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**SECURITY ASSISTANCE:  
WHO DECIDES HOW MUCH?**

BY

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USAWC STRATEGY RESEARCH PAPER

SECURITY ASSISTANCE: WHO DECIDES HOW MUCH?

by

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ABSTRACT

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TITLE: Security Assistance: Who Decides How Much?

FORMAT: Strategy Research Project

DATE: 1 April 1996 PAGES: 27 CLASSIFICATION: Unclassified

Security Assistance is a vital element of U.S. foreign and defense policies, and an essential complement to the overall U.S. security effort. Therefore, every dollar invested in the program should be in direct support of the National Security and Defense strategies. Security Assistance funding should be requirements based and prioritized according to interests identified in those strategies. This paper uses the Economic Support Fund and Foreign Military Financing programs as they have applied to Egypt and Israel since the Camp David Accord of 1979 to show that this is not necessarily the way funding decisions are made. It lays out the reasons and provides examples of why the author feels the program is not always operating as intended and offers recommendations on how it can be improved.

## INTRODUCTION

The purpose of this paper is to examine the Security Assistance Program administered by the Department of Defense and Department of State and discuss areas the author feels are in need of improvement. The paper focuses on two of the Security Assistance Programs; the Economic Support Fund (ESF) and the Foreign Military Financing (FMF) program. These programs, as they apply to the countries of Egypt and Israel, are used to develop the thesis and show where improvements can and should be achieved.

Security Assistance funding for Egypt and Israel in the ESF and FMF programs alone have cost the American tax payers over \$120 billion since the signing of the Camp David Accord. Current annual funding levels of \$3.1 B for Israel and \$2.1B for Egypt have essentially been on auto pilot since the 1979 Camp David Accord, with no end on the horizon. This is especially disturbing considering the many changes in the world environment during those years, particularly in the Middle East, yet there have been no reductions in funding levels. One may argue that inflation alone has accounted for a reduction, but that is offset by debt reductions and cancellations which occurred over the same timeframe that were in addition to direct Security Assistance funding. The bottom line is that U.S. funding for Egypt and Israel has remained at a fairly constant rate since the 1979 Camp David Accord. This phenomenon forms the basis for the authors thesis, which is: *The process for determining funding levels for*

*Security Assistance programs is not always in support of national security and national military strategies, and more importantly, cases are entered into without definable goals or clear exit strategies that define the end state.*

To develop the thesis, the paper will first provide a thorough description of the Security Assistance program. Next, it will identify the key officials and organizations who are responsible for determining funding levels and for administration of the program, with a look at the outside influences that significantly impact the process. Then, it will discuss the numerous changes that have taken place in the world, and especially in the Middle East since 1979. Finally, it will conclude with recommendations on how and where the program should be changed and show why these changes are necessary.

This paper is not intended to imply that the Security Assistance program is ineffective or a failure as an element of national security. Quite the opposite is the case, because the program has actually been effective in its overall support to the national military and security strategies for many years. However, it is intended to show what the author believes as a valid requirement to relook the way funding decisions are made in light of the current world situation and the condition of the U.S. economy.

## SECURITY ASSISTANCE PROGRAM

To gain an appreciation for the complexity of the system, it is first important to examine what the Security Assistance program encompasses. The scope and rationale for the Security Assistance program is described in DOD 5105.38-M:

### **10102 RATIONALE FOR THE SECURITY ASSISTANCE PROGRAM.**

- A. Security assistance has historically played a prominent role in foreign and defense policy. The SA Program is an essential complement to the overall US defense effort. When we directly assist other nations in meeting their defense requirements, we also make a contribution to our own security.
- B. Security assistance represents a most visible aspect of our foreign and defense policy in that its implementation results in tangible evidence of US interests and presence. Such evidence is represented by the delivery of defense weapon systems to friendly foreign governments; by the number of international military students in US service schools; by US personnel advising other governments in increasing their internal defense capabilities; and by providing guidance and assistance in establishing a practical infrastructure and economic base through which regional stability can be achieved and maintained.

### **10103 SA SCOPE.**

- A. Security assistance, defined in its simplest terms, concerns the transfer of military and economic assistance through sale, grant, lease or loan to friendly foreign governments. Transfers are carried out under the principle that if they are essential to the security and economic well-being of such governments and international organizations, they are equally vital to the security and economic well-being of the United States.

B. SA consists of the following major programs:

1. Programs administered by DoD:
  - a. Foreign Military Sales (FMS)
  - b. *Foreign Military Funding*(FMF) (FMS and commercial)
  - c. Military Assistance Program (MAP)
  - d. International Military Education Training (IMET)
2. Programs administered by the Department of State:
  - a. *Economic Support Funding* (ESF)
  - b. Peace Keeping Operations (PKO)
  - c. Commercial Export Sales licensed under the AECA<sup>1</sup>

As stated earlier, this paper will only address the FMF and ESF programs administered by the Departments of Defense and State, as they contain the majority of overall Security Assistance funding, and especially that received by Egypt and Israel. Therefore, a brief description of these programs is needed.

The Security Assistance Management Manual describes the ESF as a:

"Program by which economic assistance is provided on a loan or grant basis to selected foreign governments which are of strategic concern to the US. ESF is used to finance imports of commodities, capital, or technical assistance in accordance with terms of a bilateral agreement or for budgetary support. This enables recipients to devote more resources to defense and security purposes without serious economic or political consequences."<sup>2</sup>

The most current description of FMF is contained in the U.S. Department of State's FY96 Congressional Presentation on Foreign Operations. It states that:

"FMF enables key friends and allies to improve their defense capabilities by financing acquisition of U.S. military articles, services, and training. ...A grant and loan program, FMF is distinguished from foreign military sales, the system through which government-to-government sales occur. In general FMF provides financing for FMS sales."<sup>3</sup>

### KEY SECURITY ASSISTANCE OFFICIALS AND ORGANIZATIONS

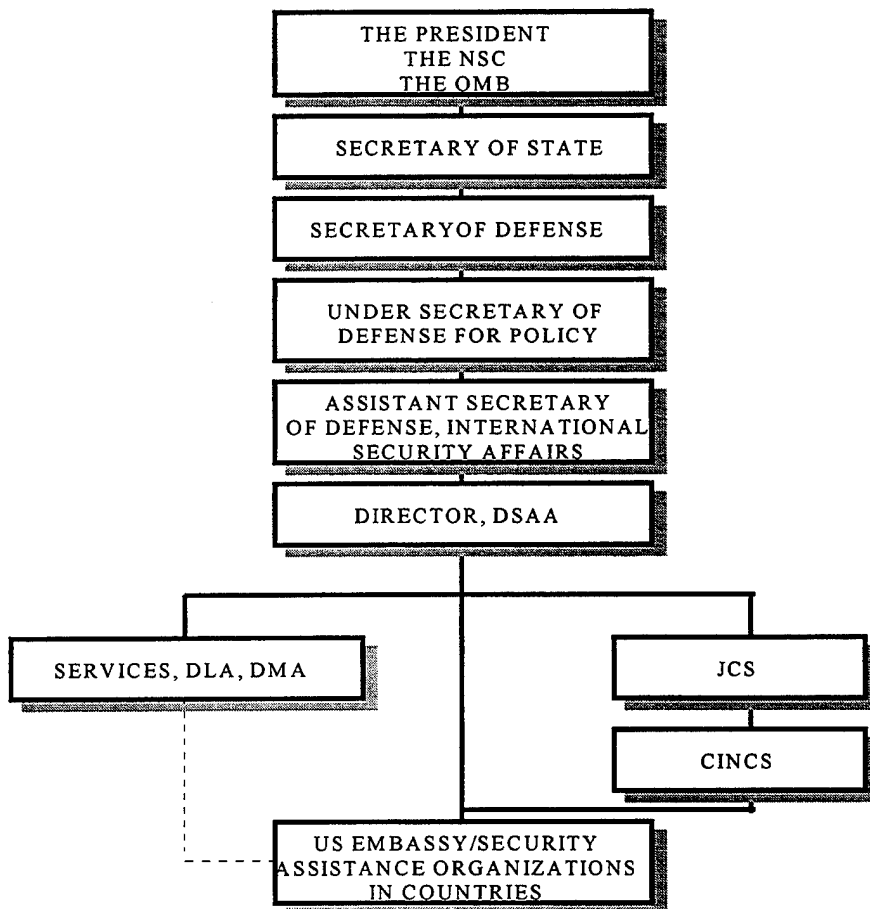
Since the thesis of this paper states that the process for determining funding levels for different programs is flawed, it is important to understand which elected officials and organizations are responsible for administering the Security Assistance program to determine which nations will receive funding and at what levels. Chapter three of DoD 5105.38-M describes the responsibilities and relationships of the different departments and organizations involved in the process. A visual representation of the Decision Channels is provided at Figure 1.

The President is overall responsible for foreign policy, and it is he who must present the budget to Congress for approval. However, there are numerous appointees and organizations that assist him in developing national security policies and administering the different programs that support those policies. Within the Executive Branch, the National Security Council and the Office of Management and Budget assist him in the process.

Section 622 of the Foreign Assistance Act of 1961, as amended (FAA), and Section 2 of the Arms Export Control Act, as

amended (AECA) establishes the statutory role of the Secretary of State in Security Assistance. His primary focus is economic assistance and the Economic Support Fund. He is responsible for the supervision and general direction of Security Assistance and determining whether there will be a program for a particular country or activity and, if so, its size and scope.

DOD 5105.38-M



Legend: — Direction  
 - - - Coordination

TABLE 300-1 Decision Channels for Security Assistance.

300-8

Change No. 6, 10 May 1994

Figure 1

The Secretary of Defense is responsible for establishing military end-item requirements within a country, and then, the procurement, transportation and training for those end-items. He also receives his authority and responsibilities for Security Assistance from the FAA, the AECA, and Executive Orders. To accomplish his responsibilities he relies on specific Under Secretaries and the chain of command.

The SecDef's principle representative and advisor for security assistance is the Under Secretary of Defense (Policy) USDP. The USDP is overall responsible for policy and works with the different Assistant Secretaries of Defense to ensure the Security Assistance program is in compliance with national security objectives and protect against the improper transfer of technology.

The principle organizational element which the SecDef uses to carry out his responsibilities for Security Assistance is the Defense Security Assistance Agency (DSAA). The Director, DSAA works with the Military Departments (MILDEPS) and Defense Agencies and through the JCS and CINCs of the different Country Embassies and Security Assistance Organizations (SAO) to develop and fulfill security assistance requirements.

The JCS correlates Security Assistance objectives with joint military force planning and the CJCS advises the SecDef on

Security Assistance matters. The OJCS and, as appropriate, the JCS provide the military perspective on such areas as technology transfer and Arms control issues.

The Unified Commands correlate programs with regional plans, support the Security Assistance Organizations SAOs, and contribute to the budget development process. However, it is the SAOs who do a vast amount of the work. These are the personnel who are located in-country and manage the programs that have been established and agreed upon, and who are responsible for the evaluation and planning of the country's military capabilities and requirements.<sup>4</sup> This is key, as will be evident during the discussions on funding decisions, because these are the people who have first hand knowledge of the country's true requirements.

The above rather lengthy discussion provides the text book description of the key officials and organizations who are responsible for establishing and administering the Security Assistance program. However, it is also important to understand that there are other influences that significantly impact the Security Assistance program. First, there is Congress who must approve the President's budget, and secondly, there are the special interest groups and the American voters who have a great deal of influence on Congress. Lobbyist that represent numerous agencies and organizations, including industry, can be very

effective during the decision process and can clearly affect the direction of Security Assistance programs. Special interest groups that represent certain nationalities can organize their voters to influence the way their elected officials vote or support programs that affect their constituents.

These discussions clearly show that there are numerous official players and outside influences involved in developing the Security Assistance Program. To coordinate the efforts of these organizations and activities to develop an annual Security Assistance Appropriation is a large task and is the topic of the following section. It is important to understand this funding process, as it is a key aspect of the thesis of this paper.

#### SECURITY ASSISTANCE FUNDING PROCESS

Security Assistance has been described as a vital element of U.S. foreign and defense policy and an essential complement to the overall US defense effort. The two key documents that drive the defense strategy for our nation are the National Security Strategy and the National Military Strategy. Therefore, every dollar spent should be directly traceable to those two documents. Using this rationale, it is easy to see that the focus and vision that drives the program development should be derived from the National Security Strategy which, under the Goldwater-Nichols Act, the President is required to publish annually, and the National Military Strategy which is developed by the Secretary of

Defense to support the National Security Strategy. However, it is at this point that the the thesis of the paper begins to come to light. Funding decisions begin to stray from the intended purpose and begin to support other interests.

However, to continue the discussion of the funding process, DoD 5105.38-M states that "the single most important planning instrument for the USG-funded programs is the Fiscal Year Planning Assessment (FYPA) which is prepared by the country team, normally with the SAO as the focal point."<sup>5</sup> The FYPA is based on surveys completed in the country that determine where deficiencies exist in the military structure and recommendations on how to meet the Security Assistance objectives. Based on the identified requirements, it contains the information required for the budget development process.

The FYDP makes its way up the decision process ladder depicted in Figure 1 where it goes through extensive staffing and a review by the Security Assistance Planning and Review Working Group (SAPRWG). Once DoS is satisfied, it goes through a formal interagency coordination process, including DoD, and then is submitted to the Office of Management and Budget for inclusion in the annual budget submission. "The final SA budget for the upcoming fiscal year is presented in detail and justified to the Congress in the annual Congressional Presentation Document (CPD). The CPD is required by law to be presented to the Congress by 1 February each year."<sup>6</sup>

This is where the *other influences* become involved and where this author believes the focus begins to shift from directly

supporting the National Security and National Military Strategies as special interest groups begin to enter the equation. This is not to say that they do not get involved earlier in the process, but this is where they begin to have the largest impact. This opinion is supported by a survey conducted in 1983 by the Center for Strategic and International Studies at Georgetown University which stated:

"In the case of Security Assistance, however, yearly congressional appropriations are required before the executive branch can take action. Hence members have more opportunities to affect policies prior to their implementation, and groups can also have influence prior to implementation if they can convince members of Congress to support their positions.

As a consequence, interest groups attempt to influence security assistance policy for two reasons. Most obviously, a group might be concerned with a specific facet of the program (for example, AIPAC's concern with the strength of Israel's armed forces). In addition, however, security assistance is viewed and valued as a lever that can be used to influence a broad range of foreign policy actions--in effect, it serves as a proxy for a wider range of policies. This increases the complexity of security assistance deliberations. Groups that have no significant interest in the program may attempt to influence it to affect other facets of foreign policy."<sup>7</sup>

The influence and impact of special interest groups has not lessened since that 1983 survey as evidenced by the book Puzzle Palaces and Foggy Bottom, written in 1994 by two visiting professors at the Army War College. In fact, they identify still another special group that influences the Security Assistance decision process; *Think Tanks*. They refer to them as:

"scholarly and research-based organizations that offer expert advice to various governments organs. Sometimes, these organizations act as scholarly outlets, providing academic analyses on different problems. Much of the prestige of individual think tanks derives from their reputations for scholarly integrity and impartiality. At the same time, many of them engage in activities that are more generally associated with interest groups..."<sup>8</sup>

A list of leading think tanks that affect the foreign policy process is provided at figure 2.

Another means Congress uses to influence the Security Assistance program is through the process of *earmarking* funds for certain countries. This can have a significant impact on the assistance provided some nations when there are overall increases or decreases in appropriations. If there is a decrease in overall Security Assistance funding levels, and select countries are earmarked to receive specified levels, then there is a devastating cut to those countries that are not earmarked. They invariably suffer a disproportionate share of the reductions.

The final aspect of the funding process is a phenomenon that is not uncommon in the federal government. It is the process of basing future requirements on previous years funding levels. If the security Assistance program is truly a requirements based process, which the manual says it should be, then this should not happen. However, the 1983 study of U.S. Security Assistance conducted by the Center for Strategic Studies determined that

"the single most important factor for the OMB in determining how much of the budget to devote to the Security Assistance program is the size of last year's security assistance budget..."<sup>9</sup>

Nowhere is this phenomenon more clear than in Egypt and Israel. As mentioned earlier, they have essentially been on auto-pilot since 1979.

The above discussions clearly show that funding decisions are not always based on requirements from individual countries and their relationships to the overall National Defense and Security Strategies. Rather, decisions are influenced by many factors that are often not at all related to defense or security strategies.

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**The Foreign Policy Activity of the Leading Think Tanks**

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**Exclusive Foreign Policy**

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Carnegie Endowment for International Peace  
Center for Defense Information  
Center for Strategic and International Studies  
Institute for International Economics  
Overseas Development Council  
World Policy Institute  
World Resources Institute

*Total: 8*

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**Partly Foreign Policy**

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American Enterprise Institute  
Brookings Institute  
Cato Institute  
Center for Budget and Policy Priorities  
Center for National Policy  
Ethics and Public Policy Center  
Heritage Foundation  
Hoover Institution  
Hudson Institute  
Institute for Contemporary Studies  
Institute for Policy Studies  
Joint Center for Political and Economic Studies  
Progressive Policy Institute  
RAND Corporation  
Twentieth Century Fund

*Total: 15*

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**No Foreign Policy**

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Committee for Economic Development  
Economic Policy Institute  
Manhattan Institute for Policy research  
resources for the Future  
Rockford Institute  
Russell Sage Foundation

*Total: 7*

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Figure 2<sup>10</sup>

## CHANGES IN THE WORLD AND MIDEAST ENVIRONMENT

There have been numerous changes in the world environment since the signing of the 1979 Camp David Accord that should have changed the security and economic requirements of Egypt and Israel. The first, and most obvious is the ending of the Cold War. The Camp David Accord was signed during the height of the Cold War when the United States had a national policy of containment. The focus for the Levant region was to eliminate Communist influence in Egypt and the other Arab nations, and to ensure the security of Israel. For the latter this meant the search for an eventual Arab-Israeli peace; but in the interim, the assurance that Israel maintained a strategic military edge over its potential enemies.

One of the major factors in obtaining an Egyptian and Israeli peace agreement was the issue of the Sinai Peninsula. After the 1973 Arab-Israeli war, Israel was not willing to give up control of the Sinai Peninsula, which it considered as a 200 kilometer buffer from future attacks from Egypt. To convince them to return the Sinai, the US promised significant increases in military and economic aid to allow Israel to purchase the latest, high technology Air Force Fighters and other advanced equipment in order to maintain a strategic military edge over potential enemies. Through the Security Assistance program, they were able to replace their aging jet aircraft fleet with F-15s and F-16s and modernize their other weapon systems.

To convince Egypt to sign the Accord, there was an understanding that Egypt would receive assistance commensurate with the levels that Israel received. As with Israel, Egypt initiated a military rebuilding process, to include, replacement of much of their Soviet equipment with high tech US equipment. This was also accomplished through extensive funding under the Security Assistance program.

The second major change in the region has been the spread of peace beyond the Camp David Accord countries of Egypt and Israel. The Israel-PLO accord of September 1993, the Jordan-Israel peace treaty of October 1994, and ongoing Syrian-Israel peace efforts have all signaled that change is occurring in the region. Issues over the Golan Heights, the West Bank, Southern Lebanon, and Jerusalem are far from being resolved between Israel and Syria and the PLO, but already the promise of peace is having positive affects on the economies of the region.

This leads to the third major change in the region since the signing of the Camp David Accord, and that is the improved economic status of both Egypt and Israel. These economic improvements have been brought about by many factors, including change in relations between the US and the Arab world following the Gulf War and the overall prospect for peace in the region. The following are excerpts from the Journal of International Affairs that summarize the economic changes within the two countries.

"Since 1980, U.S. aid to Egypt has exceeded \$2 billion a year, and has been as high as \$4 billion. In 1983, Egypt began to replace its mostly Soviet military equipment with U.S. equipment, thanks to \$1.3 billion in annual military assistance from the U.S., making Egypt one of the top three recipients of U.S. foreign aid since 1979.

In 1987, Egypt mended ties with its Arab neighbors, reactivating former relationships. As a reward for Egypt's leadership role in forming the Arab coalition during the Gulf War, aid flows resumed. In 1990, Egypt enjoyed a \$2 billion cash grant as well as a \$7 billion debt write-off from its neighbors, resulting in overall external-debt cancellation of about \$10 billion. By 1990, Egypt had accrued over \$7 billion in military debt to the U.S., but the U.S. wrote off the obligation, supposedly because of Egypt's strategic role against Iraqi aggression. By 1991, Egypt was the world's largest recipient of foreign aid, receiving a staggering \$9.8 billion that year. Because of its continued strategic importance in the region, last year Egypt won \$6 billion in aid pledges for the following two years, 60 percent of it in grant form."<sup>11</sup>

The same article further stated that for Egypt to get its economy in order it undertook monetary reform in 1991. Part of the strategy was a privatization campaign which it says has been successful, and their stocks are performing well. Furthermore, it revitalized its stock exchange in 1994, which had been dormant since the 60s to bring in foreign international capital.

It is clear that these combination of events have significantly improved Egypt's economy since the U.S. initiated its hardy Security Assistance program in 1979. One would have to agree that the US role in the recovery was very significant, but one would also wonder if the tremendous monetary investments have made the Egyptians true friends. This was brought into question

during the Persian Gulf War when President Bush had to cancel Egypt's multi-billion dollar debt to entice them to join the anti-Iraq coalition. Additionally, "that did not stop Egypt from cashing in on the deployment: it charged \$200,000 for each transport ship that transited the Suez canal, well over the average fee."<sup>12</sup> It appears that even if you are a friend of Egypt, you are not exempt from being taken advantage of if the situation is right. It may be possible to buy what you need, only when you need it, rather than continually funding the friendship.

Israel's economy has improved in quite the same manner as that of Egypt.

"Since 1974, when Israel began to redeploy its forces in the Sinai Peninsula, the U. S. government has been Israel's biggest source of support, first through straight loans, and later, as servicing became increasingly difficult, throughout grants. Like Egypt, Israel is currently one of the three largest U.S. aid recipients. ...Since the end of the Gulf War in mid-1991, the Tel Aviv Stock Exchange (TASE) has experienced a boom. In 1993, \$1.7 billion was raised through public offerings on the TASE. Why this dramatic rise in TASE share index? A series of sweeping reforms has made the investment environment far more favorable. These reforms were made possible largely due to the positive prospects for peace in the region, which permitted the reorientation of the economy and reduced perceived risk to foreign investors. Foreign-currency regulations have been reformed, the budget deficit has been reduced by abolishing subsidies on food products, protectionist barriers have been dismantled and market-driven interest rate policies have lowered borrowing costs....Then, in 1994, the Gulf countries announced the suspension of the Arab secondary and tertiary boycotts on Israel, which

had penalized actors who did business with Israel by blocking oil sales to them.<sup>13</sup>

Israel's economy is not only improving, but it is now beginning to compete with the U.S. in the international arms market. The February, 1996 edition of Armed Forces Journal has an article titled "Trading on Peace, Israel's Peace with its Neighbors Opens Doors in Asia". The article stated that:

"Visitors to Singapore's February Asian Aerospace show should expect to find Israel Aircraft Industries (IAI) unveiling its short-range unmanned aerial vehicle (UAV) for the first time... Israeli successes in Asia have included the sale of Gabriel antiship missiles and UAVs to Singapore, and the sale of Barak 1 antiship missiles to Indonesia...The Philippine air force is in desperate need of replacement, with its aging F-5s nearly ready for the junk heap. Competitors to supply an anticipated requirement of 18 aircraft include the US Air Force with its F-16, the MIG-29 supplied by the Russian firm MAPO, France's Dassault's F-1, and IAI's Kfir 2000."<sup>14</sup>

In addition to Israel competing with the U.S. in the arms market, they are also selling to countries that the U.S. refuses to do military business with. A Defense News article titled "China Turns to Russian, Israeli Arms" states:

"China has become increasingly needy for technology imports...After the United States and European Union ceased military cooperation with China following the crushing of the pro-democracy movement in June, China has turned to Israel and Russia... Israeli technology supplied to China includes avionics, as well as assistance and know-how in the design and development of

modern combat aircraft... Israel also has sold Python 3 air-to-air missiles, which are fitted to the Chinese Air Force's J8-II fighters, and a naval version of the same missile, designated PL-8H and used on Chinese warships..."<sup>15</sup>

From the above discussions, it is fair to say that much improvement has been made in the economies of both Egypt and Israel since the 1979 Camp David Accord. It is also safe to say that U.S. Security Assistance programs and other U.S. economic aid played a large role in making this change occur.

#### CONCLUSION

In conclusion, the levels of Security Assistance funding to Egypt and Israel have changed little since they were begun after the signing of the Camp David Accord in 1979, although, the conditions in the region have changed significantly. The Cold War has ended, economic conditions in both countries have improved, the U.S. has increased acceptance in the region as a result of the Gulf War, and Israel has peace initiatives begun with several of its traditional enemies. In fact, the 1995 Political Risk Yearbook states; "The collapse of the Soviet Bloc and the defeat of Iraq in the Persian Gulf War have found Israel in its best position ever to deter a potential Arab attack."<sup>16</sup>

Not only did funding levels not decrease as conditions improved, there is nothing on the horizon that would indicate that they will. Security Assistance projections through 1997 remain at the same levels. Even with these annual expenditures,

the U.S. still had to pay dearly for their support during the Gulf War. It makes one wonder if the U. S. should just wait until it needs their support and then buy it.

The reason for concern about the current way of doing business is that Israel is preparing to enter into peace agreements similar to the Camp David Accord with the PLO and Syria. The March 1995 edition of Commentary states: "The figure most commonly cited for the size of the compensation package that Israel will seek from the U.S. in exchange for the Golan Heights comes to no less than \$5 billion."<sup>17</sup> In light of the continual growing budget deficits, the U.S. cannot continue to fund programs at the levels they have in the past, nor can we afford to fund Security Assistance programs based on pressure from special interest groups. Only those programs that are clearly in the vital interest of the nation should be funded and even then, they should be directly traceable to the National Security and National Military Strategies.

### RECOMMENDATIONS

This paper has clearly shown that there are areas within the current Security Assistance program that can be improved and should be changed. The following recommendations are provided as means to improve the overall program.

The first step to improve the current system is to require future Security Assistance cases, regardless of the country involved, to meet the same criteria that the President states is

necessary prior to the commitment of troops to combat. "Do we have timelines and milestones that will reveal the extent of success or failure, and, in either case, do we have an exit strategy?"<sup>18</sup> We should treat sending dollars abroad the same way we treat sending troops abroad, because they are both critical resources that are becoming less and less available.

The second step is to require each case to be directly traceable to the National Security and National Military Strategies. If this trace is not available, then funding should come from other foreign aid sources than the Security Assistance program.

The final step is to require each case to be linked to the regional CINC's campaign plans. If the effort is not in support of the CINC's campaign plan, then one would question the true purpose for the expenditure of funds.

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<sup>1</sup>U.S. Department of Defense. Security Assistance Management Manual. DOD 5105.38-M (Write Patterson AFB: Defense Security Assistance Agency. 5 January 1996), 101-1.

<sup>2</sup>DOD 5105.38-M, B-7

<sup>3</sup>U.S. Department of State. Congressional Presentation Foreign Operations: Fiscal Year 1996. (Washington: np, 1996), 201.

<sup>4</sup>U.S. Department of Defense. Security Assistance Management Manual. DOD 5105.38-M (Write Patterson AFB: Defense Security Assistance Agency. 5 January 1996), 300-1 - 400-2.

<sup>5</sup>Ibid., 400-2

<sup>6</sup>Ibid

<sup>7</sup>Graves, Ernest and Steven A Hildreth, U.S. Security Assistance: The Political Process. (Lexington: Lexington Books, 1995), 145.

<sup>8</sup>Snow, Donald M. and Eugene Brown, Puzzle Palaces and Foggy Bottom: U.S. Foreign and Defense Policy-Making in the 1990s. (New York: St. Martin's Press, 1994), 182.

<sup>9</sup>Graves, 105.

<sup>10</sup>Ibid., 196.

<sup>11</sup>Marber, Peter N. "Sheikhs and Souks: Capital Market Formation in the Middle East." Journal of International Affairs, Summer 1995, 79-80.

<sup>12</sup>Gordon, Michael R. and General Bernard E. Trainor. The Generals' War: The Inside Story of the Conflict in the Gulf. (Boston: Little, Brown and Company, 1995), 62.

<sup>13</sup>Marber, 83-84.

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<sup>14</sup>Silverberg, David. "Trading on Peace: Israel's Peace With its Neighbors Opens Doors in Asia," Armed Forces Journal, (February, 1996), 16.

<sup>15</sup>Erlich, Jeff and Giovanni de Briganti, "China Turns to Russia, Israel Arms," Defense News, (February 12-18, 1996), 4.

<sup>16</sup> Coplin William D. & O'Leary, Michael K. , Political Risk Yearbook Vol 2 Middle East and North America. (Syracuse: Political Risk Services, 1995), Israel A-3.

<sup>17</sup> Gold, Dore. "Land for Cash." Commentary, (March 1995), 46.

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