed \$74.6 million contract price between the governments of Honduras and the United States is wholly funded by MAP money, with payments scheduled through September 1990. These aircraft consist of ten F-5Es from the 57th Fighter Weapons Wing at Nellis AFB, Nevada, and two F-5F two-seat trainers from the 405th Tactical Training Wing, Williams AFB, Arizona. Delivery, after refurbishing, began with two aircraft on 16 December 1987, with follow-on deliveries of two aircraft in July 1988, four in January 1989, and the last four in April 1989 (28:--). Therefore, the F-5 appears to provide an effective and economical weapon system to Honduras in a timely manner. However, why did Honduras not seek to purchase a more advanced aircraft?

From the Honduran viewpoint, the F-5 was not the aircraft of choice. Colonel Rivera contends his country initially looked at aircraft such as the U.S. built F-20 and F-16, as well as the Israeli Kfir, as replacement systems. Again, he mentioned cost and the need to access a long term logistics pipeline as the overriding factor influencing selection of the F-5. He felt the Kfir, despite its age, was better suited to the Honduran air superiority role than the F-5. However, the system was not selected because it was cost prohibitive. Although appropriated MAP funds could be used toward the purchase of a more expensive weapon system, he said additional MAP funds were not made available to cover the price difference of the system. Additionally, he said the logistics pipeline of the Kfir was both expensive and uncertain. Likewise, Colonel

Rivera stated the F-16 was not only too expensive, but that Honduras lacked the technology necessary to maintain them (27:--).

Additional factors, however, appear to have influenced the selection of F-5s by Honduras. Maura Christopher contends the ". . . military wields decisive political power [within the government and relies heavily] on U.S. aid" (9:8). Lt Col Vega, the Honduran Country Manager at PRIA Americas Division, Headquarters USAF, was quick to add that purchase of the F-5 versus the other high performance aircraft such as the F-16, was ". . . politically acceptable not only to the United States, but also to neighboring Central American countries, with the exception of Nicaragua" (28:--). Mr Abrams echoes this claim stating:

Neither Guatemala nor Costa Rica has expressed to us any objections to the sale, nor do we expect that they will do so. As a result of a traditional rivalry, latent fears about the Honduran Air Force's capability are still a factor in Salvadoran thinking [amplified by the Soccer War of 1969]. At present, however, the Salvadorans are more concerned with the consequences of the regional balance shifting in Nicaragua's favor (6:89).

Mr Abrams' congressional testimony reemphasizes the Nicaraguan threat facing Honduras. He testified that, "Sandinista armed forces now number 75,000 men plus unmobilized reserves and militia for a potential of close to 120,000 men [well equipped with Soviet weaponry]." Among the Nicaraguan arsenal he listed 10 Mi-24 attack helicopters, 110 T-55 tanks, and 350 SA-7 ground-to-air missiles (6:88).

Recent information indicates the Nicaraguan armed forces are again undergoing a massive expansion. Major Roger Miranda, former chief of the secretariat of the Nicaraguan Ministry of Defense, outlined an ambitious two-phase program to increase the armed forces. Major Miranda claims proposed additions to the Nicaraguan arsenal include 12 MiG-21B aircraft, BTR-70B armored transports, and 122mm self-propelled artillery. He states the mission of the MiG-21s, for example, is ". . . not to fight the U.S.-backed Contra rebels but to increase Nicaragua's influence and stature in Central America. The MiGs . . . would arrive when the Contras ceased existing" (13:27-29).

Controversy over the effect of the sale on regional stability continues. Some congressional critics feel introduction of the F-5, already in service in nearby Mexico, will lead to the introduction of Soviet-built MiG-21 aircraft

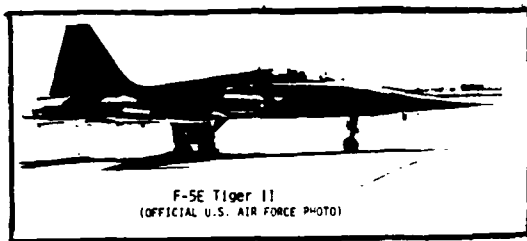


Figure 4-2



Figure 4-3

	B-2*	F-5E**	MiG21**
1st production model flown	1957	1964	1959
Max speed at sea level	686	760	808 at 1000ft
Initial rate of climb ft/min	17500	34600	58000
Service ceiling	55750	51800	65610
Combat radius***	640 mi	656 mi	600 mi
Armament:			
cannon	2x30mm	2x20mm	1x30mm
missiles	36 68-mm SNEB Type 22 Internally housed	2 AIM9 5 ext hard points	4 Atoll or 2mix w/2 AA-8
bombs	2x1000 lb	7000 lb max bomb load	
<p>* Source material (3:134) ** Source material (2:38,43) *** With comparable fuel/weapon loads</p>			

Table 4-1 Aircraft Capability Comparisons

to Nicaragua. Capitalizing on negative U.S. domestic criticism of the sale, Nicaraguan Defense Minister Humberto Ortega has stated he . . . will feel more justified in importing [the MiGs] if the United States supplies F-5 jets to Honduras' (18:17).

Whether the Nicaraguans will actually receive the equipment requested, especially the MiG aircraft, is another question. 'After a recent summit, President Reagan said the Soviet Union was prepared to cut off military aid to Nicaragua except for small-arms ammunition for the police force.' This assertion was later disclaimed by official Soviet spokesmen (13:27). Similarly, Philip Gold, writing in Insight, states that Nicaragua is a huge financial drain on the Russians, and that they . . . seem to be in a holding pattern, perhaps over whether they can afford the expense while they're trying to improve their own economy' (14:29).

The heart of the U.S. argument to Nicaragua is that the F-5 . . . does not represent a new capability for Honduras; rather it is an incremental improvement of an existing one' (6:88). The selected list of comparable characteristics found in Table 4-1 should help add another dimension to determine the validity of the new capability versus incremental improvement argument. Comparison of these characteristics tends to support the position of improvement of an existing capability, rather than introduction of a new one. However, the much publicized massive military buildup in Nicaragua, especially the introduction of Mi-24 attack helicopters into the region, tends to indicate to the author that the purchase of F-5s, in itself, does not represent a shifting of the balance of power. On the contrary, it appears to be a potentially stabilizing influence in the region. This stabilization results from the replacement of an extremely dated weapon system with one which will continue to assure Honduran regional air superiority, which will help offset Nicaragua's massive force superiority.

However, there remains the question of U.S. and Honduran response if Nicaragua actually receives the MiG-21s. As for the U.S., . . . some lawmakers have threatened to authorize the military to strike at Nicaragua if MiG-21s are put into service' (12:29). Should the U.S. fail to act quickly if MiG-21s are introduced into Nicaragua, the author believes the Honduran government will not hesitate to respond to what they perceive as a direct threat to their national security. As one Honduran official stated, 'If you mess with us, you get an answer' (12:27).

There is ample evidence to lend validity to the Honduran threat to act quickly against a threat to its national security. For example, Super Mysteres were used to attack

Nicaraguan targets in response to artillery shelling by Sandinista forces in September 1985. These air attacks forced the immediate suspension of the shelling. Likewise, sorties by Super Mysteres against targets inside Nicaragua helped prompt the withdrawal of Sandinista forces from Honduran territory in the Las Vegas salient in December 1986. From these incidents, Elliot Abrams concludes that given the small size of its military, Honduran air superiority provides a balance to a ". . . regional power equation which would otherwise be heavily weighted against that nation" (6:88).

Chapter 5

Findings and Conclusions

It is the author's opinion that the sale of F-5s to Honduras is influenced by political, economic, and military factors, both domestic and regional, that will help it remain controversial.

Through the determination of the U.S. policy goals for the region, we have seen that historical interests and international prestige play an important part in the formulation of these goals. Great writers such as Admiral Alfred Thayer Mahan and Sir H. Halford MacKinder emphasized the importance of the U.S. to controlling Central America and the Caribbean. Their writings are important today since it is this regional control that allows half of all U.S. imports and exports to transit the area safely, and enables the U.S. to project power across the world. Likewise, the key diplomatic tool used to assert U.S. interests in recent years has been foreign assistance programs such as FMS and MAP.

The author believes that referring to Honduras' acquisition of the F-5 as a "sale" is a misnomer. Contrary to what many publications state, the funds to purchase the 12 F-5s are not produced from internally generated domestic sources within Honduras. Actually, these funds are provided by the United States under the military assistance program (MAP) as military assistance to be spent on building an adequate defense. While this certainly means more jobs for U.S. workers, and supports the arms industry during trying economic periods, it also means that the U.S. is indirectly paying for the aircraft and then giving them to Honduras. As a result, the purchase of the aircraft does not have a detrimental impact on the Honduran economy.

From the brief study of the economic influences on the State Department foreign affairs budget and the related interests in the business sector, the author believes domestic and international economic and budgetary factors do have a profound effect on foreign policy formulation and implementation. We've seen that military assistance is not only a major diplomatic tool for the U.S. to assert its interests, but also provides thousands of jobs for American workers both in industry directly and indirectly related to

defense. Therefore, the author believes we have a "double-edged sword," with one side (Congress) reducing spending on foreign assistance in the face of fiscal difficulties, and the other (the State Department) attempting to maintain or increase foreign assistance as a diplomatic tool. These same reductions threaten to damage the perception of U.S. reliability and risk the loss of strategic bases. On the other hand, these same economic difficulties prompt U.S. industries directly affected by domestic influences and international competition to take extraordinary measures to make up for diminishing profits.

Finally, we've seen that Honduras does need a replacement for its aging fleet of B-2 Super Mysteres. This view is based on the need to maintain the regional air superiority upon which Honduras' small armed forces depend to maintain its national security. While not a state of the art weapon system, the author believes the F-5 is an economical replacement for the Super Mysteres, and greatly enhances Honduran force readiness. Additionally, the F-5 provides access to a logistics system which will, according to authorities, last for approximately 25 years. Finally, the F-5 is politically acceptable to the countries of the region, with the notable exception of Nicaragua.

Based on stated need, mission, and capability, the author feels the F-5 represents an incremental improvement in existing capability, and not a new capability in the region as the Nicaraguans have charged. Yet, the sale is often used as an excuse for Nicaragua to import MiG-21s to bolster that country's already large and rapidly expanding military. If MiG aircraft are introduced into Nicaragua, there is ample evidence to indicate the Hondurans will take action to eliminate the threat to their national security, whether the U.S. takes action or not.

So, what is the bottom line? The author concludes the sale of the F-5, affected by many variables, is a needed stabilizing factor in the region if the United States is to attain its goals of maintaining domestic security, promoting the growth of democracy, and preventing the spread of communism, in this case without becoming actively involved militarily.

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