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**TAKING STOCK OF THE U.S. SECURITY ASSISTANCE
PROGRAM - ARE WE GETTING OUR MONEY'S WORTH?**

BY

**LIEUTENANT COLONEL MICHAEL W. TRAHAN
United States Army**

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Michael W. Trahan, Lieutenant Colonel, U.S. Army

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The United States Army War College

Prepared while serving a Fellowship at
The Massachusetts Institute of
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Approved by Dr. Harvey M. Sapolsky

Director, DACS Security Studies Program

Massachusetts Institute of Technology

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Massachusetts Institute of Technology

Abstract

TAKING STOCK OF THE U.S.
SECURITY ASSISTANCE
PROGRAM -
ARE WE GETTING OUR
MONEY'S WORTH?

by Michael W. Trahan, LTC, U.S. Army

Academic Supervisor: Professor Harvey M. Sapolsky
Department of Political Science

The overall goal of U.S. defense and foreign policy since World War II has been to foster a stable, peaceful world, conducive to national security, economic prosperity, and individual freedom. It has been determined that the United States has vital overseas interests and that protecting those interests depends upon association with other nations sharing our basic aims. In the post Cold War world, all programs receiving a share of the ever constrained federal budget, warrant scrutiny as to the return received on that investment. The United States Security Assistance Program, a byproduct of the policies of "containment" and "deterrence", continues to flourish and grow. The question needs to be asked, "Does this program warrant the large amount of funding it receives?"

This paper reviews the history, evolution, and composition of this complex aid program, and analyzes its applicability in the post Cold War world. By reviewing the behavior of security assistance recipients during the period of the Gulf War, this paper concludes that as the United States focuses on a National Security Strategy of Engagement and Enlargement, the utilization of Security Assistance as a principal tool of United States foreign policy, should now more than ever serve as the lynch pin of that strategy.

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Chapter One Security Assistance - Are We Getting Our Money's Worth?

The overall goal of U.S. defense and foreign policy since World War II has been to foster a stable, peaceful world, conducive to national security, economic prosperity, and individual freedom. It has been determined that the United States has vital overseas interests and that protecting those interests depends upon association with other nations sharing our basic aims. International relations theory is nearly unanimous in the view that nations enter into alliances out of expediency rather than principles, with the primary motivation being the enhancement of their own security vis a vis either an immediate or future external threat. Ideology and domestic politics will take a back seat when faced with the choice of either destruction or survival.

In order to deter a potential aggressor, thereby avoiding conflict all together, or being prudent and prepare oneself to be successful in the event that deterrence fails, states seek alliances with others. This is an attempt to either maintain a balance of power in the overall system, or ideally achieve and maintain a position of influence in a high threat environment. The tool the United States has traditionally used to broker these associations is Security Assistance. During the Cold War, when smaller nations could physically sense the threat of immediate or future danger from the Soviet Union or its proxies, the promise and delivery of military aid resulted in a very beneficial relationship for all concerned.

But now the world has dramatically changed. The Soviet Union has dissolved; the Cold War is officially over, yet the United States still continues to provide security assistance to a record number of countries. The question needs to be asked, Why do we still need security assistance? Could not these funds be spent

elsewhere? Are we truly getting our money's worth? In the course of this paper I will attempt to answer these salient questions.

This paper is divided into six chapters. Chapter 1, the introduction to the research; Chapter 2, deals with the history and the evolution of Security Assistance; Chapter 3, defines the various components which make up this complex program of aid; Chapter 4, represents an analysis of the various reasons for security assistance, and a synthesis of the basic core rationales; Chapter 5, is a case study of the results of security assistance in the first, Post Cold War conflict - Operation Desert Storm; and, Chapter 6, summarizes the results of the research.

The development of the Security Assistance program has historically shown itself, to be inextricably intertwined with the growth and change of the nation and its domestic policies. In the next chapter, as I relate the beginning and evolution of the U.S. security assistance program, I will show why, since the inception of the program, U.S. policy makers have viewed security assistance as one of the most flexible and important instruments in the pursuit of U.S. foreign and defense policy objectives.

Chapter Two A History of Foreign Military Financing¹

....I had then earlier persuaded myself that a nation, distant as we are from the contentions of Europe, avoiding all offences to other powers, and not over hasty in resenting offence from them, doing justice to all, faithfully fulfilling the duties of neutrality, performing all offices of amity, and administering to their interests by the benefits of our commerce, that such a nation, I say, might expect to live in peace, and consider itself merely as a member of the great family of mankind.....But experience has shown that continued peace depends not only on our own justice and prudence, but on that of others also; that when forced into war, the interception of exchanges which must be made across a wide ocean, becomes a powerful weapon in the hands of an enemy domineering over that element, and to the other distresses of war adds the want of all those necessities for which we have permitted ourselves to be dependent on others, even arms and clothing. This fact, therefore, solves the question by reducing it to its ultimate form, whether profit or preservation is the first interest of the state?²

Seeking Security Through Isolation

Secure behind two broad oceans, located on a huge continent rich in open space, possessing seemingly unlimited resources and relatively free from any external threat, the early Americans adopted a foreign policy that advocated isolationism and the avoidance of foreign entanglements. Our first Secretary of State, Thomas Jefferson, advocated a policy of friendship with all nations, but entangling alliances with none. He believed the American people should be free to trade whatever goods their skills and resources allowed them to produce, undisturbed,

¹ The author wishes to acknowledge the editorial staff of the Defense Institute of Security Assistance Management (DISAM) for their outstanding work and assistance in researching the history of Security Assistance. The text edited by Dr. Louis J. Samelson, *The Management of Security Assistance*, 16th edition, (Dayton, Ohio: DISAM- WPAFB, 1996), proved to be the single most outstanding resource on the subject, and the author relied heavily upon it as a source, and as a blueprint for this historical background chapter.

² Andrew A. Lipscomb, ed. *The Writings of Thomas Jefferson (Memorial Edition)* (Washington, D.C: Memorial Press, 1903-1904) vol. 14. pp. 258-260.

and without discrimination in open markets around the world. If other countries chose to participate in wars and imperialistic ventures, no matter how improvident this proved to be, the goals of the United States should remain solely to be the pursuit of commerce and peace.

The policy of isolationism, while obviously an idyllic approach that Jefferson, ever the pragmatic realized was more of a vision than a charter, remained the goal of the United States for almost 160 years after the birth of the nation.

An Undesired, Expanded, International Role

The Industrial Revolution threw a wrench into this plan, forcing America to enter into more complex relationships. The agrarian economy was transformed into an economy of industrial expansion as we searched for new markets for our manufactured products, and raw materials for our factories. International relationships began to have a more significant impact on the way America began to view not only itself but its role and responsibilities in the global community. The impressions other international actors began to have regarding this emerging power, began to be of consequence. The world was being transformed into a much more competitive, threatening environment. American foreign policy needed to adapt in order to accommodate it. The role the United States was to play in it needed to be defined

It was the Spanish American War of 1898, that was the catalyst that first thrust the United States into the role of an international power. A role it reluctantly assumed, but may not have been psychologically prepared to accept. The acquisition of Guam, the Philippines, and Puerto Rico, fueled the debate on foreign policy, and the new direction the nation should take. America's interests needed to dictate its foreign policy³. U.S. foreign policy however, was one of

³ Henry A Kissenger,, *American Foreign Policy* (New York: W. W. Norton and Co., Inc., 3rd ed., 1977), p. 201.

ambivalence, flavored with deep seated sentiments of mistrust. In what was to become a pattern in U.S. foreign policy, this once again lead to a resurgence of isolationism in the country.

Having few viable threats actually posed against America's security, its armed forces were allowed to decline, reflecting the American peoples aversion to large standing armies and entangling foreign alliances. Feeling secure once again behind our ocean barriers, the U.S. entered the twentieth century focused on its internal development.⁴

The Emerging Arms Giant

The outset of World War I changed everything. Despite declared neutrality, the U.S. rapidly emerged as a leader in the international munitions trade,⁵ exporting from August 1914 to March 1917, approximately \$2.2 billion in war supplies to Europe. In 1916 alone, the United States shipped more than \$1 billion of arms. By 1920 the United States was firmly ensconced as the worlds leading arms merchant, accounting for more than 52% of global arms exports.⁶

Fearing this trend, Charles Hyde, a prominent international lawyer of the period, petitioned Secretary of State Lansing to reduce this growing trade. Hyde noted that during World War I, the United States had become "a base of supplies of such magnitude that unless retarded, the success of armies, possibly the fate of empires, may ultimately rest upon the output of American factories."⁷ President Wilson did not agree, seeing this American output of munitions, as "an arsenal of freedom." The President, while speaking for a large portion of the nation caught

⁴ Alan R. Millet and Peter Maslowski, *For The Common Defense - A Military History of The United States of America*, (New York: The Free Press, 1984), pp. 233-235.

⁵ Ibid., pp. 328-330.

⁶ Andrew J. Pierre, *Arms Transfer and American Foreign Policy*, (New York: University Press, 1982), p. 17.

⁷ Ibid., p. 18.

up in the fervor of war, did not speak for the majority. With the war's conclusion, the arms industry showing no sign of abatement, rather continuing to thrive and prosper, a great controversy was born in public debate and discussion throughout the next fifteen years about this undesired, yet highly successful industry.

Responding to this conflict of national conscience, the 1930's saw the establishment of a special Senate Munitions Investigating Committee, known as the Nye committee, named after its chairman, Senator Gerald P. Nye (R-ND).⁸ An investigation of the international arms trade was called for, in order to determine if a desire for commercial profit was directly contributing to the sustenance of war. Senator Nye, an avowed isolationist, also sought to discover if the arms trade could be regulated under existing laws and treaties, or whether a government monopoly in arms production was a practical alternative. Believing the elimination of private gain a direct corollary to the elimination of war, Nye was successful in his bid to convince the committee to recommend the nationalization of the arms industry. The committee however failed to sway Congress.

While their goals were not accomplished, the Nye Committee persuaded the majority of legislators of the need for increased governmental control and oversight of the arms industry. This resulted in the establishment of The Munitions Control Board. While there may have been an underlying current of interest in promoting international arms controls, multinational efforts in this direction proved to be ineffectual, and the international arms trade remained unchecked.⁹

⁸ Alan R. Millet and Peter Maslowki, *For The Common Defense*, p. 379.

⁹ Ibid.

The Giant Awakes

Learning from the lessons of the first global conflict, in 1939, Congress revised the "Neutrality Act," thereby permitting the sale of arms during peacetime to the British on a cash-and-carry basis.¹⁰ Eventually our policies were broadened to include arms support to other allies. In September 1940, the arms trade industry took yet another innovative turn. President Roosevelt negotiated the destroyers-for-bases agreement; fifty, over-aged U.S. destroyers, were exchanged for 99 year leases on several British bases in the Western Hemisphere. The argument put forth by FDR being, that at some juncture the bases might become critical to American defense. Many isolationist-minded presidential critics saw this as a clear violation of our neutral position, and felt this was simply a plot to draw the nation into the war. In many ways, this un-officially marks the beginning of security assistance.¹¹

On 11 March 1941, the "*Lend-Lease*" program was initiated by an Act of Congress. Lend-Lease eventually supplied almost \$50 billion of arms, food, and other materiel aid to the Allies, the Russians, and the Chinese. Under the programs design, the United States "loaned" materiel to the recipients, under the premise they would pay it back when they were able to do so. The program also allowed the "lease" of other materiel and services for which payment could be made by "reverse lend-lease", whereby the recipients would provide certain material and services to the United States in payment.¹² As a matter of historical interest, less than \$10 billion were repaid to the United States for its materiel and services contributed under this program.¹³

¹⁰ Ibid. pp. 386, 394.

¹¹ Ibid. p. 395.

¹² R. Ernest Dupuy and Trevor N. Dupuy, *Military Heritage of America* (New York: McGraw-Hill, 1956,) pp. 515, 569

¹³ Millet & Maslowski, *For The Common Defense*, pp. 398-399, 410.

Fledgling Superpower Status - The Truman Doctrine

The United States emerged from World War II as the most powerful country in the world but was faced with a quandary. In order for the United States to ensure its own security, security from the Soviet Union; a nation subscribing to a diametrically opposed philosophy, a shift in policy was necessary. The United States felt its new role in the world was to guarantee the security of a Europe devastated by war and vulnerable to Soviet expansionism. The Soviet Union must be "contained".¹⁴ From that time until the present, the policy of containment would influence the formulation of all foreign policy.¹⁵ The primary tool used to assist in this pursuit would be Security Assistance.

The first example of U.S. Containment Policy occurred in 1946, when the Soviet Union began supporting Communist guerrilla actions in Greece exerting undue diplomatic pressure in Turkey. Truman felt the unrest in Greece and the overt political pressures in Turkey were blatant attempts to establish a strong communist presence in the region. This was but the first step in the spreading of a Soviet Hegemony throughout the Balkans, Asia Minor, and the Persian Gulf. This also represented a threat that was inimical to the interests of the United States.

Truman initiated an emergency request in March 1947 for \$400 million to aid Greece and Turkey. This request, known formally as the Greece - Turkey Aid Act of 1947, required considerable pressure by the President, to pass through Congress. The procedure of entering into a formal program of foreign assistance during peacetime, a program which included military and economic aid to a

¹⁴ George Kennan, "The Sources of Soviet Conduct," *Foreign Affairs* 25, no. 4 (July 1947), reprinted in the book edited by Charles Gati, *Caging the Bear: Containment and the Cold War*, (New York: Bobbs Merrill, 1974).

¹⁵ On the origins of the containment strategy, see, for example, John L. Gaddis, *Strategies of Containment* (Oxford: Oxford University Press, 1982); Deborah Larson, *Origins of Containment: A Psychological Explanation* (Princeton: Princeton University Press, 1985); and David Mayers, *George Kennan and the Dilemmas of U.S. Foreign Policy* (Oxford: Oxford University Press, 1988).

foreign state, had never been done before. This process, of using another country to deter the spread of Soviet hegemonic desires, became known as the Truman Doctrine. President Truman stated:

I believe that it must be the policy of the United States to support free peoples who are resisting attempted subjugation by armed minorities or outside pressure. I believe that we must assist free peoples to work out their own destinies in their own way. I believe that our help should be primarily through economic and financial aid which is essential to economic stability and orderly political processes.¹⁶

In ensuing years, Greece and Turkey, who were not then members of NATO, received well over \$600 million in both U.S. military and economic aid. Another landmark decision directed by the legislative branch, was that U.S. military advisers would administer the programs within the respective countries. This led to the growth of military assistance groups (MAG's). By mid-1949 there were over 527 U.S. armed forces in the Joint United States Military Advisory and Planning Group in Greece, and over 400 in a similar organization in Turkey. With the establishment of MAG's, the administration of military assistance acquired a completely new dimension. Military Assistance Groups would eventually operate in many areas of the world and involve U.S. military personnel by the thousands.

Tools For Containment

Faced with the daunting task of containing a hegemonic Soviet Union, the United States began to fully realize the advantages of entering into a system of defensive alliances. The Brussels Treaty of 1948, between France, the United Kingdom, Belgium, Netherlands, and Luxembourg, seemed a logical foundation. America began negotiations with the Brussels powers, starting with the "Vandenberg Resolution," which was passed by the Senate on 11 June 1948 and named for

¹⁶ Harry S. Truman, Address delivered to joint session of Congress, March 12, 1947, quoted in U.S., Congress, *Congressional Record*, 80th Congress, 1st session, 1947, 93, pt. 2, p. 1981; and in Kennan, *Sources of Soviet Conduct*.

Senator Arthur H. Vandenberg (R-MI). This resolution expressed the desirability of the United States associating itself with others in a system of collective defense.¹⁷

The first attempt to codify U.S. containment doctrine, and the concomitant foreign assistance programs designed to carry out the policy were first found in a piece of legislation passed in 1949, called the Mutual Defense Assistance Act (MDAA).¹⁸ This act was important for two reasons. First, the legislation provided authority for military aid to the fledgling NATO, as well as additional aid to Greece and Turkey, who were not then NATO members; and authorized military aid for Iran, Korea, the Philippines and Taiwan. Secondly, the MDAA provided the legal basis for the grant military assistance and foreign military sales program.¹⁹

The continuous pursuit of the policy of Soviet containment resulted in a series of collective defense arrangements (i.e., SEATO, ANZUS, and the Rio Treaties) as well as bilateral agreements with Korea, the Philippines, Japan, and Taiwan. These multilateral and bilateral agreements provided additional basis for military and economic assistance programs. U.S. foreign assistance programs -- aimed at helping countries gain political and economic stability and strengthen their armed forces to deter or meet a military threat—became the major instrument of U.S. foreign policy during the Cold War era.²⁰

¹⁷ Jack E. Vincent, *A Handbook of International Relations*, (Woodbury, New York, Barrons Educational Series, Inc., 1969), p. 222.

¹⁸ Burton M. Sapin and Richard C. Snyder, *The Role of The Military In American Foreign Policy*, (New York: Doubleday, 1954), p. 155.

¹⁹ Ernest Graves, and Stephen A. Hildreth, *U.S. Security Assistance - The Political Process*, (Lexington, Massachusetts, 1985), p. 7.

²⁰ Maxwell Taylor, *Swords to Plowshares*, (New York: W.W. Norton, 1972), p. 249.

The Birth of The Military Assistance Program (MAP)

Early in the post-war period U.S. military assistance focused primarily on the transfer of U.S. arms from stockpiles of surplus war materiel. These arms transfers were made to participants in an emerging network of U.S. alliances, and were provided as grant aid, aid which was basically "free of charge", under what was to become known as the Military Assistance Program (MAP). Initially these programs were designed to help countries recovering from the aftermath of war, or struggling to establish fledgling governments, who the United States was willing to assist, in the hope of gaining assistance in containing the Soviet Union. The giveaway nature of this grant assistance program would later become a point of much discussion and contention as these programs of assistance matured and as the economies of our allies experienced regeneration and substantial growth. With the establishment of MAP, U.S. arms transfers , economic aid, and collective security began to emerge as programs sharing a common purpose - a concept that later, in the Nixon Administration, would come to be known formally as *Security Assistance*. As part of the continuing evolution of security assistance , the U.S. Congress terminated MAP funding in FY 1990 and integrated all former MAP grant funding into the Foreign Military Financing Program (FMFP). ²¹

As the initial recipients of the U.S. Military Assistance Program, NATO and its future members, Greece and Turkey, were the major beneficiaries of U.S. security assistance, up until 1965. They received over 56% of all American arms transferred under MAP and the Foreign Military Sales Program (FMSP)²² However, as early as the mid-1950's, certain new developments began to have an impact. As the stockpile of surplus World War II materiel declined, the United States launched a program to furnish technical assistance and industrial

²¹ DISAM, *The Management of Security Assistance*, p. 16.

²² Andrew J. Pierre, *The Global Politics of Arms Sales*, p. 35.

equipment to help expand local European defense production. In 1954, those NATO countries receiving this assistance agreed to provide other NATO allies with arms at reasonable prices. Such agreements gradually evolved into joint production arrangements, including electronics, command and control systems, aircraft, and missiles. This arrangement was short lived however, as nation members began to develop their own arms industries. Everyone began to demand weapons of local design, with the obvious result being a force torn by widespread competition, serviced by parochialism, and equipped in a hodgepodge fashion with non-standardized weapon systems, exhibiting only little if any compatibility at best. The separate systems demanded unique support requirements, creating logistical nightmares. The lack of standardization would have done little to have helped sustain a war in Europe. At the most base level it resulted in a decrease for U.S. arms, especially if they were not being "given away".

The Eisenhower Doctrine

The U.S. policy of containment was forced to further evolve due to political and military crises around the world. Beginning with the Korean War in 1950, followed by Egyptian initiatives to acquire Soviet arms in 1955, and the increasing involvement of the United States in Indochina in the late 1950's, it became apparent a reassessment was in order. In essence, what was required was a broadening of what had previously been exclusive support for our allies, to also include the support of friendly, but non-allied nations. As the U.S. defense of Northeast and Southeast Asia took a more prominent role in our foreign policy, the program of "arms to allies" was enlarged to "arms to friends". To the concepts of containment and forward defense were added new precepts of internal security, counterinsurgency, civic action, and nation building. The policy of containment was expanded politically to apply to the protection not only of

nations on the periphery of the Soviet Union, but to the world at large, including many nations regarded by their leaders as non-aligned.²³

As a corollary to the expanded containment policy, the Eisenhower Doctrine was issued on 9 March 1957. This second, major post-war doctrine, asserted the right of the U.S. to employ force as required, to assist any nation or groups of nations in the general region of the Middle East who requested assistance against armed aggression from any country controlled by international communism. The Eisenhower Doctrine was conceived as the direct result of the apparent Soviet influence in Syria and Egypt, and the threat of Soviet assistance to Egypt during the Suez crisis in 1956. As articulated, assistance was not to be applied in response to an internal insurrection or civil war.²⁴

As Figure 1-1 shows, during the 1950's U.S. military assistance and foreign arms sales and deliveries, increased steadily worldwide, but especially to the Middle East. Eisenhower's vision of the importance of the Middle East, and the necessity to maintain its regional stability, established the foundation for American long term commitment to the area.

²³ Phillip J. Farley, Stephen S Kaplan,, and William H. Lewis, , *Arms Across the Sea*, (Washington DC: The Brookings Institution, 1978), p. 21.

²⁴ Jack E. Vincent, *A Handbook of International Relation.*, p. 75.

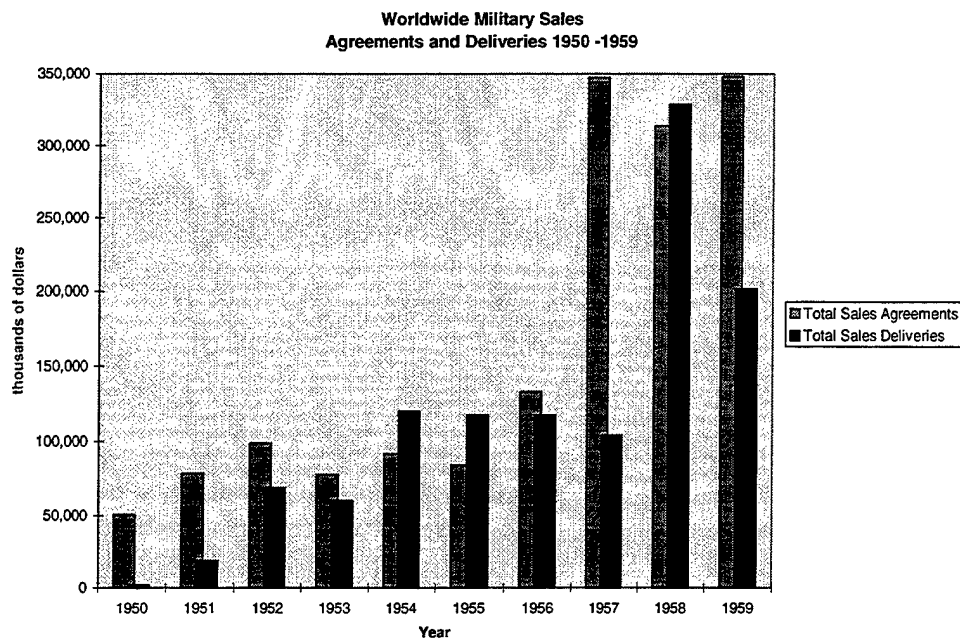


Figure 1-1 Total Worldwide Military Sales
Agreements and Deliveries 1950-1959²⁵

President Eisenhower saw our interests, as well as those of our allies, inextricably linked to the vast oil reserves of the region. He felt the transfer of weapons and training were a concrete example of that commitment.

Simultaneously, there was a prevailing belief, that should the region fall under Soviet domination, Western economies would suffer so grievously, they too would succumb to communism. Further speculation postulated, that should the Soviets gain control of the Middle East, Pakistan, India, and Africa would fall sequentially. The Eisenhower Doctrine clearly articulated, that the United States'

²⁵ All dollar figures relating to military sales and agreements, unless otherwise noted, were drawn from the Department of Defense, *Defense Security Assistance Agency - Fiscal Year Series - As of September 30 1995*, (Washington, D.C.: Financial Policy Division, Comptroller, DSAA, 1995).

national interests were truly the main concern, and only secondary the well being of the nations of the Middle East. The importance of the global assistance pattern established by this doctrinal shift, as well as the congruence of the nuclear policy of strategic reliance on "massive retaliation" cannot be underestimated. For the next forty years they served as the cornerstone of our foreign policy.²⁶

Massive Retaliation + Massive Assistance - The Kennedy - Johnson Era

President Kennedy fell heir to the policy of "massive retaliation" as the set piece of U.S. strategic deterrence against Soviet aggression, however events in Eastern Europe, including the Hungarian Revolution in 1956 and the 1961 Crisis in Berlin, demanded a reassessment of U.S. conventional force capabilities. What the reassessment determined was U.S. and NATO conventional forces were unacceptably inferior in conventional military power to Soviet Bloc forces. The President was hampered by a lack of options should conflict arise, and in any conflict, especially in Germany, would either have to accept defeat or initiate the use of nuclear weapons. While the possibility of ever being able to meet the Warsaw Pact man for man along the Central European front was unattainable, there was something that could be done to help rectify the gross disparity in forces. Towards this end, Kennedy pushed for improvements in NATO conventional force structure.²⁷

One of the primary tools used to help build up the force ratio, was economic and military assistance. First came increased economic assistance for Latin America under the Alliance for Progress. The Alliance Program was designed to speed economic growth in the region in order to create a stable social structure capable of fending off revolutionary threats, both internal and external. Uneven domestic political support, as well as a dubious record of success in country, led to the

²⁶ Alexander L. George, and Richard Smoke, *Deterrence in American Foreign Policy: Theory and Practice*, (New York: Columbia University Press, 1974), pp. 315-316.

²⁷ Ibid., p. 425.

demise of the program by the end of the 1960's, and a return of the U. S. foreign policy of benign neglect towards its southern neighbors.²⁸

During the Kennedy-Johnson era, the other area which continued to manifest its importance was Southeast Asia. While having been involved there for generations, it was only after World War II the level of our involvement rose dramatically. While the strategic importance of the Middle East had already been well established, no region in the world was more dynamic, more diverse, nor more complex than Asia. As communist inspired insurgencies began to make inroads into the various nations, threatening to shake and in fact destroy, the stability of the region, our relationships in Asia were of paramount importance.

Figure 1-2 shows the major regions of the world, and graphically portrays the disparity in sales during the period 1960 - 1969. While it is readily apparent, U.S. backing for Europe never wavered, there was a definite shift in priorities from the East Asia - Pacific region, to the Near East - South Asia region mid way through the decade.

²⁸ Abraham F. Lowenthal and Gregory F. Treverton, editors, *Latin America In A New World*, (Boulder, Colo, 1994), pp. 31-32, 157.

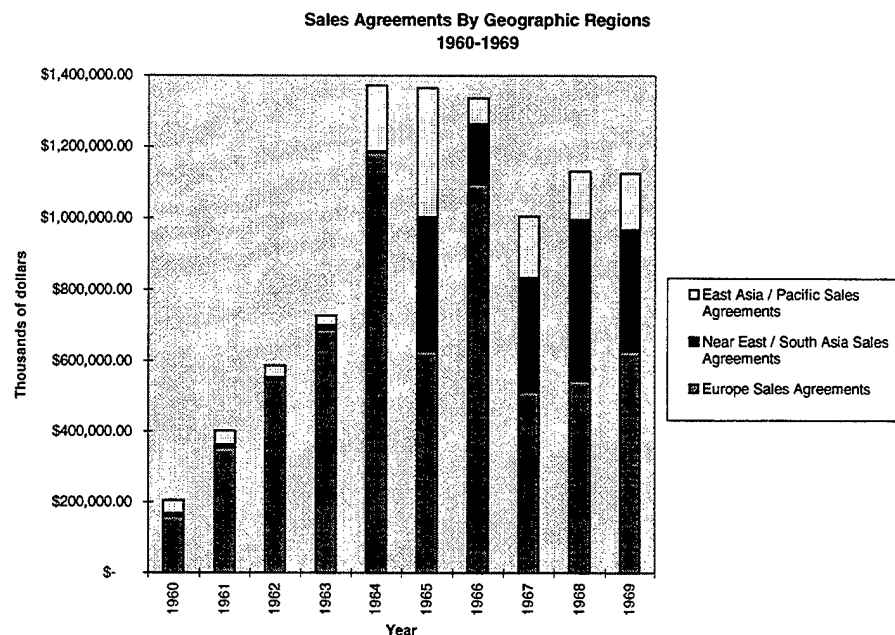


Figure 1-2 Sales Agreements By Geographic
Region 1960 - 1969²⁹

As indicated by Figure 1-2, The Middle East continued to develop as an area of high interest during the Kennedy -Johnson era. Arab -Israeli conflicts, difficulties between Iraq and Iran, the Egyptian-Russian disaffection, and the ever growing realization that the U.S. and much of Western Europe remained heavily dependent on an undisturbed flow of Middle East oil, provided the motivation to maintain regional stability, virtually at any cost. Military assistance was rapidly becoming the primary element used to assure a stable environment. The enormous initial MAP grants were soon overtaken by rapidly escalating arms sales under the Foreign Military Sales (FMS) program. This significant change, began a process that was to radically alter the very countenance of Military Assistance -

²⁹ DSAA, *Fiscal Year Series*, pp. 6, 82, 140.

the gradual reduction of grant aid, accompanied by an increase in military sales. This process was to gain further momentum under the Nixon Administration.

Security Assistance - A Nixon Legacy

Public dissatisfaction with the war in Vietnam reached the saturation point in the late 1960's. The lessons learned from America's entanglement in Southeast Asia led immediately to directive and initiative changes in foreign policy; changes that had a major impact on Washington's approach to containment. A dramatic and immediate change to the policy, was the newly articulated goal of military assistance. The primary purpose of military assistance became the development of a recipient nation's indigenous self sufficiency, in its own self -defense capabilities. Before the goal had always been more of an implied task. The fact the client state had been manipulated into maintaining a level of dependency on the United States, had not always been seen as a "bad thing". This "dependency", allowed the United States a great deal of flexibility in attempting to influence the internal and external policies of recipient states. The downside being, it equally increased the opportunities for the U.S. to become embroiled in a nation's domestic affairs. In the wake of Vietnam with its ensuing domestic turmoil, enormous cost in lives and dollars, and the general air of public discontent with government, developing a recipient nations' capabilities for self sufficiency seemed to be the most effective way for the United States to avoid becoming embroiled in yet another quagmire.

The United States continued to provide material assistance and economic support to these countries, but the concept of self-sufficiency increased the emphasis on military sales as opposed to grants. The linkage of a variety of security related military and economic assistance programs not only led to the use of an umbrella term for these programs - Security Assistance, but formalized the many features of the present U.S. security assistance program.

Under the new "Nixon Doctrine", although the United States would continue to bear responsibility for the deterrence of nuclear and general conventional war, the deterrence responsibility for localized wars would rest with the countries threatened by such conflicts. The U.S. expected these countries to assume primary responsibility for their own defense, aided by limited U.S. security assistance. This included the necessary marshaling of manpower and resources.

The central thesis of the doctrine [Nixon] was that, although the United States would participate in the development of security for friends and allies, the major effort must be made by the governments and peoples of these states. The doctrine was mainly a by-product of public reaction against the major but largely unsuccessful military intervention by the United States in Vietnam during the 1960's. As policy, its promulgation was directly related to the efforts of the Nixon Administration to extricate American forces from Indochina.³⁰

While this "new approach" was driven directly as the result of the Vietnam experience, its applicability on a global scale was not withstanding. Decrying his predecessors approach in Latin America as being intrusive, and implying the Alliance for Progress had been built on the illusion the U.S. knew what was best for everyone else, President Nixon made a conscious attempt to shift away from the United States' previously dictatorial, role to more of a partnership approach.³¹

The Middle East continued to be the anomaly however. Nixon was confronted by continued strife between Israel and its neighbors, with wars in 1967 and 1973 graphically demonstrating the deep seated enmity between these nations, and their conflicting territorial claims. This continuing regional instability, with its real potential for expansion into the Persian Gulf area , coupled with the increasing world's dependence on the energy resources of that region, made the cost for

³⁰ Jack C. Plano and Milton Greenberg, *The American Political Dictionary - Ninth Edition*, (Hinsdale, IL: The Dryden Press, Holt, Rinehard, and Winston, 1993), p. 400.

³¹ Richard M. Nixon, *Action for Progress for the Americas*, (An address before the Inter American Presidents Association, Washington DC, 31 October 1969); *Department of State Bulletin*, 17 November 1969, pp. 409-414.

failure unacceptable not only to the United States, but to the governments of Western Europe, and Japan as well. It became more and more apparent, that any attempt by the United States to achieve regional stability through a brokered peace agreement, must first consider the impact such an agreement would have on the world's continuing flow of oil. This primary consideration became the impetus to establishing and maintaining a regional balance of power. The United States dramatically increased its shipment of arms to the Middle East, with Iran, Israel, and the Kingdom of Saudi Arabia being the principle recipients. Not wishing to lose any modicum of their limited influence in the region, and attracted by the exceptionally lucrative market, other nations, especially France and Great Britain contributed significantly to the region's growing stockpile of weapons.³²

As a direct outcome of the Vietnam experience, and what appeared to be a seemingly uncontrolled race to arm the world in general, and the Middle East in particular, U.S. public awareness of security assistance began to be heightened. Congress moved to legislate greater regulatory measures over future arms transfers and more efficient security assistance management procedures. The new legislation, later incorporated into the Arms Export Control Act, would change the way all subsequent security assistance management would be conducted.³³

Developing a National Conscience - The Ford Years

The Ford Administration entered power timidly, amidst political trauma on the domestic front, continuing disagreements with both the Soviets and our allies, a nascent recession, and rapidly escalating oil prices. A morally strengthened Congress, gave rise to a public, but growing legislative apprehension over the increase in U.S. arms transfers abroad. This concern translated itself into increased legislative barriers, and hurdles, with Congress being given the right to

³² Anthony H. Cordesman, *Western Strategic Interests In Saudi Arabia* (London: Croom Helm, 1987), pp. 25-28.

³³ Paul Y. Hammond, David J. Louscher, Michael D. Salomone, Norman A. Graham, *The Reluctant Supplier - U.S. Decision making For Arms Sales*, (Cambridge, Ma: Oelgeschlager, Gunn & Hain, 1983), pp. 264-265.

block certain types of sales, and all potential arms transfers requiring closer scrutiny by Departments of State and Defense.³⁴

While Congress appeared to be more and more recalcitrant with regards to the transfer of arms, internationally the appetite for U.S. weaponry and military assistance had only just been whetted. Ford's hand with regard to Congress, had further been weakened by a U.S. policy shift with regard to the containment of the communist threat, as a justification for security assistance requests - a tried and true formula for the expeditious granting of approval of proposed arms transfers up to this time. The rapid acceleration in the pace of détente, both with the Soviet Union and Peoples Republic of China, made it increasingly difficult to use communist encroachment as a justification for security assistance requests, especially those pertaining to military grant aid; it ran contrary to the foreign policy goals of the Administration. Contrary to reality, in the view of much of the public and Congress, the Cold War was rapidly becoming a thing of the past.

The problem facing President Ford was fairly straightforward - how did he meet escalating demands for arms as part of U.S. foreign policy, while still remaining within the bounds of existing or pending legislation? It became increasingly difficult.

In 1976, demands for new controls on the transfer of arms, found their expression in the International Security Assistance and Arms Export Control Act (AECA) of 1976.³⁵ In essence, AECA prohibited arms transfers to any nation found to be in systematic violation of human rights; it terminated (with very few exceptions) grant aid and Military Assistance Advisory Groups (MAAGs) by

³⁴ The International Security Assistance and Arms Export Control Act was signed into law by President Ford in July 1976. In their attempt to curb the defense industries rush to satisfy this ever increasing appetite for weapons, and an especially new growing concern, the spread of technology allowing for the proliferation of nuclear weapons, Congress passed this new legislation.

³⁵ Andrew J. Pierre, *The Global Politics of Arms Sales*, p. 132.

September 1977, unless the MAP recipients and MAAGs were subsequently authorized by the Congress in applicable legislation; and it established closer oversight by Congress of arms transfers. The 1976 AECA, as amended by 1977 legislation, was considered by both President Ford and Carter as being extremely restrictive and as impinging on the Executive Branch's prerogative to implement foreign policy.³⁶ It had clearly accomplished its design.³⁷

The Carter Doctrine - Re-emerging Pre-dominance of The Middle East

Carter, early in his term, decried the unrestrained global spread of conventional weaponry, and critically cited reports stating that total worldwide arms sales had risen to over \$20 billion annually, with the U.S. responsible for over half that amount. Based upon this assessment, he directed a comprehensive review of existing arms transfer control policies, and all of the associated military, political, and economic factors. In order to immediately reverse the trend of conventional arms sales, he announced on 19 May 1977, that arms transfers would be henceforth, an exceptional foreign policy implement, and the burden of persuasion for sales would fall on those who favored a particular arms sale, rather than those who opposed it. President Carter further established a set of controls to govern all transfers, with the exceptions of those with whom the United States had existing treaties (i.e., NATO, Japan, Australia, and New Zealand.)³⁸ He further stated, the promotion, advancement, and adherence to established, internationally recognized norms of Human Rights, would govern his

³⁶ Amos A. Jordan and William J. Taylor, Jr., *American National Security - Policy and Process*, (Baltimore, Md.: John Hopkins University Press, 1981), p. 119.

³⁷ The Arms Export Control Act of 1976 tightened the definition of which cases went through FMS and which went through commercial channels. The Act amended and updated the FMS provisions of the Foreign Military Sales Act of 1971 and the military assistance portions of the Foreign Assistance Act of 1961, which in turn had replaced the Mutual Assistance Act of 1954. Based upon the new changes, the total value of a commercial sale could not exceed \$25 million, except to NATO, Japan, Australia, or New Zealand. For more on the history of U.S. arms transfers see Stephanie G. Neuman and Robert E. Harkavy, *Arms Transfers In The Modern World*, (New York: Praeger, 1980), pp. 157, 162, 166.

³⁸ Ibid.

administration's security assistance efforts, and in effect, underwrite all of his foreign policy initiatives.³⁹

Several momentous events occurred during his tenure which would have significant impact on the future of security assistance. Like many of his predecessors, Carter's initial foreign policy efforts focused on the Middle East. Unlike the others however, his personal intervention and involvement in seeking a resolution to the long standing enmity between Israel and Egypt, bore fruit - the Camp David Accords, which in turn led to the 1979 Egyptian - Israeli Peace Treaty.⁴⁰

As part of the Camp David Accords, the U.S. agreed to assist both governments in upgrading their military capabilities. In the case of Egypt, replacement of the obsolete Russian equipment with which Egyptian forces were equipped became a long term security assistance goal for the United States, and in addition agreeing to become Egypt's, as well as Israel's, prime supplier.⁴¹

Other significant events which took place during the Carter Administration, having a direct impact on U.S. security assistance interests in the Middle East were the overthrow of the Shah of Iran in 1979; the subsequent seizure of the American Embassy in Tehran, and the taking of diplomatic hostages by militant Iranians; the burning of the American Embassy in Pakistan; and the Russian invasion of Afghanistan in December 1979. All of these incidents contributed to

³⁹ The Carter Policy for unilateral restraints on U.S. arms sales included a pledge not to be the first to introduce an advanced weapon system into the region; on the development of weapons solely for export; on re-transferring weapons from one recipient nation to a third country (third country transfers); and on coproduction agreements. See Statement by the President on Conventional Arms Policy, 19 May 1977, reprinted in Congressional Research Service (CRS), *Changing perspectives on U.S. Arms Transfer Policy*; CRS, Washington D.C., September 25, 1981, Appendix II.

⁴⁰ For one of the best descriptions of the Camp David Accords and its impact on all the players, see George Lenczowski, *The Middle East In World Affairs*, (London: Cornell University Press, 1980), pp. 465-472.

⁴¹ Ibid.

Carter's conclusion, that turmoil in the Persian Gulf area was the most serious threat to the region, and inimical to the national interests of the United States. Reflecting his concern, in his State of the Union Speech in 1980, Carter warned:

*"Let our position be absolutely clear: an attempt by any outside force to gain control of the Persian Gulf region, will be regarded as an assault on the vital interests of the United States of America. And such an assault will be repelled by any means necessary, including military force."*⁴²

This statement, which was quickly dubbed the Carter Doctrine, was the first Presidential public pronouncement since Vietnam, on the possible commitment of U.S. troops to protect essential U.S. national interests. This extension of the U.S. military shield to the Persian Gulf region, effectively modified the Nixon Doctrine, and clearly put the Soviets on notice, that further aggression in the region would not be tolerated, nor would their involvement in ongoing regional conflicts.

Carter assumed another foreign policy directional change, when building upon the Nixon-Ford increased rapport with the Peoples Republic of China, awarded them the "most-favored-nation" trading status. The impact on the security assistance world was immediately felt, by the generating of several contractual decisions to provide "dual use" (civilian-military) material to former adversaries. This equipment was to be limited to trucks, communications equipment, and early warning radar. No weapons were to be sold.⁴³ The first request for a Foreign Military Sales (FMS) agreement went to Congress in 1985, and called for the modernization of China's large caliber artillery ammunition production facilities. These were quickly followed in 1986, by several additional FMS

⁴² Jimmy Carter, "U.S. Interests and Ideals, " Department of State Bulletin Current Policy no. 180 (Washington, D.C.: Bureau of Public Affairs, U.S. Department of State, May 9, 1980).

⁴³Herbert H. Schnadler, et al., "Implications of President Carter's Conventional Arms Transfer Policy," Congressional Research Service, (Washington, D.C.: Library of Congress, September, 1977).

arrangements for the sale of Mark 46 MOD 2 Torpedoes and for an avionics upgrade of Chinese F-8 air defense interceptors.⁴⁴

The Reagan Solution - Security Assistance

When President Reagan came into office, he initially adopted the arms transfer policies of previous administrations, however on 8 July 1981, with the announcement of his new Conventional Arms Transfer Policy, he broke significantly from his predecessor. Whereas the Carter Administration had viewed arms transfers as an "exceptional foreign policy implement," Reagan adopted a more pragmatic approach, and in fact viewed arms transfers both as an essential element of U.S. global defense policy, and an integral component of United States foreign policy.

The Reagan Conventional Arms Transfer Policy had six key points summarized below:

- a. Reinforce military capabilities to assist in the deterrence of aggression, especially from the USSR and its surrogates, and reduce the requirement for direct U.S. involvement in regional conflict;
 - b. reinforce the perception of friends and allies that the U.S., as a partner, is also a reliable supplier with a measurable and enduring stake in the security of the recipient country;
 - c. point out to potential enemies that the United States will not abandon its allies or allow them to be militarily disadvantaged;
 - d. improve the American economy by assuring a more stable defense production base, and by enhancing the balance of payments.
- However, this objective should not be construed to mean that the

⁴⁴ DSAA, *Management of Security Assistance*, p. 24.

approval of the transfer of arms will be based solely or even primarily on economic considerations or gains;

- e. enhance the effectiveness of the U.S. military through the improved possibilities of access to regional bases, ports, facilities needed for the support of deployed forces during contingencies. Further, security assistance should be such as to improve the ability of the host nations to compliment U.S. forces during deployments; and,
- f. strengthen the stability of the region and the internal security of the countries therein by fostering a sense of a recipient nation's security and thereby its willingness to settle disputes amicably. Through this objective, it is held that a government which feels secure is more likely to cope with such challenges in a more progressive and enlightened manner.⁴⁵

A further pivotal point of the Reagan policy, was that the United States could not alone defend Western security interests, and that the security requirements of friends and allies were concomitant to its own. The security requirements, the arms transfers, and the contribution of such transfers, must serve to compliment one another and serve to reinforce the earlier Nixon Doctrine. Under the Reagan Administration, arms transfer policy was not only its first priority, it became an inherent theme of its foreign policy, throughout Reagan's tenure.

On 6 February, 1985, in the President's "State of the Union Address," before a joint session of Congress, the continued importance Reagan gave to security assistance was never more clearly illustrated than when he said:

"We cannot play innocents abroad in a world that is not innocent. Nor can we be passive when freedom is under siege. Without resources, diplomacy cannot succeed. Our security assistance programs help friendly governments defend themselves, and give them confidence to

⁴⁵ Ibid., p. 25.

*work for peace.....Dollar for dollar, security assistance contributes as much to global security as our defense budget.*⁴⁶

Certain "Fundamental Criteria" were required to be met for a favorable arms transfer policy decision under the Reagan administration. Requests by potential recipients for security assistance, were assessed for relevance against the following criteria:

- a. regional stability and conflict
- b. U.S. force readiness;
- c. impending military threats;
- d. effective utilization by a recipient country;
- e. human rights as provided by Section 502B, FAA of 1961, as amended; and the
- f. economic capacity and capabilities of the recipient nation.⁴⁷

While the Administration realized, and promoted the inherent advantage of arms transfers, they clearly recognized they were not substitutes for other forms of diplomacy. William Schneider Jr., then Undersecretary of State for Security Assistance, Science and Technology, stated in testimony before Congress:

*"They [arms transfers] are not an alternative to a long term coincidence of national security interests between the U.S. and another government. They cannot guarantee harmonious bilateral relationships when fundamental interests diverge. The Soviets learned this in Egypt, Somalia, and earlier in Indonesia, or as we have experienced in Iran and Ethiopia."*⁴⁸

⁴⁶ Ronald Reagan, State of the Union Address, delivered before a Joint Session of Congress, February 6, 1985.

⁴⁷ Paul Y. Hammond, et al, *The Reluctant Supplier*, p. 91.

⁴⁸ Statement of William Schneider Jr., Under Secretary of State for Security Assistance, Science and Technology, before the Sub-committee on International Security and Scientific Affairs, House Foreign Affairs Committee, March 3, 1983.

Reaping The Benefits of Security Assistance - The Bush Legacy

The Bush Administration essentially continued the arms transfer and overall security assistance policies of the Reagan Administration, and it can basically be argued, reaped the harvest of their [Reagan's] seeds. The December 1989 collapse of the Iron Curtain and the subsequent emergence of democracy in the former Warsaw Pact countries; the August 1990 Iraqi invasion of Kuwait and the subsequent January-February Operation Desert Storm, liberation of Kuwait; Middle East Peace talks; the December 1991 economic and political dismemberment of the USSR; and finally the worldwide economic recession of 1991, all were affected by and in turn effected, arms transfers and overall security assistance and foreign policy.

The demise of the authoritarian governments of the Iron Curtain countries, and their almost immediate replacement by democratically elected governments seeking to establish a market driven, capitalistic economy, prompted the immediate flow of U.S. foreign assistance to Czechoslovakia, Hungary, and Poland. This aid included Military Assistance Grant Aid, in the form of International Military Education and Training (IMET). FY 92 saw an expansion of this foreign assistance for Eastern Europe, including the addition of Albania, Bulgaria, Estonia, Latvia, Lithuania, Russia, and Ukraine. In FY 93 it was further broadened to include Belarus, Kazakhstan, and Romania . Russian military withdrawals from Eastern Europe fostered a spirit of reciprocity amongst a group of U.S. legislators anxious to cash in on the "peace dividend" . A rapid "downsizing" of approximately 25% of U.S. defense forces in Western Europe, as well as an equal amount in budget allocation, was promulgated and begun by this same camp.⁴⁹

⁴⁹ DSAA, *The Management of Security Assistance*, p. 28.

Initially the “downsizing” gave rise to a vision of large supplies of cheap, excess defense articles, not seen in such quantities for over 40 years. Legal provisions were made for broader eligibility and simpler implementation, however the Iraqi invasion of Kuwait put these transactions on temporary hold.⁵⁰ Another factor related to “the downsizing” were the cutbacks and cancellations in DoD weapons acquisitions, and a corresponding reduction in system development and production. Anxious to guarantee their profits, and at times livelihoods, the defense industry lobbied vociferously for governmental assistance in entering foreign marketplaces.

The Iraqi invasion of Kuwait and the ensuing multi-national Operation Desert Shield / Desert Storm, marked a watershed for U.S. security assistance. The overall level of FMS agreements totaled \$14.2 billion in FY 90 and a record \$23.5 billion in FY 91. The war generated over 350 new FMS cases valued at about \$12 billion most of which were immediately filled following hostilities. Section 506, FAA drawdown procedures were used during FY 90-91 to meet emergency military and war refugee requirements; these were valued at \$225 million for the immediate delivery of Patriot missiles to Israel, aircraft missiles and artillery munitions to Turkey, and humanitarian aid to the Kurds in northern Iraq. Third country transfer authorization procedures were streamlined so that transfers of equipment from past FMS sales could take place with minimal loss of time.⁵¹ The success stories of the American equipment, so ably “demonstrated” in combat, ensured, that though expensive, if you wanted the best value you knew where to go to get it. However none of this proved to be enough to stem the tides of

⁵⁰ Burton L. Kaufman, *The Arab Middle East and The United States*, (New York: Twayne Publishers, 1996), p. 154.

⁵¹ Ibid. Refer to the individual country in question; Total dollar figures are gathered from Department of Defense, *Foreign Military Sales, Foreign Military Construction Sales and Military Assistance Facts*, (Washington, D.C.: DSAA, Comptroller, 1995).

change, nor the continued development and adoption of the minimalist attitude towards defense that was sweeping the nation.

President Clinton and The New World Order

Secure in perceptions the United States, for the first time in decades was free from a foreign threat, the people of the U.S., turned their focus towards the domestic agenda. The resolution of serious economic problems, layoffs and the ensuing rise in unemployment, an increase in drugs and crime, a depleted social security program, a handicapped education system, and a desire for a national health program, all eclipsed the population's concern over arms transfers, defense, and foreign policy issues.

It was on those domestic issues, Bill Clinton assumed the presidency in 1993 - unfortunately, as much as one could attempt to ignore foreign policy issues as a candidate, as the President it was a different matter. When he took his first oath of office, President Clinton found himself facing a full plate of foreign policy issues. The humanitarian mission in Somalia; the downward spiraling situation in Bosnia; a loss of predominance in the world market place; the continued downsizing of the U.S. military while facing an increasing commitment of its forces; the persisting saga of the search for peace in the Middle East; and on the horizon, the question of Haitian intervention. These were but a few of the issues facing the newly elected president.

In spite of these external challenges, the President Clinton attempted to maintain his focus on his domestic issues, satisfied with continuing the foreign policy initiatives of his predecessors. Yet this domestic focus was still to impact on both directly and indirectly on security assistance. In what came to be referred to as the "Christopher Cable," named after Secretary of State Warren Christopher, a previous policy of encouraging U.S. Embassies to actively assist U.S. marketing efforts overseas, was once again re-iterated. The interpretation of this cable was

radically different than similar statements made by previous secretaries of state. This cable was interpreted to include U.S. defense contractors in the pursuit Direct Commercial Sales (DCS) and the Foreign Military Sales (FMS) of defense articles, services, and training overseas. This promotion of sales by embassies, was seen to correspond directly with the promotion of a domestic economic recovery. While not radically different from policies of other nations, for the United States it was a first.⁵²

An overall reduction of the defense budget and a rapid downsizing of the U.S. military force structure was seen as an additional tool to promote economic recovery, while simultaneously providing a source of funding for domestic reforms. This peace dividend would theoretically assist in immediately reducing the budget deficit, and provide a ready source of capital for the funding of a health care reform package. As has historically been demonstrated, a change in defense policy, invariably impacts upon security assistance. This time the victim was to be the Special Defense Acquisition Fund (SDAF), which was not re-capitalized for FY 1994.

The SDAF was authorized in 1981 under the International Security and Development Cooperation Act of 1981, to provide DoD the authority to procure defense articles and services in anticipation of future foreign government military requirements. These advance procurements, served to cut customer lead time, and improve responsiveness in the event of emergency foreign requirements, as well as reduce the need for meeting normal FMS requirements through drawdowns or diversions of defense equipment from U.S. stocks or new production. The SDAF was a revolving fund, which maintained itself, providing Congress with an annual obligation authority, without requiring separate appropriations. This fund reached its maximum authorized capital level of \$1.7

⁵² DSAA, *Management of Security Assistance*, p. 29.

billion in 1987.⁵³ This represented a total of the value of the articles on hand, on order, as well as all un-obligated funds. The effectiveness of this fund was never more highlighted than during Operation Desert Storm, when over \$130 million of articles were rapidly provided to coalition forces. Some of these items provided from SDAF stocks included: AIM-9, STINGER, and TOW missiles, various types of vehicles, ammunition, night vision devices, and communications equipment. The decision to not re-capitalize the SDAF and to re-direct all money from sales back to the U.S. Treasury, as well as to allow the depletion of current stocks, without scheduled replacement, marked a significant shift in the business of security assistance. It is anticipated this fund will be completely depleted by the end of FY 1998.⁵⁴

In spite of this change in stewardship, 1993 proved to be a record year in FMS. Primarily due to major defense equipment sales to countries in the Arabian Gulf area, and Taiwan, FMS sales topped \$33 billion - a record high. The domestic impact was equally felt as U.S production lines remained open, and defense industry employment up, especially for the great number of companies involved in the production of the F-15, F-16 fighter aircraft, and the M1A2 main battle tank. But this year marked the pinnacle of FMS sales, as in FY 1994 they fell to \$12.9 billion, and in FY 1995 the downward trend continued, as sales figures dropped further to \$ 9.05 billion.⁵⁵

The Clinton Administration post-cold war conventional arms transfer policy was announced on 17 February 1995, by the White House as Presidential Decision Directive (PDD-34) on Conventional Arms Transfers. While this policy did not

⁵³ Department of State, *Congressional Presentation for Security Assistance Programs - FY 1989*, (Washington, D.C.: Department of State, 1988), pp. 35-41.

⁵⁴ Ibid.

⁵⁵ Department of State, *Congressional Presentation For Foreign Operations - Fiscal Year 1997* (Washington, D.C.: Department of State, 1996).

represent a dramatic change from previous policy, it did introduce an element of restraint that had not previously been seen since the Carter Administration. The policy places an increased weight in the area of post-cold war regional balance of power dynamics, and the potential destabilizing effect of unimpeded arms transfers in those areas. The transfer of conventional arms, is reinforced as a *legitimate instrument of U.S. foreign policy*, deserving U.S. government support - when it enables the U.S. to help allies and friends deter aggression, promote regional security, and increase U.S. and allied force inter-operability. The accentuation on restraint by both the United States and other arms suppliers is once again emphasized, when these transfer of weapons systems or technologies, would be de-stabilizing or dangerous to international peace or the balance of power in a region.⁵⁶

Another key element of the new U.S. arms transfer policy includes the promotion of control and transparency. Improvement of arms transfer controls would be accomplished through continued political efforts in the United States in establishing an international control regime successor [the New Forum or more recently called the Wassenaar Arrangement⁵⁷] to the cold-war era Coordinating

⁵⁶ U.S. Arms Control and Disarmament Agency, *World Military Expenditures and Arms Transfers (WMEAT)* - 1995, (Washington, D.C.; USACDA, 1997). President Clinton's Conventional Arms Transfer Policy, (PDD-34; 17 February, 1995), can be found on the World Wide Web at <http://www.acda.gov/wmeat95/fsconv95.htm>

⁵⁷ The meeting of New Forum negotiators in October 1995, concluded the initial elements of the Wassenaar Arrangement, which aims to control the export of conventional weapons and dual use technologies. In December 1995, the original 28 member governments met to outline an initial framework to increase transparency and responsibility in the global market for conventional arms and dual use technology. As of April 1996, the first plenary meeting in Vienna, the members have expanded to 31 countries. Members include Argentina, Australia, Austria, Belgium, Canada, the Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Japan, Luxembourg, the Netherlands, New Zealand, Norway, Poland, Portugal, Romania, the Russian Federation, the Slovak Republic, South Korea, Spain, Sweden, Switzerland, Turkey, the United Kingdom, and the United States. Bulgaria and the Ukraine are currently seeking membership. It is of significance to note that no country in the Middle East has expressed interest in participating in the arrangement at the current time. China has expressed an interest, but the United States claims it has not yet met the necessary requirements for membership (a system of viable domestic export controls and adherence to international nonproliferation regimes). The Wassenaar Arrangement on Export Controls for Conventional Arms and Dual Use Goods and Technologies, as well as a DOS Fact sheet on the same, can be found on the World Wide Web at <http://www.acda.gov/wmeat95/wasarr95.htm>.

Committee for Multilateral Export Controls (COCOM) and through vigorous support of established regimes including regional and weapons specific ones [e.g., Missile Technology Control Regime (MTCR) or the U.S. proposed moratorium on the transfer of anti-personnel landmines]. Finally, international arms transfer control is to be sought by the United States, to include not only assisting other arms supplier nations in developing effective export controls and responsible export policies, but pushing for increased international participation in the U.N. Register of Conventional Arms, and the expansion of this Register to include military inventories and procurement.

While restraint is the central theme, the legitimate defense requirements of U.S. allies and friends have not been forgotten. The Clinton Conventional Arms Transfer Policy, serves the following five U.S. goals:

- To ensure that U.S. military forces can continue to enjoy technological advantages over potential adversaries;
- To help allies and friends deter or defend themselves against aggression, while promoting inter-operability with U.S. forces when combined operations are required;
- To promote regional stability in areas critical to U.S. interests, while preventing the proliferation of weapons of mass destruction and their missile delivery systems;
- To promote peaceful conflict resolution and arms control, human rights, democratization, and other U.S. foreign policy objectives; and,

- To support the ability of the U.S. defense industrial base to meet U.S. defense requirements and maintain long-term military technological superiority at lower costs.⁵⁸

Arms transfers are to be made on a *case by case* basis under the Clinton Policy. The general criteria governing these transfers areas follows:

- Consistency with international agreements and arms control initiatives.
- Appropriateness of the transfer in responding to legitimate U.S. and recipient country security needs.
- Consistency with U.S. regional stability interests, especially when considering transfers involving power projection capability or introduction of a system which may foster increased tension or contribute to an arms race
- The degree to which the transfer supports U.S. strategic and foreign policy interests and goals, through increased access and influence, allied burden sharing, and inter-operability.
- The impact of the proposed sale or transfer on U.S. capabilities and technological advantage, particularly in the protecting of sensitive hardware and software design, development, manufacturing, and integration knowledge.
- The impact on U.S. industry and the U.S. industrial base whether the sale is approved or not.

⁵⁸ Michael McCrurry, "The President's Policy on the Transfer of Conventional Arms," (Washington, D.C.: The White House, Office of the Press Secretary, February 17, 1995.) Official Statement and Fact sheets.

- The degree of protection afforded sensitive technology and the potential for unauthorized third party transfers, as well as in country diversion to unauthorized uses.
- The risk of revealing system vulnerabilities and adversely impacting U.S. capabilities in the event of compromise.
- The risk of adverse economic, political, or social impact within the recipient nation and the degree to which security needs need to be addressed by other means.
- The human rights, terrorism, and proliferation record of the recipient nation, and the potential for misuse of the export in question.
- The availability of comparable systems from foreign suppliers.
- The ability of the recipient nation to effectively field support, and appropriately employ the requested system in accordance with its intended end-use (technological assimilation).⁵⁹

Another area addressed by the Clinton Policy on Conventional Arms transfers, included the policy and procedures for the upgrading of previously transferred articles; or the modernization of equipment transferred by other arms exporters, particularly that of Soviet Bloc manufacture. The administration supports U.S. firms' participation in such weapons upgrading, *"to the extent that it is consistent with our own national security and foreign interests."* The basic rule of thumb applied to companies participating in foreign equipment upgrades, is compliance with the

⁵⁹ Ibid.

stated general criteria, and a religious control of the technology transfer, to ensure we do not make "their" equipment better than what "we" currently own.⁶⁰

Summary

From Thomas Jefferson, to William Jefferson Clinton, while presidents have used the foreign policy instruments of economic and military assistance with various degrees of aplomb, skill and frequency, they have always been readily at hand in their bag of foreign policy tools. Successive administrations have reiterated the diplomatic and strategic uses of arms transfers in support of U.S. policy objectives,⁶¹ but often buried under reams of obfuscation. However, the basic underlying reasons, though not often bluntly enough stated and normally carefully couched in "*diplomatese*", have remained roughly the same. As a matter of public policy, they were perhaps never more clearly stated, than by Former Secretary of State Cyrus Vance, in his June 30 1977, report to Congress, summarized as follows:

- To support diplomatic efforts to resolve major regional conflicts by maintaining local balances and enhancing our access and influence vis a vis the parties;
- To influence the political orientation of nations which control strategic resources;
- To help maintain regional balances among nations important to us in order to avert war or political shifts away from us;
- To enhance the quality and commonality of the capabilities of major allies participating with us in joint defense arrangements;

⁶⁰ Ibid.

⁶¹ David J. Louscher, "Constancy and Change in America Arms Sales Policies," *Selected Papers of the Mershon Center*, (Columbus: Ohio State Press, 1978), pp. 29-46.

- To promote self-sufficiency in deterrence and defense as a stabilizing factor in itself and as a means of reducing the level and automaticity of possible American involvement;
- To strengthen the internal security and stability of recipients;
- To limit Soviet influence and maintain the balance in conventional arms;
- To enhance our general access to and influence with government and military elites whose political orientation counts for us on global or regional issues;
- To provide leverage and influence with individual governments on specific issues of immediate concern to us; and
- To secure base rights, overseas facilities, and transit rights to support the development and operations of our forces and intelligence systems.⁶²

Apparently the U.S. policy of containment, aided by the versatile tools of economic and military assistance, proved to be successful during their Cold War tenure. The Soviet Union no longer exists. The United States military is continuing to grow smaller. In the next chapter, before we continue to look to the future applicability of the instrument of policy known as Security Assistance, I wish to attempt to briefly explain the various programs which presently comprise this complex subject.

⁶² Paul Y. Hammond, David J. Louscher, Michael D. Salomone, Norman A. Graham, *The Reluctant Supplier - U.S. Decisionmaking For Arms Sales* (Cambridge: Oelgeschlager, Gunn & Hain, Publishers, 1983), pp. 32-33.

Chapter Three Security Assistance Defined

*"In the conduct of foreign relations, the United States, like every other state is primarily concerned with the achievement of those objectives of national interest which it conceives to be of paramount significance. If the management of our external affairs is to enjoy rationality, it must have goals that harmonize with, and supplement, the internal policies and programs of the Government, whether they may be the promotion of commerce and trade, the acquisition of territory or power, or the maintenance of peace and security."*⁶³

Defining the subject of study, while not only the most essential element in any research attempt, quite often is the most difficult. The subject of Security Assistance is particularly confounding. While all policy nabobs agree Security Assistance is, and has been, an essential element of U.S. foreign policy throughout the nation's history, it is probably an understatement to say the average American taxpayer does not relate to, nor properly understand, the most basic parameters of this policy tool. To some, the term security assistance simply conjures up the images of security police training, law enforcement assistance, and perhaps, counter narco-terrorism. To those who envision themselves to be more enlightened and profess to be more liberal than others, foreign intervention by U.S. forces, unrestrained arms sales, and the propping up of dictatorial puppet governments, are the first mental images that spring to mind.

Those who count their members amongst the bastions of conservatism, are quick to wrap themselves in righteousness, and proselytize the virtues of Military Assistance Programs (MAP), International Military Education and Training (IMET), and see their group as saviors of the defense industrial base. The bottom

⁶³ Inaugural Address of President Harry Truman, January 1949 - first time in U.S. history an inaugural address was devoted primarily to the subject of foreign policy and foreign relations.

line is, Security Assistance is quite simply all of these things. Colored by your particular opinion, level of experience, or charter, the term is expansive in nature and has been so loosely used to mean so many different things, its identity has become muddled and vague. To further confuse the issue, the term has been used on many occasions in a parallel context with other equally elusive terms such as foreign aid, foreign assistance, military assistance, arms transfers, international defense cooperation, and international logistics.⁶⁴

From the Legislative perspective, security assistance is addressed in a statutory sense throughout the Foreign Assistance Act (FAA) of 1961, as amended, and the Arms Export Control Act (AECA), as amended. Perhaps the most comprehensive definition of security assistance can be found in Section 502B of the FAA. This section, entitled “Human Rights”, states:

(2) *the term “security assistance” means:*

1. *assistance under Chapter 2 (military assistance) or Chapter 4 (economic support fund) or Chapter 5 (military education and training) or Chapter 6 (peacekeeping operations) or Chapter 8 (anti-terrorism assistance) of this part;*

2. *sales of defense articles or services, extensions of credits (including participation in credits), and guarantees of loans under the Arms Export Control Act; or*

3. *any license in effect with respect to the export of defense articles or defense services to or for the armed forces, police, intelligence, or other internal security forces of a foreign country under section 38 of the Arms Export Control Act.*⁶⁵

Within the Department of State’s *Congressional Presentation [Document]* (CPD) for *Foreign Operations, Fiscal Year 1998*, there are seventeen key components identified

⁶⁴ Throughout this chapter, as well as for the rest of the paper, the definition of specific terms and the explanation of the various programs, will adhere to the official descriptions outlined in Chapter 2, of the DISAM manual, on *The Management of Security Assistance*, unless otherwise noted..

⁶⁵ *Section 502B of the Foreign Assistance Act of 1961, as amended.*

requiring USG funding. Of these, four can be directly linked to security assistance. They are:

- International Military Education and Training (IMET)
- Foreign Military Financing Program (FMFP)⁶⁶
- Peacekeeping Operations (PKO)
- Economic Support Fund (ESF)

Of the remaining thirteen programs, indirect ties under the broad umbrella term of security assistance can also be found, but do not strictly adhere to the definition.⁶⁷ The final approved funding levels for the security assistance components show up in *The Annual Budget of the United States Government*, published by the Office of Management and Budget (OMB), under the heading, "International Security Assistance."

The Department of Defense perspective on security assistance is defined in two primary documents published by DoD; *The Department of Defense Dictionary of Military and Associated Terms*, Joint Pub. 1-02; and *The Security Assistance Management Manual* (SAMM), Glossary of Selected Terms. The definitions are almost identical. Security assistance is defined as:

⁶⁶ In 1990, a former component of security assistance, the *Military Assistance Program* (MAP), was incorporated into FMFP.

⁶⁷ United States Department of State, *Congressional Presentation for Foreign Operations Fiscal Year 1998*, (Washington, D.C.: US Printing Office 1997.) The remaining thirteen programs include Export and Investment Assistance, p. 1; Bilateral Economic Assistance, p. 7; Support For Eastern European Democracy (SEED), p. 19; Assistance For New Independent States (NIS), p. 26; Debt Restructuring, p. 32; Peace Corps, p. 36; Inter-American Foundation, p. 39; African Development Foundation, p. 41; Refugee Assistance, p. 74; Multilateral Economic Assistance, p. 147; and, International Organizations and Programs, p. 191.

*Groups of programs authorized by the Foreign Assistance Act of 1961, as amended, and other related statutes, by which the United States provides defense articles, military training, and other defense related services, by grant, loan, credit, or cash sales in furtherance of national policies and objectives.*⁶⁸

DoD definitions are somewhat more restrictive than those outlined in the FAA (Section 502B), the AECA, or the CPD, but this is to be expected, as they logically tend to gravitate toward the military assistance (grants and sales) aspects, upon which they focus.

Based upon this amalgam of definitions, in addition to the four programs outlined in the CPD directly relating to security assistance, we can add two others which also meet the defining requirements: 1.) Foreign Military Sales (FMS)/Foreign Military Construction Sales (FMCS); and, 2.) Direct Commercial Sales (DCS) licensed under the AECA. This results in a total of six major security assistance programs. A detailed explanation of each follows:

Foreign Military Sales (FMS) Program.

FMS is a non-appropriated, government-to-government program. Eligible foreign governments purchase defense articles, services, and training from the United States Government, with the purchasing government paying all costs associated with a sale, to include an administrative charge between 3%-5%. Military articles, to include training, may be provided from DoD stocks or from new procurement. Foreign Military Construction Sales (FMCS), a related FMS program involving the sale of design and construction services to eligible customers. The sales procedures parallel those of FMS.

⁶⁸ Office of the Joint Chiefs of Staff, *Department of Defense Dictionary of Military and Associated Terms* - Joint Pub. 1-02, (Washington, D.C.: JCS Publications, 1991). For the sake of clarity and consistency, this will be the reference definition used throughout the remainder of this paper.

The *FY 1997 Congressional Presentation Document* (CPD) estimated that approximately 117 countries and international organizations would participate in the FY 96 FMS and FMCS programs, with total FMS estimated at \$9.78 billion.⁶⁹ The *FY 98 CPD* showed that actually 91 countries participated, with sales totaling over \$10.46 billion. The *FY 98 CPD* estimates the FY 97 total sales will encompass over 105 countries to the tune of \$10.01 billion; FY 98 sales are projected to decrease to \$9.68 billion in approximately 94 countries.⁷⁰

Direct Commercial Sales (DCS) Licensed under the AECA.

A direct commercial sale, a sale made by industry, directly to a foreign buyer, licensed under the AECA, is for Congressional purposes, viewed as an element of security assistance. Unlike FMS, direct commercial sales are not administered by the DoD, and do not involve a government-to-government agreement; they are authorized by Section 38 of the AECA, and day-to-day "controlled" by the Office of Defense Trade Control in the Department of State, in accordance with the rules outlined in the *International Traffic In Arms Regulations* (ITAR).⁷¹

In recent years, both the ratio of FMS to DCS, and the content of DCS sales have shifted. FMS was the primary channel of U.S. arms transfers until the 1980's, when limits on the size of the permitted commercial sales were reduced, then removed.⁷² After those limitations were lifted, DCS sales almost quadrupled from their total over the previous four decades. This trend peaked in FY 89, when

⁶⁹ Department of State, *Congressional Presentation For Foreign Operations - FY 97*, pp. 454-457.

⁷⁰ Department of State, *Congressional Presentation For Foreign Operations - FY 98*, pp. 653-655.

⁷¹ Arms Export Control Act (AECA), PL95-105, (Foreign Relations Authorization Act, Fiscal Year 1978, H.R. 6689, 91 Stat. 844 to 846, approved August 17, 1977); and the International Traffic in Arms Regulation (ITAR), Title 22, Code of Federal Regulations (CFR).

⁷² Prior to this time all sales of major defense equipment items worth \$7 million or more, or major weapon systems of \$25 million or more had to be reported to Congress (and suffer their potential disapproval). All sales over \$25 million had to go through FMS channels. Sales would traditionally take from six months to several years to *approve*. For a more detailed discussion of this topic, see: Jo L. Husbands, "How the United States Makes Foreign Military Sales," *Arms Transfers In The Modern World*, ed. Stephanie G. Neuman, and Robert E. Harkavy, Praeger Special Studies, New York, 1980.

more weapons were delivered through DCS than through FMS. The reason for this increase is in many ways directly attributable to the perception by foreign governments, DCS is typically more expeditious, less expensive, less transparent, and since allegedly freer from government oversight, less cumbersome.⁷³

The Persian Gulf War and its aftermath produced a substantial increase in FMS orders. By fiscal years 1992-1993, DCS had dropped to about one fifth of total U.S Arms deliveries. What was sold through DCS changed as well. Traditionally, DCS provided spare parts, follow-on sales, light weapons, and other small pieces of ancillary equipment; however, less regulation, combined with technological innovation, has resulted in DCS sales now routinely including major weapon systems. Direct Commercial Sales *deliveries* (as opposed to new sales *agreements*) for FY 1996, totaled approximately \$3.79 billion. In the decade running from 1984 to 1994, the United States was the dominant arms supplier in the world, with the total value of U.S. deliveries and agreements exceeding \$156 billion.⁷⁴ The Middle East has continued to be the main recipient of U.S. Arms throughout this entire time frame.⁷⁵

The Foreign Military Financing Program (FMFP).

This program has undergone a relatively complete metamorphosis in recent years, reflecting the changes brought about by the end of the Cold War era. The hegemonist aspirations of communism during the Cold War often promoted regional and internal conflicts. Now, internal discord, ethnic strife, competing

⁷³ Marcy Agmon, James L. Bonomo, Michael Kennedy, Maren Leed, Kenneth Watman, Katherine Webb, Charles Wolf, Jr., *Arms Proliferation Policy: Support to the Presidential Advisory Board*, (Santa Monica, Ca.: RAND, 1996), pp. 29-30.

⁷⁴ U.S. Arms Control and Disarmament Agency, *World Military Expenditures and Arms Transfers (WMEAT)*, FY 1995, (Washington, D.C.: USACDA, 1996). The Soviet Union / Russia accounted for \$150 billion during that same time frame, though sales dramatically decreased after 1991; the next closest supplier of arms, the United Kingdom, sold only \$44 billion during that same time frame. Total value of reported arms agreements and deliveries for the period 1984-1994 were approximately \$503 billion.

⁷⁵ Ibid.

territorial claims, and other sources of tension, represent the greatest threats towards global stability, international peace, and a world order based on the rule of law. The Foreign Military Finance Program (FMFP) consists of Congressionally appropriated *grants and loans* which enable foreign governments to purchase U.S. defense articles, services, and training through either FMS or Direct Commercial Sales (DCS) channels. By enabling select friends and allies to purchase needed U.S. defense goods and services, FMF has the beneficial byproduct of encouraging demands for U.S. systems, which in turn helps to promote a strong defense industrial base.

In addition, Foreign Military Finance Programs enable key friends and allies to improve their legitimate defense capabilities, and serve to promote U.S. national security interests by strengthening coalitions with friends and allies. FMFP's cement cooperative bilateral foreign military relationships, and enhance inter operability with U.S. Forces. Furthermore, Foreign Military Finance Programs support regional security cooperation, multilateral peacekeeping efforts, demining operations, and assists the new democratic nations of Central Europe and the New Independent States of the former Soviet Union, in obtaining the training and equipment needed to participate in such regional initiatives as *The Partnership For Peace*.⁷⁶

While covering many worldwide objectives, the vast majority of FMFP goes to the Middle East under the auspices of promoting regional peace and stability. The FY 1997 CPD estimated that approximately \$3.41 billion would be spent on FMFP in FY 96, with an estimated \$3.27 billion being spent in the Middle East

⁷⁶ *The Partnership For Peace* (PFP) is a U. S. initiative launched by NATO in January 1994 to promote stability and security throughout Europe. PFP comprises a broad program of activities designed to strengthen practical cooperation between NATO and twenty-seven PFP states in Central Europe and the New Independent States (NIS). PFP's principal objective is to establish strong security ties between NATO and all PFP Partners in order to prepare those interested in joining NATO at some time in the future, on the obligations associated with membership. Department of State, *Congressional Presentation for Foreign Operation*, pp. 299-300.

(Near East). The FY 98 CPD showed that actually \$3.35 billion was spent, with \$3.20 billion being spent in the Middle East. The FY 98 CPD estimates the FY 97 total FMFP will be \$3.28 billion (\$3.13 to the Mid East); the FY 98 program is projected to increase to \$3.34 billion (\$3.13 billion to the Mid East).⁷⁷

The International Military Education and Training (IMET) Program.

The IMET Program, historically a modestly funded event, has proven over time to be one of the most far reaching, and rewarding of the security assistance programs. Providing *grant aid* funding to select foreign military and civilian personnel at primarily U.S. facilities, but at times, overseas locations, IMET boasts an illustrious list of graduates. In earlier years, grant aid funding of foreign military personnel was funded as part of the MAP appropriation. Beginning in 1976, a separate authorization for IMET was established in the FAA. The modest cost of the program in no way devalues the importance of its role in our overall security assistance menu. In 1990, a joint Defense Security Assistance Agency (DSAA) / Department of State report to the Senate Committee on Appropriations stated:

*The Administration takes the view that IMET is an effective, low cost component of the \$8 billion global U.S. security assistance effort. At the recent [FY 1990] level of \$47.4 million per year, the program provides U.S. access to and influences foreign governments far out of proportion to its modest costs. The typical IMET [country] program often costs \$100, 000 a year or less; 15 programs cost more than \$1 million, and even the largest costs less than \$3.4 million. Over 5000 students are trained annually from over 100 countries. But far more important is the support which IMET provides to U.S. foreign policy and national security goals.....at a time of declining defense and foreign aid budgets, IMET advances U.S. objectives on a global scale, at a relatively small cost. In many countries having a core group of well trained, professional leaders with first hand knowledge of America, will make a difference in winning access and influence for our diplomatic and military representatives. Thus, a relatively small amount of IMET funding will provide a return for U.S. policy goals, over the years, far greater than the original investment.*⁷⁸

⁷⁷ USACDA, WMEAT, p.134.

⁷⁸DSAA, *The Management of Security Assistance*, p. 49.

IMET objectives are achieved through a variety of military education and training activities conducted by the DoD for foreign military and civilian officials. These include: formal instruction involving over 2,000 courses taught at approximately 150 military schools and installations; on-the-job training; observer training; orientation tours for key senior military and civilian officials; and limited training conducted by U.S. military and civilian teams in foreign countries. The U.S. Coast Guard provides education and training in maritime search and rescue, operation and maintenance of aids to navigation, port security, at-sea law enforcement, international maritime law, and general maritime skills. All students attending an IMET sponsored course are exposed to a DoD-managed informational program. This is a specialized, outside-the-classroom activity, designed to assist the international student in acquiring an understanding of American society, institutions, ideals and values, including an awareness of the importance the United States places on the role of the military in a democratic society. The course also serves to establish or reiterate the respect a democratic nation holds for internationally recognized human rights. Important linkages are established which serve to promote a host of U.S. foreign policy objectives and lead to the establishment, or improvement of mutually beneficial relations.

Figure 2-1 shows the number of IMET students trained in the Middle East since the inception of the program. As of this year, a total of 40,873 students have been trained from the Near East and South Asia region. Since its inception, a total over 578,802 students have been trained worldwide under this very popular grant aid program.⁷⁹ This figure does not represent the total number of students receiving military training by the U.S. to date, merely those trained under IMET. The figures for total number of students trained under FMS agreements are not maintained.

⁷⁹ DSAA, *Foreign Military Sales, Foreign Military Construction Sales and Military Assistance Facts*, p. 105.

<i>Country</i>	<i>Number of IMET Trained Students As of 1995</i>
Algeria	115
Bahrain	73
Djibouti	94
Egypt	2,581
Iraq	410
Iran	11,049
Israel	80
Jordan	6,167
Lebanon	2,429
Lybia	567
Morocco	4,069
Oman	177
Saudi Arabia	1,434
Somalia	357
Sudan	882
Syria	20
Tunisia	2,965
Turkey	22,705
Yemen	554
Total Trained	56,728

Figure 2-1 Total Number of Students Trained In
The Middle East Under IMET As Of 1995⁸⁰

In FY 1991, Congress adopted a Senate proposed \$1 million fencing of funds, to be used exclusively for expanding courses for foreign officers as well as civilian managers and administrators of defense establishments, this included non-Ministry of Defense, government personnel as well. In 1993 the "Expanded-IMET" (E-IMET) Program was extended to include participation by national legislators who are responsible for oversight and management of the military. This E-IMET Program, focused on developing professional level management skills,

⁸⁰ Ibid. The total in this table is different than the 40,873 figure quoted above. For the purposes of this study, I have eliminated several of the countries included in the DOS regional grouping, Near East / South Asia (Afghanistan, Bangladesh, India, Pakistan, Maldives, Pakistan, and Sri Lanka). I have included Djibouti, Somalia, Sudan, and Turkey as countries traditionally counted as players in the Mid East.

with an emphasis placed on military justice systems, codes of conduct, and the protection of human rights.

Funding for IMET reached its highest level in FY 1987 with an appropriation of \$56 million designed to assist 105 countries. Since then, the IMET appropriation dropped to a low of \$21.25 million for FY 1994. The trend since that time, has been to increase IMET funding, with \$39 million being spent in 1996; the estimated expenditures for FY 97 are \$43.48 million; and the FY 98 request for funds total \$50 million for 114 countries. The countries of Europe and the NIS are scheduled to receive over 36% of all FY 98 funding (\$18.3 million).⁸¹ In FY 98, over 7,383 students are proposed to be trained. This represents an increase of over 500 students, from the quantity receiving training in FY 97.⁸²

The Economic Support Fund (ESF)

The Economic Support Fund (ESF) was formerly named "Security Supporting Assistance", and authorized by Chapter 4 of Part II of the Foreign Assistance Act. This fund was originally established to promote economic and political stability in areas where the United States has special political or security interests, and where the U.S. has determined that economic assistance can be useful in helping to secure peace or to avert major economic or political crisis. ESF, is a flexible economic instrument which is made available on a grant basis for a variety of economic purposes, to include balance of payments support, infrastructure, and other capital and technical assistance development programs.

⁸¹ In FY 1989, Congress introduced a new requirement for country eligibility for IMET funding. For several years, Congress had expressed concern over the provision of military training funds for countries whose high annual personal income levels, indicated they could afford to provide their own national funds to satisfy military training requirements. In the 1989 Appropriations Act (P.L. 100-461), Congress established a prohibition on the use of IMET funds by any country whose annual per capita GNP exceeds \$2,349 unless that country agrees to fund from its own resources, the transportation costs and living allowances (TLA) of its students. IMET funds have been restricted to financing only tuition costs for these countries, with the FY 1996 Appropriations Act setting a funding ceiling of \$100,000.

⁸² DOS, *Congressional Presentation for Foreign Operations, FY 98*, p. 129.

Originally the ESF included a concessional loan element, as well as grants. This was abolished however in 1989, with the program now consisting solely of grant assistance.

The ESF program is administered by the United States Agency for International Development (AID), and is under the overall policy direction of the Secretary of State, allowing for a more successful strategy, in achieving long term political and economic stability; and to allow a clearer differentiation between politically important economic aid, peacekeeping, and military assistance programs. The ESF principally addresses economic and political foreign policy interests of the United States. This is accomplished by providing economic assistance to allies and countries in transition to democracy, supporting the Middle East peace process, or financing economic stabilization programs, frequently in the multi donor context. As with most of our foreign financing efforts, the largest share of the ESF requests - \$ 2,196 million - remains focused on the Middle East, fostering in addition to the peace process, the economic stability and development of Israel, Egypt, and the other Arab countries who support efforts to end the regional conflict.⁸³

ESF funding for FY 1996 totaled \$2,359 million. This represented a less than 1 per cent increase from the FY 1995 appropriation (\$2,349 million) and a 5 % cut from the Administration's original budget request of \$2,494 million for FY 1996. This trend of the administration requesting a modest increases in funding of about 5 % and settling for an actual increase of approximately 1-2 % has continued in recent years. The FY 1997 request was for \$2,408 million, and is expected to actually close out at \$2,362.6 million; the FY 1998 request is for \$2,497.6 million.⁸⁴

⁸³ Ibid, pp. 12-15.

⁸⁴ Ibid, p. 16.

Peacekeeping Operations (PKO)

The number of contingencies requiring peacekeeping operations has risen dramatically since the end of the Cold War, and there appears to be no end in sight to this burgeoning trend. During the past decade, the United States has seen fit to engage in Peacekeeping Operations as either an alternative to, or as an ensuing mission following a full scale involvement in a foreign land. Areas such as Central and East Asia, Europe, Africa, Latin America, and perhaps even the Middle East may very well serve to be future locations for our Peacekeeping Forces. The support afforded by these forces is a useful and at times a cost-effective option for dealing with certain conflicts and humanitarian crises. Peacekeeping Operations are authorized by the Foreign Assistance Act of 1961, Part II, Chapter Six as amended, and although not a substitute for a strong national defense and vigorous alliances, have demonstrated their unique capacity. Under the appropriate circumstances, PKO serves to separate adversaries, maintain cease-fires, facilitate delivery of humanitarian relief, allow repatriation of refugees and displaced persons, demobilize combatants, and create conditions under which political reconciliation may occur and democratic elections can be conducted. The associated gains of Peacekeeping Operations often include the reduction of the likelihood of intervention by regional powers, the prevention of small conflicts, the facilitation of the establishment and growth of new market economies, limiting refugee flows, and the containment of humanitarian emergency response costs.

The PKO account is primarily set up to provide the flexibility to pro-actively support conflict resolution, multilateral peace operations, sanctions enforcement, and similar efforts outside the context of assessed UN peacekeeping operations (UN mandated operations are funded by assessments levied upon members of the General Assembly). The PKO account promotes increased involvement of regional organizations in conflict resolution, and is used to encourage fair-share

contributions to joint efforts, where no formal cost sharing mechanism is available. Examples of PKO support include:

- Recruitment and building of a multinational force comprised of both military and international police monitors, whom allowed the elected government of Haiti to return to office and facilitated a successful transition to a UN Peacekeeping Operation in Haiti (UNMIH/UNSMIH).
- Establishment of a joint Baltic Peacekeeping Force (BALTBAT) consisting of 700-800 soldiers from three Baltic States. In coordination with Denmark, Finland, Norway, Sweden, France, the United Kingdom, and Germany, the United States has assisted the BALTBAT in assuming not only a regional, but global role in PKO. One Estonian, and two Lithuanian platoons were successfully deployed to Croatia as part of a Danish battalion.
- As part of a multilateral effort assisted the Economic Community of West African State's peacekeeping force (ECOMOG) in Liberia, in implementing the Abuja Peace Accord.
- In a multilateral role, provides assistance that permits Egypt and Israel work towards progress in the peace process, secure in the knowledge their common border in the Sinai is being monitored by the Multinational Force and Observers (MFO).⁸⁵

For Fiscal Year 1998, the Administration has requested \$90,000 million. This reverses a downward trend over the past three years. In FY 1995, funding

⁸⁵ Ibid, pp. 143-145.

levels stood at \$74,150 million; in FY 1996, and in FY 1997, funding was set at \$70,000 million.

Having traced the history of Security Assistance in Chapter 1, and explained the applicable programs, which fall under the banner heading of Security Assistance in Chapter 2;. the next step in the process is to determine why is military aid promoted as an effective tool of policy, and is it indeed a successful means to an end.

Chapter Four The Purpose of Foreign Military Financing

"There is little disagreement that, on balance, conventional arms transfers have contributed to U.S. national interests in a number of important ways. U.S. Arms transfers have enabled friends to defend themselves and deter aggression, have cemented good relations and enhanced our relations with recipients, and have denied hostile powers the opportunity to gain positions of influence in a number of developing Third World countries."⁸⁶

Like all foreign policy decisions, the decision to provide Foreign Military Financing to a given nation or not, is fraught with dilemmas. Some decisions are made much more palatable to the ultimate judge, the American voting populace, because the "right" or "wrong" of the decision is clear to them, or at least they have been convinced as to the validity of their decision. For example a peacekeeping mission, where the intervention will almost certainly stop acts of genocide, makes everyone feel good and believe they are doing "something just". As opposed to invading a Central American country purported to be governed by a schill for the South American drug cartel.

The decision is made even simpler if there is an obvious personal benefit, as in the case of the continued production of a weapons platform in a defense industry town or the assurance the nation's involvement will guarantee the price of oil will continue to be maintained at the lowest consumer rate in the world. These decisions are relatively simple - due to their low cost in both personal resources and collective conscience. The decision to spend funds for training is also a relatively easy one. No conscience battle here, and the fiscal outlay is equally small. No, the real decision dilemma of when, how much, and what type of

⁸⁶ Department of State, *Report to Congress On Arms Transfer Policy* (pursuant to Sections 202(b) and 218 of the International Security and Arms Export Control Act of 1976, Public Law 94-329).

foreign financing or security assistance to provide, lies at the very heart of this tool of foreign policy - the transfer of arms.

The centrality of arms transfers to U.S. foreign policy since World War II, the many uses of arms transfers, and the limited number of alternative foreign policy instruments available, constantly confront policymakers with conflicts amongst values. Uncertain estimates of the probability of success of different policies, and decisions that reflect the constraints of the domestic and international environments in which foreign policy is made, further complicate the decision making process, permitting, or actually forcing decisions to be made that most often reflect optimizing or sub-optimizing choices. These value choices represent the core of the dilemmas facing policy makers. Will a transfer of arms or an increase in security assistance funding be "good" or "bad"? Once again, where the decision can be couched in "good" terms, it is simple. However the transfer of arms is rarely seen as a "good" thing, and arms transfers, no matter how one attempts to dress it up, are the nexus of foreign military financing. Therefore other justifications are traditionally postulated.

In Chapter 1, I explained in detail how the promotion of Security Assistance and Foreign Military Financing has historically been sold in terms of our National Strategic Policy. I believe the core rationale for pushing these forms of assistance is wrapped up in the all encompassing term "National Security Interest." Yet I find this to be a very broad term, often used as a catch phrase, usually in the absence of detailed thought. For the purposes of this study, this will not suffice. In attempting to clarify the reasons for using these forms of assistance as our primary tools of foreign policy, I have tried to be even more focused. Based upon my research of the topic, I have determined there are five core purposes or reasons the United States elects to provide this type of aid. None of these reasons stem from the pursuit of altruism.

The five main reasons the United States provides “*defense articles, military training, and other defense related services, by grant, loan, credit, or cash sales*”, are the following:

To attempt to achieve **influence** or exert **leverage** on a recipient nation.

To achieve or promote **security and stability** in a region.

To achieve **economic benefits**.

To achieve **inter-operability and commonality** of equipment.

To guarantee **access or basing rights**.

It is on these five reasons I will focus. There are many other ancillary motivations I could discuss however these represent the traditional justifications, or perhaps more importantly, the desired end state hoped to be achieved by a successful transfer of arms, or execution of a training program. These represent the core of the argument as to whether or not foreign military financing is a beneficial foreign policy tool, or perhaps more importantly, a worthwhile investment. While I will discuss the rationale in general, I will begin to focus more on the Middle East, as that will be the focus of the case study.

Influence and Leverage

Two of the major political rationales for Security Assistance and Foreign Military Financing have long been the influence and leverage the supplier allegedly gains in dealings with the recipient nations. The transfer of aid in general and arms specifically, can be an important symbol of support and friendly foreign relations, thereby creating a sphere of influence. This desired sphere of influence, is focused on a recipient country's foreign policy; not their domestic policy nor their political institutions, at least to the extent these two arenas of decision can be separated. This was never more clear, than when the world was divided more cleanly along bipolar battle lines.

As an example, arguments for the sale of weapons to China were not based so much on the need to enhance the military capabilities of the Chinese vis a vis the former Soviet Union, as they were to demonstrate American friendship and further the normalization of relations between the two countries. After the invasion of Afghanistan, pressure on the USSR became an additional objective. In this global game of chess Moscow countered by transferring arms to Arab states and to national liberation movements as a demonstration of their ideological support or affinity. In turn, the American arms sales to The Kingdom of Saudi Arabia, have repeatedly been justified by the need to maintain a "special relationship" with that country.⁸⁷

While the end of the Cold War and the beginning of U.S. Soviet cooperation during the Gulf War, have led to a depolarization of East-West tensions in the Middle East, thereby greatly reducing the threat of a superpower confrontation in the region,⁸⁸ the competition to gain influence may be even greater now amongst arms dealers, as they see the market having opened, and in the best Keynesian fashion are rushing to fill the void.

There are other means by which this form of assistance may garner influence. Arms may provide access to political and military elite, therefore furthering the sponsor nations foreign policy goals. This is particularly true in instances where the situation is fluid, and no formal alliances may yet exist. When countries are dealing with established allies, arms can give substance to treaty commitments. In the case of the United States, NATO is the obvious example. Where the formal alliances are lacking, and a prospective recipient can turn easily from one side to another, the argument for arms transfers has often been made on preemptive grounds, thereby denying a target of opportunity to your competitor. Many

⁸⁷ Andrew J. Pierre, *The Global Politics of Arms Sales*, p. 16.

⁸⁸ Jeffrey Boutwell, "The Middle East Arms Bazaar", A paper prepared for the American Academy of Arts and Sciences, June 1991, p.8.

recipient countries have become adept at this game. Combine this with a foreign policy, as in the United States case, which seems to possess no long range vision, and is dramatically shaped by domestic politics on a cyclical basis, and this only serves to exacerbate a tumultuous situation.

Faced with American reluctance to provide a modern air defense system after the 1973 Arab - Israeli War, King Hussein of Jordan, discussed such a purchase with the Soviet Union in 1975. This pre-emptive bargaining with a competitor nation, enabled him to eventually get from the U.S. the 500 Hawk surface-to-surface missiles he wanted for his country, in spite of fierce lobbying by pro-Israeli lobby groups in the United States.⁸⁹ Now days, competition is evolving more and more along commercial lines than ideological. While the U.S. continues to use sales as an influential foreign policy tool, many other countries are becoming more and more involved, simply for the commercial value of maintaining a states defense industrial base, and its potential high profit margin.

It is the potential important benefit of an arms transfer to influence a recipient nation's foreign policy decision, that drives almost all U.S. transfers. The leverage a sale or grant may reap, often outweighs any other measure of profit. In the Arab-Israeli conflict, the offer of arms has been used to make difficult political and territorial decisions more acceptable. Kissenger, who was especially inclined to use arms transfers as an instrument of foreign policy, promised Israel substantial amounts of new weaponry (including the first sale of the F-15 to another country) in exchange for its leaders approval of the 1975 Sinai disengagement agreement.⁹⁰ The Carter administration decision to sell F-5E fighters to Egypt, was strongly influenced by the need to buoy up Anwar Sadat in order to dissuade him from breaking off the peace negotiations, after the initiative

⁸⁹ Burton L. Kaufman, *The Arab Middle East and The United States*, p. 96.

⁹⁰ Mohamed Rabie, *The Politics of Foreign Aid - U.S. Foreign Assistance and Aid To Israel*, (New York: Praeger, 1988), p. 56.

he launched seemed to be going nowhere.⁹¹ Implicit in the large scale provision of arms to Saudi Arabia and Iran, was the belief this would make King Khalid or the Shah, less likely to support an oil embargo by OPEC.⁹²

Yet, while the brokers of weapons transfers are often successful in their attempts to gain influence and leverage, there is a valuable lesson to remember. Such sway as one might accrue, is at best a transitory phenomena - influence can be lost much quicker than acquired. The Soviets learned this hard lesson in Egypt in 1972. After a 17 year hiatus as the Arab nation's sole military supplier, Soviet advisors were evicted, lock, stock, and barrel, losing access to naval bases, airfields, and tank rebuild facilities. In 1973, after the Yom Kippur War, they lost Egypt as a client state, when Sadat completely changed the orientation of the country's foreign policy, and sought U.S. patronage, both politically and militarily.⁹³

The United States was faced with an equally calamitous illustration of the tenuous nature of influence purchasing, with the fall of the Shah in Iran. Because the United States sold large quantities of sophisticated arms to Tehran, they were seen by many Iranians as supporters of the personage of the Shah, rather than the country. To some, the Shah was seen simply as an "American puppet", with the arms as the most visible symbol of U.S. support. Once the revolution occurred, the United States was thoroughly discredited, and not only did it lose all influence, but it became *the enemy*, against which all conflicting groups in Iran rallied, so as to achieve a common goal.⁹⁴ The lesson to be learned is valuable - local conditions

⁹¹ Ernest Graves and Steven A. Hildreth, *Security Assistance - The Political Process* (Lexington, Ma.: Lexington Books, 1985), p. 77.

⁹² Burton I. Kaufman, *The Arab Middle East*, pp. 115-116.

⁹³ Stephanie G. Neuman and Robert E. Harkavy, *Arms Transfers In The Modern World* (New York: Praeger, 1980), p. 137.

⁹⁴ Amos A. Jordan, "Saudi Pillar On Firmer Ground", *Washington Star*, February 18, 1979, p. D-1.

can always change, and general assumptions that underpin the sought after influence or leverage are always subject to being undermined.

In an attempt to stabilize conditions by which a favorable attitude towards the United States can be maintained, the USG spends a great deal of effort and resources, on training individuals from foreign countries in anticipation some, if not many of them, will rise to positions of influence. From the early postwar period to the late 1970's, more than 488,000 officers and troops from Europe, Asia, Africa, and Latin America, were trained in more than 175 facilities in the United States, Panama Canal Zone, and elsewhere in more than 2000 different skills, ranging from auto mechanics and bookkeeping, to computer sciences and command and staff procedures.⁹⁵ Since then, IMET, the program primarily responsible for foreign military education and training, has averaged over 6,000 students per year. In 1996 alone, over 6,920 students were trained from over 120 countries, and in 1998, training for 7,383 students is programmed.⁹⁶

There is one more unique means of influence, and leverage tool, that modern times have brought about. In today's high-tech world, a country quickly becomes dependent on its suppliers to keep its modern equipment running. This lesson was graphically highlighted by Operation Desert Storm. During both the Desert Storm and Desert Shield phases of the conflict, dozens of U.S. industry representatives were in theater. Linked to engineers back in the United States, they stood ready to troubleshoot difficulties as they arose, not only for U.S. forces, but for those equipped with U.S. equipment.⁹⁷ The Soviets had learned this lesson well over the years, and was why they had several thousand technicians

⁹⁵ Department of Defense, *"Foreign Military Sales and Assistance Facts"*, (Washington D.C.; Defense Security Assistance Agency, 1977), p. 31.

⁹⁶ Department of State, *"Congressional Presentation For Foreign Operations FY 98"*, pp. 119-129.

⁹⁷ Frank N. Schubert and Theresa L. Kraus, ed. *The Whirlwind War* (Washington, D.C.: Center For Military History, 1995), p. 223.

and advisors stationed in Iraq.⁹⁸ Now, more than ever, the supplier country is critical to the ability of a country to use its weapons; and it is because of this, the supplier who can "pull the plug" on those systems when they choose. This can create an extremely high level of influence through dependency.

The dependency of countries on their suppliers is apt to grow even greater in the future. As modern warfare increasingly depends on "smart" platforms and munitions, sensors and software becomes all important. It is quite probable, a prudent supplier will configure the software and sensors on the equipment he provides, such that they cannot be used effectively either against the supplier or his closest friends. Similarly, this will make it less likely that a country would turn on its most important supplier. For obvious political and security reasons, neither supplier nor purchaser can discuss this phenomenon publicly, but it is quite clear whoever sells the system, maintains the upper hand much more now than previously.⁹⁹

Security and Stability

Another traditional rationale for funding foreign militaries is to help fulfill the security requirements of friends and allies. From the early postwar period to the late 1970's, when most U.S. arms transfers were in the form of military grants, this was the basic reason for transferring arms to NATO, and to other allies such as Japan and South Korea. It was felt this window of vulnerability could best be served by filling it with weaponry. As the danger of internal subversion in Vietnam became a fear of the Kennedy administration, arms for counter-insurgency were deemed to be important. Later, under the tenets of the Nixon

⁹⁸ Anthony H. Cordesman, *Western Strategic Interests In Saudi Arabia*, p. 98 (Table 4-9).

⁹⁹ Eric H. Arnett, ed., *New Perspectives for a Changing World Order*, (Washington, D.C.: AAAS, 1991), Joel L. Johnson, "U.S. Arms Sales: Foreign Policy Tool or Economic Necessity," p. 247.

Doctrine, President Nixon's administration expanded the reliance on arms transfers to "friendly states", as opposed to direct intervention by U.S. forces. As time progressed, and grants gave way more and more to sales, with the bulk going towards the states of the Persian Gulf and the Middle East, the argument that military assistance provided more security and stability, than the absence of sales, became more and more controversial.¹⁰⁰

Attempting to identify and assess the significance of the effects of military assistance on internal political developments is difficult, because such aid is one factor among many, and of the five main reasons targeted, may in fact be the least influential. Where changes are dramatic, such as in coups or revolutions, the contribution and impact of Security Assistance may be much more visible, and subject to heated discussion and debate. However the majority of recipient nations have much quieter and more gradual changes in the breadth of their political systems, with participation and competition being less dramatic, and more difficult to discern. This fact should not in anyway erode the importance of this evolutionary process. After all it can be pointed out, it is exactly this secure and stable environment that the U.S. is striving to create by both initial and long term involvement. The problem for advocates of Security Assistance is, while they may want to be quick to try and claim credit for having contributed to this benign environment, their quantifiable contribution is difficult to measure.

The chief political problem facing most Third World states is the attempt to develop a central government with sufficient authority to impose law and order throughout their territory, and yet have sufficient consent to permit peaceful change, adaptation, and development. U.S. Foreign Military aid is designed to help strengthen the armed forces of these countries in their principal task of maintaining security from external threats, and their secondary task of maintaining

¹⁰⁰ Paul Y. Hammond, et al., *The Reluctant Supplier*, p. 77.

internal order and a centrist position, by countering subversive attacks from either the right or left. The promotion of the recipient country's security is the principle mission. While the promotion of democratic governments is now a stated goal, at other times in our recent history constructive political development may often only have been a consequence.¹⁰¹

An implied benefit of a secure and stable environment, is that it creates conditions which promote self-sufficiency. Providing aid and sales in order to make a country strong enough to defend itself without direct American intervention has long been a rhetorical, but not a real goal of policy. This was never really attainable against a monolithic power such as the former Soviet Union, but was always possible against various regional adversaries. The arming of Taiwan was an attempt to achieve exactly this. Combining "high tech" weaponry with a strategic location, increases the risk to worth ratio of any attempt by China to invade the island nation, even if a future administration should ever see fit to abrogate the defense treaty the United States has with Taiwan. This, like many aid efforts, is a tightrope walk between two competing states, where a slip could be precipitous. The potential exists to actually erode the stability of the region, if for example Beijing were to conclude Washington was acting in bad faith, and serving to promote the permanent separation of Taiwan from the mainland.¹⁰²

Herein lies one of the very strongest criticisms of Security Assistance, and the heart of the controversy regarding its value as a stabilizing tool. One nation's perception of balance may be another nation's perception of "*imbalance*".¹⁰³ This imbalance has the very real potential to be perceived as a threat. When

¹⁰¹ William J. Clinton, *A National Security Strategy Of Engagement and Enlargement* (Washington D.C.: USG Printing Office, 1996), pp. 32-34.

¹⁰² Leslie Gelb, "*Arms Sales*", *Foreign Policy*, Vol 25, Winter 1976-77, p.13.

¹⁰³ Andrew J. Pierre, *The Global Politics of Arms Sales*, p. 20.

confronted by a significant external threat, states may choose to either *balance* or *bandwagon*, in order to assure their security and stability.¹⁰⁴ *Balancing* is defined as allying with others against the prevailing threat; *bandwagoning*, refers to alignment with the source of danger.

The belief that states form alliances in order to prevent stronger powers from dominating them lies not only at the core of traditional balance of power theory, but at the epicenter of reason, as to why the United States promotes security assistance. States join alliances or, as in the case of military assistance, enter into sales or support agreements with other states or coalitions whose superior resources provide protection for them from a perceived threat. The United States serves as that provider. Traditionally, the majority of the world has seen the United States as the benevolent power whose stated purpose was to stop the spread of the evil Soviet hegemony. All the while promoting the principles of democracy. Currently, it occupies the role of victor, and others flock to its side, to attempt to share the spoils of victory, which includes a secure and stable environment.¹⁰⁵

Economic Benefits

One of the most arguable rationales associated with security assistance, are the potential economic benefits or costs associated with the various programs. Foreign Military Sales, have come to be viewed as an important earner of foreign exchange and a contributor to the balance of payments. Arms sales are thought to provide significant employment in U.S. defense industries, and are also seen as an

¹⁰⁴ Stephen M. Walt, *Origins of Alliances*, Cornell, 1987, p. 17. Stephen Walt's use of the terms *balancing* and *bandwagoning* follows that of Kenneth Waltz (who in turn credits it to Stephen Van Evera) in his *Theory of International Politics* (Reading, Mass., 1979). Walt further cites Arnold Wolfers uses of similar terminology in his essay, "The Balance of Power in Theory and Practice," in *Discord and Collaboration: Essays on International Politics* (Baltimore, Md., 1962), pp. 122-24.

¹⁰⁵ For analyses of modern versions of the balance of power theory, in addition to Waltz's *Theory of International Politics*, chap. 6, see Kaplan, *Systems and Process In International Politics*; and Morgenthau, *Politics Among Nations*, pt. 4.

equally effective means of creating economies of scale, thereby reducing the per-unit cost of arms to be manufactured for the armed forces of the United States and our allies. Exports of arms are also seen as a way of disbursing, or spreading out and recouping some of the research and development expenses. While all of these potential economic benefits are of importance, especially to the defense industries producing the equipment, they are equally important to the government in these times of decreasing defense budgets. The U.S. armed forces wish to be able to continue to replace existing equipment, and to modernize at the lowest possible cost. Maintaining open production lines guarantees replacement equipment at an affordable cost.

In the United States, defense budget cuts mean fewer contracts for the defense industry. Before the Gulf War, Defense Secretary Richard Cheney told the U.S. armed services to prepare for budget cuts of up to \$189 billion for Fiscal years 1992-1994. These cuts translated into as much as five per cent in real terms.¹⁰⁶ As our defense budget stabilizes at \$250 billion per year, and excess funds are not as readily available as they were during the military buildup of the Reagan Administration, defense contractors, who are still facing large debts incurred during those heydays, are also finding themselves faced with another problem - excess industrial capacity.¹⁰⁷ The strategies for survival are varied. Some companies switched to civil contracts, space technology, and non defense electronics. Another significant trend has been to reduce the overall capacity of U.S. defense based industries by shedding workers, product lines or divisions in which they could not dominate. Others still, have elected to attempt dramatic mergers such as Lockheed and Martin Marietta, or are under going the kinds of restructuring occurring in other manufacturing sectors. Most of these attempts

¹⁰⁶ Karen Pennar and Michael J. Mandel, "The Peace Economy," *Business Week*, December 11, 1989, p. 52.

¹⁰⁷ Mary H. Cooper, "Can Defense Contractors Survive Peace?", *Congressional Quarterly Editorial Research Reports*, September 29, 1989, p. 544.

have only succeeded in creating larger companies with an even greater excess capacity.¹⁰⁸

Many manufacturers have elected to continue to do what they feel they do best, only targeting a different audience. They see the promotion of foreign sales a means by which to boost domestic production and sales.¹⁰⁹ Some companies saw the writing on the wall earlier than others. By 1989, Sikorsky, which produces helicopters, was receiving 25 per cent of its revenues from exports, up from six per cent in 1984.¹¹⁰ The dependence of U.S. defense firms upon foreign orders has continued to increase. As recently as 1986, military exports accounted for only 7.5 per cent of U.S. production of military aerospace production. By 1993, the figures had doubled to 14 per cent. If we look at specific systems the results are even more dramatic. In 1995, the Pentagon had already spent \$4 billion to design the new fighter aircraft (the F-18E/F and F-22) but only \$1 billion to acquire them.¹¹¹ Of the three aircraft lines in the United States, the F-15 and the F-16 will be entirely dependent for new orders based upon foreign sales. Similarly, the Apache and Blackhawk helicopters, the Bradley and Abrams armored vehicles, and the Patriot missile lines are all being kept alive, almost exclusively by exports. Such exports are critical if a defense infrastructure is to be kept in place in order to enable new systems to begin production at affordable cost on short notice.¹¹²

¹⁰⁸ Harvey M. Sapolsky, "An Industrial Policy For Defense", *The Journal of Commerce*, October 13, 1994, op/ed page.

¹⁰⁹ Jacques S. Gansler, "Transforming The U.S. Defense Industrial Base", *Survival*, vol. 35, no. 4, Winter 1993, pp. 131-132.

¹¹⁰ Pennar and Mandel, "The Peace Economy," p. 54.

¹¹¹ Institute for National Strategic Studies (INSS), "Strategic Assessment 1995 - U.S. Security Challenges In Transition", (Wash. D.C.: National Defense University, 1995), p. 141.

¹¹² Ibid. p. 142

The economic benefit of security assistance to U.S. firms is clear. Although the value of U.S. arms transfers have continued to grow, U.S. deliveries have remained relatively constant in both the world market, and to developing nations. This is essentially a new situation for the United States. Historically, the Nation, with its large domestic defense budget, has always had the benefit of designing a product for its own military; generally for a single service. The defense company then took the product and attempted to find markets for it first within the sister services, then on foreign markets. The government generally maintained a hands off policy, except to decide whether or not to allow the foreign sale. In the future this may change as companies, eager to create a marketable product at home, promote sales abroad first, in an attempt to bring down unit price shares. Exports in recent years have accounted for only about 15 per cent of U.S. output of conventional weapons, far less than our European allies, who often export 60 to 70 per cent of their production.¹¹³ The United States does however supply a much wider market than did the former Soviet Union, and surprisingly, most U.S. customers pay cash. About half are industrial countries, and most of the remainder are either affluent developing countries (such as Saudi Arabia, South Korea, and Taiwan) or recipients of grant aid, as in the case of Israel and Egypt.¹¹⁴

But the gate of economic benefit swings both ways. The provider state is not the only one to reap the benefits of security assistance. Recipient nations, especially those primarily receiving grant aid, are having a large portion of their defense budget and national security requirements funded by the United States. This results in the freeing up limited capital and resources, for other, more benign

¹¹³ Joel L. Johnson, "U.S. Arms Sales: Foreign Policy Tool or Economic Necessity," *New Perspectives for a Changing World Order*, p. 246.

¹¹⁴ INSS, "Strategic Assessment 1995 - U.S. Security Challenges In Transition", p. 141.

purposes. One of the inherent problems associated with a free lunch however, is the propensity for the appetite to grow.

Inter-operability and Commonality of Equipment

Under certain conditions the United States has a strong interest in promoting the transfer of U.S. weapons, equipment, tactics, and technology. If the U.S. is to minimize its role of Global firefighter, stamping out one foreign brushfire after another, it is important to promote self sufficiency. Should the option for unilateral action by a recipient state not exist, then the next choice of the United States, should conflict be unavoidable, would be a collective action with other countries, in an attempt to stop the aggressive behavior of a potential adversary. Such collective action is only possible if security partners have adequate military equipment, both in terms of quantity and quality. Further, operations with allies and other coalition forces are greatly eased if those forces are using U.S., or at least inter-operable, military equipment.

As the U.S. military continues to draw down in size, but yet increases the number of missions it is assuming as a power projection force, it becomes more and more imperative allies have hardware that not only operates with U.S. issue equipment, but is recognizable as western equipment. Tactical level command and control during the Cold War was often a nightmarish experience of Rube Goldberg communication systems, put together in an ad hoc fashion, in an attempt to allow allies a rudimentary ability to communicate. Combine this with a basic language difference; a tactical doctrine that was not always compatible; and a logistic system that required a mind numbing variety of ammunitions for similar weapon systems, different fuels, tires, and even bolts and screws (metric vs SAE), one is left with a feeling of astonishment at the overall inadequacy of the alliance. We can only be thankful the forces of NATO were never required to be truly exercised, under wartime conditions. This is not to say the forces weren't cognizant of these dramatic differences, nor were they as allies willing to accept all

these discrepancies. The fact was, it simply took a monumental effort to correct, and iron out these stumbling blocks. Over fifty years almost. Fighting national parochialism on all sides, NATO continued to push forward in a spirit of commonality. They are almost there - maybe. But the lessons they learned were clearly absorbed. Faced with the opportunity to start with a clean slate, the United States clearly sees the advantages, both tactical and logistical, in operating in times of crisis, with a force that is equipped with like equipment and trained in a similar doctrine. Operation Desert Storm provided a good example of this.

Saudi Arabia had, through over twenty years of foreign military sales, built an extensive military infrastructure to U.S. specifications, purchased a large amount of U.S. military equipment, and trained hundreds of pilot, officers, and soldiers with the assistance of the United States. When the Iraqis made their move, the Saudis quickly made the decision to ask the United States to bring forces into their country. The U.S. was able to move over half a million soldiers, more than a thousand aircraft, and to establish a joint command apparatus with far less difficulty than would have been the case had not the Saudi military, equipment and infrastructure been compatible with America's.¹¹⁵

Access and Basing Rights

At one time, the guaranteed access of transit rights, and permission to establish permanent bases for United States forces, used to be a major rationale for the awarding of grant military aid¹¹⁶. In early 1980, Egypt was promised forty F-16 fighters as part of a military equipment package totaling just under \$1 billion at a time when the United States began flying AWAC aircraft from Egyptian bases.¹¹⁷ The traditional uses of facilities include training (often where un-congested space

¹¹⁵ Joel L. Johnson, "U.S. Arms Sales: Foreign Policy Tool or Economic Necessity," p. 246.

¹¹⁶ Leslie Gelb, "*Arms Sales*", pp. 18-19.

¹¹⁷ Andrew J. Pierre, *The Global Politics of Arms Sales*, p. 21.

or certain kinds of terrain or weather are available); staging of arms, personnel, aircraft, and spare parts; re-fueling of aircraft; naval repair, replenishment, refueling, and shore leave; forward contingency positioning of war materiel and POL (petroleum, oil and lubricants); antisubmarine (ASW) monitoring and other reconnaissance operations; and port visits, which allow for the "showing of the flag", maintaining a presence, and demonstrating resolve.¹¹⁸

On a less visible, and hence, less sensitive level, there is the matter of aircraft over-flight privileges, involving a range of practices and traditions. While some allied or friendly nations allow full, un-hindered, and continuous over-flight rights, others require ad hoc formal applications for permission to fly over the territory, well prior to the actual time of the flight, and permission may or not be granted depending on the purpose of the flight and the domestic situation of the potential grantor. Turkey and Yugoslavia granted the former USSR overflight rights during the 1973 airlift to the Arab states, while some NATO allies did not grant similar access to the United States on behalf of Israel.¹¹⁹ Greece and Turkey have progressively narrowed their views of acceptable American use of bases in their countries, and in the case of Turkey, when the United States placed an embargo on arms to that country following their invasion Cyprus, Istanbul retaliated, by restricting the use of American intelligence activities, saying, in effect, "no arms, no intelligence."¹²⁰ Until operation Desert Storm, the U.S. still was not allowed to

¹¹⁸For general material on the breakdown of various types of facilities and associated definitions, see Herbert E. Hagerty, "Forward Deployment in the 1970's and 1980's," National Security Affairs Monograph 77-2, National Defense University, Washington, D.C.: 1977; Richard B. Foster, "Implications of the Nixon Doctrine for the Defense Planning Process," Stanford Research Institute, Menlo Park, Calif., 1972; and B.M. Blechman and R.G. Weinland, "Why Coaling Stations are Necessary In The Nuclear Age," *International Security*, 2 (1977): 88-89.

¹¹⁹ For analysis of the overflight access problem, see P.M. Dadant, "Shrinking International Airspace as a Problem For Future Air Movements - A Briefing," Report R-2178-AF, Rand Corp., Santa Monica, Calif., 1978, and Richard G. Toye, "The Projection of U.S. Air Power in the Western Pacific and Indian Ocean" paper delivered at the Fletcher School's conference on "Security and Development in the Indo-Pacific Arena," 1978.

¹²⁰ Andrew J. Pierre, *The Global Politics of Arms Sales*, p. 21.

use the bases for any Middle East contingencies. Israel refused U.S. access during its attempt to free our hostages from Iran. In the case of Spain, the United States has been tossed out of Torrejon AFB and American nuclear submarines denied access to the port of Rota. Despite years of use of Subic Bay and Clark Air Base in the Philippines, the simple receipt of grant aid from the United States was not enough to guarantee continued access. Instead, beginning with Marcos, successive Filipino presidents attempted to play "lets make a deal"¹²¹ until the United States eventually stopped playing, and withdrew from the facilities. However, even after being unable to retain use of the facilities at a reasonable cost, the United States still did not stop providing security assistance to the Philippines,¹²² nor to any of these other recipients.¹²³

In addition to the traditional uses of basing and staging facilities, a variety of technical functions have come to require strategic access to the territory of others. These facilities for the most part can be broken down into functions related to intelligence, surveillance and communications. Among the numerous activities are included communications (COMINT), signal (SIGINT), and electronic (ELINT) intelligence; naval, presidential or executive communications networks; though Global Positioning Satellites are rendering them more and more outmoded, the need for LORAN and OMEGA navigational aid systems still exist, as do satellite tracking networks, deep-space surveillance, oceanographic research, nuclear test detection (seismographic and air-sample collections), and

¹²¹ Leslie Gelb, "Arms Sales", pp. 18-19.

¹²² Since 1950, the Republic of the Philippines has received Security assistance funding in the form of either, or all of the following: FMS Agreements, MAP, ESF, or IMET. Total FMS Agreements from 1950-1995 equal \$1,122,018 thousand. See Department of Defense Security Assistance Agency (DSAA) *Fiscal Year Series - As of September 30, 1995*, pp. 58-59.

¹²³ DSAA, , *FMCS and Military Assistance Facts - As of September 30, 1995*. See specific country/program.

underwater submarine detection equipment.¹²⁴ As technology continues to improve the requirements for land based systems may continue to decrease.

During the Cold War, the United States strategy of Forward Presence, required basing rights and guaranteed access to many countries. Key to the concept of deterrence, U.S. forward presence served not only as a visible commitment to our allies, but with the positioning of U.S. forces abroad, potentially in various countries tagged as "hot spots" and invariably in harms way, these forces served as a trip wire, virtually ensuring an immediate response by the United States should the host nation be attacked by the irascible communist foe.¹²⁵ In the new, post Cold War environment which we now face, a continuing U.S. forward presence, albeit at a lower level, provides visible reassurance for Europe, East Asia, the Middle East, and Central America, that regional stability and the safeguarding of allies, remains important to the United States.

The advantages of forward based presence, including the stabilizing effect it has on a region, and the demonstrated ability that presence has in deterring regional powers from jockeying for positions of dominance, re-emphasizes the need for basing and access rights. Forward Presence also provides staging areas for operations elsewhere, which becomes more and more important as the U.S. is called upon to intervene in either the conflicts or disasters, which could break out anywhere in the world, including areas far removed from the usual theaters of U.S. military operations. While security assistance still strives to gain us access to staging areas in these critical locations, many times potential host countries do not see eye-to-eye with the U.S. about its intervention in some third country crisis. This very lack of guarantee has dictated we adopt a new strategic concept, the concept of power projection.

¹²⁴ Stephen G. Neuman and Robert E. Harkavy, *Arms Transfers In The Modern World*: (New York: Praeger, 1980), p. 133.

Joint Vision 2010, the conceptual template for how America's Armed Forces will conduct future joint warfighting, addresses the concept of power projection:

To ensure we can accomplish these tasks {deter conflict - but if that should fail, to fight and win our nations wars.} power projection, enabled by overseas presence will likely remain the fundamental strategic concept of our future force. We will remain largely a force that is based in the Continental United States (CONUS). However, our permanently stationed overseas forces, infrastructure and equipment, temporarily deployed forces, and the interaction between U.S. and foreign militaries together demonstrate our commitments, strengthen our military capabilities, and enhance the organization of coalitions and multinational operations to deter or defeat aggression. Power projection from the United States, achieved through rapid strategic mobility, will enable the timely response critical to our deterrent and warfighting capabilities. Our overseas presence and highly mobile forces will remain essential to future operation.¹²⁶

While the need for access and basing rights still exist, the United States is beginning to take into account, that they may not always be available when needed, and is starting to make alternate plans accordingly. However, while freedom of access may not always be readily available, it does not necessarily mean it is any less desirable, nor in certain regions of the world, less necessary for the successful promotion of U.S. national interests. In those particular cases, military assistance, may often be just the foot in the door needed, in order to allow that initial access.

Influence and Leverage; Security and Stability; Economic Benefits; Interoperability and Commonality of Equipment; and, Access and Basing Rights, are the core rationales I identified for promoting Security Assistance as one of, if not the, principal tools of U.S. foreign policy. In the past, there have been numerous examples of both the utility and, futility of this tool. In the next chapter, I intend to look at Operation Desert Storm, a post Cold War event which I will use in a case study, in an attempt to measure the effectiveness of this policy tool, and the

¹²⁵ INSS, "Strategic Assessment 1995 - U.S. Security Challenges In Transition", pp. 14-15.

¹²⁶ Chairman of the Joint Chiefs of Staff, *Joint Vision 2010*, (Washington, D.C.: JCS Publications, 1995), pp. 4-5.

future applicability of its core rationales, as we move forward into the 21st century.

Chapter Five Desert Storm - A Case Study In Security Assistance

There are two main reasons why any researcher, be he a physicist or political scientist, studies a topic. The first and foremost, is to determine a greater understanding of the subject matter, and thereby be more capable of explaining the subject or phenomena. The second, is in the application of that knowledge. The investigator desires to be able to improve the end product, the very subject of study; to ameliorate the outcome, making it more effective, more marketable. In the case of the policy analyst, the effectiveness of a policy is determined, by whether or not specific goals were reached; goals determined prior to the event. Effectiveness is further determined by the predictive value of a policy - will it "work" under a certain, given set of circumstances, but not others. Value of a policy, especially at a time when resources are limited and there are no sacred cows, need to be determined as clearly as possible, even when the results may be intuitively self evident. There is value in determining if a policy is ineffective as well, especially when it involves a great deal of capital. There is value in determining that a policy is not truly a matter of choice - that there exists no viable alternative to the present conduct of business. As a nation, we may not want to necessarily pursue this course of action, however, in the long run, the plusses may outweigh the minuses.

Having in preceding chapters outlined the history, composition, and purpose of Foreign Military Financing, it is now time to look at the effectiveness of the policy and its applicability to the current New World Order. In the bi-polar world of the Cold War, the freedom of choosing security assistance as a tool of policy, was severely hampered by the continuing state of competition between the East and the West. Security assistance became the principle tool of our policy of containment. Now, the bipolar world has dissolved into "something" new; uni-

polar, multi-polar, competing hegemonies, clashing cultures, whatever theory is popular today - that in itself is a subject for a great deal more research, beyond the scope of this paper. What remains nonetheless, is that despite the divergence in strategic perspectives brought about by our shift from the Cold War containment paradigm, our policy of using foreign military financing, as one of the principle tools of U.S. foreign policy, is still the current policy. Therefore, an attempt must be made to determine, is it still effective?

Operation Desert Storm offers the ideal vehicle to attempt to test the effectiveness of Foreign Military Financing. Numerous long term recipients of U.S. security assistance participated. East - West competition was not a factor. All five of the core values of security assistance came into play. Specific U.S. interests were threatened, and demands made. Did our investment in these foreign countries pay off?.

Case Study Methodology

I will not attempt to re-tell the history of the Gulf War, instead I will focus on specific incidents which are either a direct or as near as can be determined, an indirect result of a Foreign Military Financing or Security Assistance program.¹²⁷ The selection criteria of countries is essentially based upon, the level of foreign military financing received over the ten years preceding the Gulf Conflict. Table 4-1 lists the various states of the region involved in the war, and the cumulative total dollar value of aid received from 1981-1990. The states are further identified as to whether or not they supported the United States position in the Gulf at the outset of hostilities.

¹²⁷ For an excellent chronology of the events leading up to and through the Gulf War, see Herbert H. Blumberg and Christopher C. French's book, *The Persian Gulf War - Views From The Social and Behavioral Sciences*, (New York: University Press of America, 1991), pp. 27-41. Additional chronological information through 29 January 1991 can be found in *The ACCESS Guide to the Persian Gulf Crisis*, (Updated Ed.), 1991, Washington, DC: ACCESS - A Security Information Service; and in the book by John Simpson, *From The House of War*, (London: Arrow Books, 1991), pp. 386-389.

Country	Supported U.S.	Total Sales Agreements 1981- 1990 (in thousands of dollars)	Total Sales Deliveries 1981-1990 (in thousand of dollars)
Algeria	N	\$6,035.00	\$3,793.00
Bahrain	Y	\$938,281.00	\$619,787.00
Djibouti	Y	\$11,911.00	\$8,009.00
Egypt	Y	\$13,683,387.00	\$4,774,073.00
Iraq	N	\$-	\$-
Iran	N	\$-	\$-
Israel	Y	\$6,122,580.00	\$6,093,142.00
Jordan	N	\$935,019.00	\$1,142,652.00
Kuwait	Y	\$3,105,305.00	\$750,681.00
Lebanon	Y	\$498,342.00	\$523,372.00
Lybia	N	\$-	\$221.00
Mauritania	N	\$1,500.00	\$1,291.00
Morocco	Y	\$665,297.00	\$622,372.00
Oman	Y	\$157,775.00	\$131,602.00
Qatar	Y	\$1,984.00	\$1,985.00
Saudi Arabia	Y	\$38,401,743.00	\$33,260,915.00
Somalia	Y	\$157,229.00	\$152,272.00
Sudan	N	\$248,764.00	\$285,526.00
Syria	Y	\$-	\$147.00
Tunisia	N	\$522,828.00	\$475,354.00
Turkey	Y	\$6,914,309.00	\$4,469,731.00
United Arab Emirates	Y	\$1,055,671.00	\$592,609.00
Yemen	N	\$73,632.00	\$205,638.00

Table 4-1. Select Arab FMF Recipients Participating In Gulf War¹²⁸

¹²⁸The determination of the Countries and their degree of participation and support, are based upon a variety of sources, in particular: Blumberg and French's book, *The Persian Gulf War*, p. 32; L. Benjamin Ederington and Michael J. Mazarr, (editors) *Turning Point - The Gulf War and U.S. Military Grand Strategy* (Boulder: Westview Press, 1994.); and Frank N. Schubert and Theresa L. Kraus, *The Whitewind War*, (Washington, DC.: Center of Military History, 1995), pp. 130-133. All Sales Agreement and Delivery data is drawn from the Defense Security Assistance Agency *Fiscal Year Series*, As of September 30, 1995.

Using the core rationales outlined in Chapter 3, I will address whether or not the rationales for Security Assistance were achieved, or were even applicable with regard to the various countries being studied. In conclusion, I will attempt to explain the individual findings, and subsequently the collective findings, in an effort to determine the overall value of Foreign Military Financing as an effective foreign policy tool in today's world of international relations.

Selected Countries

Taking the data from Table 4-1 and sorting it by the total dollar value of Sales Agreements results in a rank order as shown in Table 4-2.

Country	Supported U.S.	Total Sales Agreements 1981-1990
Saudi Arabia	Y	\$38,401,743.00
Egypt	Y	\$13,683,387.00
Turkey	Y	\$6,914,309.00
Israel	Y	\$6,122,580.00
Kuwait	Y	\$3,105,305.00
United Arab Emirates	Y	\$1,055,671.00
Bahrain	Y	\$938,281.00
Jordan	N	\$935,019.00
Morocco	Y	\$665,297.00
Tunisia	N	\$522,828.00
Lebanon	Y	\$498,342.00
Sudan	N	\$248,764.00
Oman	Y	\$157,775.00
Somalia	Y	\$157,229.00
Yemen	N	\$73,632.00
Djibouti	Y	\$11,911.00
Algeria	N	\$6,035.00
Qatar	Y	\$1,984.00
Mauritania	N	\$1,500.00

Table 4-2 Select Arab FMF Recipients Rank Ordered By Total FMS Sales Agreements 1980-1991

A cursory review of this data points out several significant factors. Of the top ten customers of the United States with regard to Foreign Military Sales, eight of these countries actively supported the United States actions with regard to the conflict in the Persian Gulf. Of these eight countries (Saudi Arabia, Egypt, Turkey, Israel, Kuwait, United Arab Emirates, Bahrain, and Morocco), four of them (Saudi Arabia, Kuwait, UAE, Bahrain), while accounting for a significant proportion of military sales to the Middle East over an eleven year period, were almost exclusively cash customers, as opposed to recipients of grant aid or loans, spending over \$43,501,000 billion.¹²⁹.

Of the remaining nine countries on the list, seven of those countries also supported the U.S.. Of the five total countries who chose not to support the U.S., all were recipients of Foreign Military Financed programs. No commercial sales recipient failed to back the U.S. position. Based upon the initial observations, I selected the following countries for study:

1. Saudi Arabia
2. Egypt
3. Israel
4. Jordan

I chose not to use Turkey due to its membership in NATO, and their possible alliance obligations. I did not choose any other Gulf countries, feeling the rationales that applied to Saudi Arabia's actions would equally apply to them. Tunisia, originally selected as a candidate for study was dropped due to the unavailability of data either supporting or explaining their decision not to support the U.S. position. Their position as a periphery state allowed them a flexibility to go either way, suffering little to no consequence.

¹²⁹ For a more detailed breakdown, see Department of Defense, Defense Security Assistance Agency, *Foreign Military Sales, Foreign Military Construction Sales, and Military Assistance Facts*, As of September 30, 1995. Refer to the corresponding country page.

Saudi Arabia

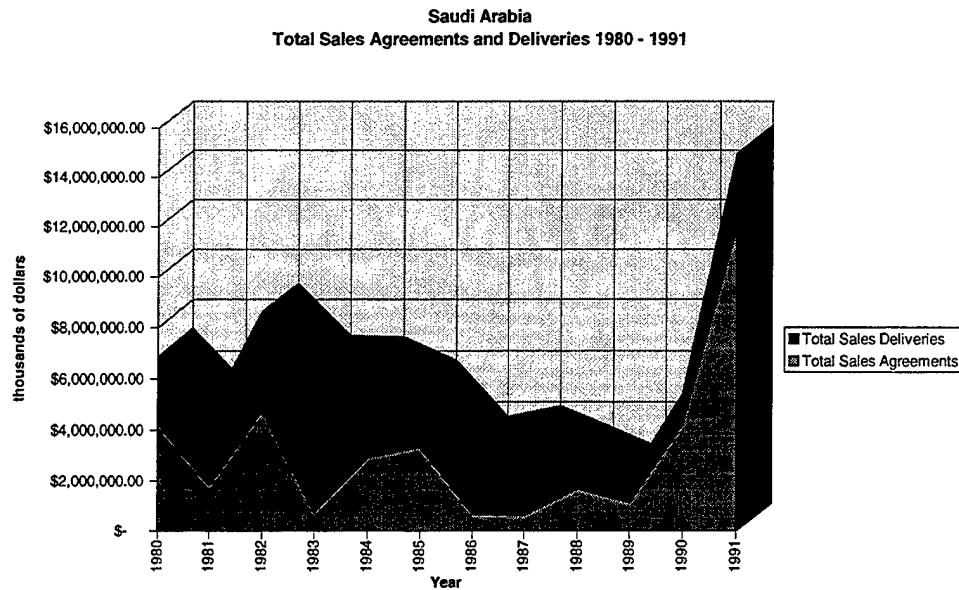


Figure 4-1 Saudi Arabia - Total Arms Sales and Services Agreements and Deliveries- 1980 - 1990¹³⁰

Influence and Leverage

Saudi Arabia's strategic relations with the West, and in particular the United States, have consistently involved clear and direct common strategic interests in the Gulf and in the Near East. While they compete in terms of trade and oil prices, they share a common commitment to private enterprise and to maintaining a stable balance of world trade. Ever since the Arab oil embargo of 1974, the West has sought to find alternatives to its dependence on imported oil. They have still been relatively unsuccessful in pursuing that particular course of action. At the same time, the shock of that crisis triggered U.S. efforts to ensure

¹³⁰ DSAA, *Fiscal Year Series, As of 30 September 1995*, p. 126.

access to that Gulf oil, would never again be impeded. Or at a minimum, the options to regain access would readily be available.¹³¹

The importance of Saudi Arabia and its neighbors is as self evident today, as it was prior to the outbreak of hostilities. A review of simply a few cursory facts highlights that importance. While possessing almost 2% of the worlds total land area, and a combined population of 25.7 million accounting for less than 1% of the worlds population, over 53% of the worlds proven oil reserves are located in the region, and in the oft disputed territory of six nations: Kuwait, Saudi Arabia, Bahrain, Qatar, the United Arab Emirates, and Oman.¹³²

The region boasts a per capita income ranging from \$5,345 in Oman, to \$18,608 in Kuwait, this compared to the worlds average per capita income of \$5,148. In spite of decades of intense exploration in other areas, the Gulf is the region with the highest potential for major new oil discoveries, and the only area where the discovery of new reserves outpaces production. The Gulf countries account for 24% of world's production, and 40% of world's export of petroleum. These strategically important countries also hold 14% of the world's proven natural gas reserves.¹³³ These are the basic reasons why the United States is contingent upon the political, military, and economic stability of the Gulf, and why the need to have the ability to exert influence and leverage is so essential.

Operation Desert Shield / Desert Storm demonstrated, with sufficient time, the United States had the ability to overcome its significant shortfall in strategic lift, and could project sufficient force into the region to protect its national strategic interests. This however, has always been the plan of last resort. The ability to

¹³¹ Anthony H. Cordesman, *Western Strategic Interests In Saudi Arabia*, (London: Croom Helm, 1987), pp. 12-13.

¹³² Cyrus Sassanpour., *Policy Challenges In the Gulf Cooperation Council Countries*, (International Monetary Fund - Middle Eastern Department, May 1996), p. 2.

¹³³ Ibid.

exert physical influence and leverage was never in question. The ability to exert political influence and leverage over the six southern Gulf countries in working towards mutual goals, thereby negating the active involvement and potentially destabilizing effect of an increased United States presence, has always been the first policy choice and the greatest challenge.

To this end, the United States worked closely with the six southern Gulf countries: Saudi Arabia, Kuwait, Bahrain, Qatar, the UAE, and Oman. All are moderate states, each showing an ability to cope with the periodic tensions and problems of the region, and all desiring strong trade ties with the West. Furthermore, all six states united in forming the Gulf Cooperation Council (GCC) - an organization created not only to enhance trade, but to provide a framework for creating a collective regional security structure.¹³⁴

It was this very desire and pursuit of security which gives the United States its leverage. Capable of purchasing weaponry and military assistance from any source in the world, Saudi Arabia openly turned toward the West, and in particular the United States, for its arms and military advice; while simultaneously, quietly turning towards them for its, and the regions security in the event of a major military threat. For both countries, the maintenance of the security relationship became a matter of vital importance.

The transfer of weapons and military assistance became the main tool by which the U.S. attempted to facilitate any modicum of influence, and the glue with which to bind together, that at times, fragile relationship. The Saudis, always anxious to avoid pressures from their neighbors, and having been truly fearful of a U.S. - Soviet confrontation in the Gulf prior to the Gulf War, resisted American requests for a greater presence in their country, arguing instead, they could handle

¹³⁴ Cordesman, *Western Strategic Interests In Saudi Arabia*, p. 13.

the situation, simply with additional arms.¹³⁵ The U.S. correctly concluded, if they were to maintain the existing U.S. presence in the Kingdom, an influential though relatively small presence which included the U.S. Military Training Mission (USMTM), the AWACS aircraft, the U.S. Corps of Engineers, and advisers to the Saudi Arabian National Guard, they would have to respond positively to Saudi requests for military assistance. These requests included the sales of sophisticated weaponry, which would not only allow them a degree of security from potential aggressive neighbors, such as Iraq or Yemen, but allow them to be treated with a degree of parity with Egypt and Israel, for whom the most modern and advanced equipment was always available.¹³⁶

As a result of these attempts to maintain a degree of leverage or influence, the U.S. faced a number of dilemmas in dealing with the Saudi's requests for security assistance. U.S. advisors had been instrumental in designing the Saudi armed forces along a distinctly American order of battle. This made, and continues to make it increasingly difficult to say no to requests for additional U.S. arms. The difficulty in providing these arms was further compounded by the fact, there was not seen in the United States, a uniform vision of the Saudis as particularly strong friends of America, therefore they were not always deemed deserving of unequivocal support. Memories of the oil embargo, oil price hikes, and lack of support for Israel and Egypt, all undermined their image as a moderate, for years anti-Soviet, pro-Western state. The fact they had often been viewed as an oppressive, autocratic monarchy, especially in light of U.S. efforts to promote human rights and democratic governments, contributed to this perception, plus there was not any strong vocal or pro-Saudi constituency in the United States, and

¹³⁵ William B. Quandt, *Saudi Arabia in the 1980's - Foreign Policy, Security, and Oil*, (Washington, D.C.: Brookings, 1981), pp. 12-13.

¹³⁶ Anthony H. Cordesman, *The Gulf and the West: Strategic Relations and Military Realities*, (Boulder, Colo.: Westview Press, 1988), pp. 141-143.

therefore any administration that sought to sell arms to the Saudis, always had to overcome the skepticism of the friends of Israel in Congress.¹³⁷

While it can be concluded, that the ability to exert influence and leverage in Saudi Arabia, as well as in the Gulf region, was conceivably facilitated by the providing of security assistance in the form of direct commercial sales and military assistance, any influence or leverage achieved was perhaps more the result of a mutual understanding of the strategic importance of the area to both parties. Examples of this mutual understanding, or common interest, had been previously demonstrated by the Saudi backing of various western initiatives, if not of the actual policies, at least the underlying principles.

Saudi Arabia had backed the West in its peace keeping efforts in Lebanon in 1982; the support of Afghan freedom fighters; in efforts to stabilize world oil prices; and prior to Moscow's collapse, in attempts to curb Soviet expansionism in the Near East and Southwest Asia. While having differed with the United States in the approach needed to be taken to achieve a lasting Arab-Israeli peace, the kingdom had consistently supported an Arab effort to reach a settlement with Israel, based on Palestinian rights and the return of the occupied territories.¹³⁸

Security and Stability

The Iran-Iraq war ended in August 1988, with both sides exhausted and Iraq claiming a victory that was unsubstantiated by any physical gains - Baghdad still did not control the Shatt al Arab. The United States and the Gulf States continued to support Iraq, with American policy in the gulf trying to modify Iraqi behavior through closer economic ties. In the choice between Iraq and Iran, Iraq on the surface, despite human rights abuses and the continued development of chemical and nuclear weapons, appeared to be less threatening to the region than

¹³⁷ Ibid. p. 143.

¹³⁸ Quandt, *Saudi Arabia in the 1980's - Foreign Policy, Security, and Oil*, p. 14.

Iran's "religious zealots."¹³⁹ Meanwhile, Saudi Arabia, along with the other GCC members, continued to make financial contributions to Iraq, allowing them to rebuild their armed forces, decimated by eight years of war.¹⁴⁰ This forced Iraq, suffering from a crippled economic development plan, into an increased reliance on its wealthy neighbors. That reliance actually represented a continuation of the relationship that had existed throughout the war, although Iraq was convinced it had not received adequate support from the Gulf states. Iraqi resentment focused largely on wealthy Kuwait, which held territory that Iraq coveted and considered its own.¹⁴¹ Although the states of the Southern Gulf did not appreciate the depth of rancor felt by Iraq for this supposed slight, they were well aware of the potential threat posed by this thwarted hegemony. Possessing a border ideal for armor operations, and only 200 miles away from major Saudi oil facilities, the rulers of Saudi Arabia were fully aware King Khalid Military City (KKMC), with its two armor brigades offered limited security. The remaining GCC members had no military forces of consequence. An attack south by Iraq into Kuwait, would only be the first effort of an Arabian Peninsula campaign.¹⁴² The United States shared Saudi Arabia's concerns for security. Threats to the Kingdom, either from internal or external sources, would have severe ramifications.¹⁴³

¹³⁹ Stephen C. Pelletiere, Douglas V. Johnson II, and Leif R. Rosenberger, *Iraqi Power and U.S. Security In The Middle East*, (Carlisle Barracks, Pa: Strategic Studies Institute, Army War College, 1990), pp. 42, 53.

¹⁴⁰ Frank N. Schubert and Theresa L. Kraus, *The Whirlwind War: The United States Army In Operations Desert Shield and Desert Storm* (Washington, D.C.: Center For Military History, 1995), p. 20.

¹⁴¹ Tom (Tsutomu) Kono, "Road To the Invasion," *American-Arab Affairs*, no. 34, (Fall 1990): p. 41.

¹⁴² Schubert and Kraus, *The Whirlwind War*, p. 21.

¹⁴³ Notwithstanding the armistice signed between Iran and Iraq in July 1988, Riyadh still felt insecure because Baghdad and Tehran had failed to reach a peace agreement. Not only did the Saudi regime become a target of a new wave of Shi'ite fundamentalist terrorism and propaganda, but it was becoming increasingly apprehensive concerning Iraq's renewed ambitions in the Arab camp, and aggressive policy within OPEC. Furthermore, a conflict between conservatives and liberals within the Kingdom was arising over the liberal intelligentsia's complaint regarding non-participation in policy making and the ulama's rising resentment of

For two years following the termination of the Iraq-Iran war, Iraq increased pressure on Kuwait, demanding compensation for lost oil revenues, laying claims for territory, and amassing troops along the border between the two countries. All of this was equally threatening to the Kingdom of Saudi Arabia and to the interests of the United States. In October 1989, President George Bush reemphasized the importance placed upon the security and stability of the region, when in National Security Directive 26, he restated the Carter Doctrine, by warning, that the United States *would defend its vital interests by force if necessary*.¹⁴⁴ During the first seven months of 1990, Iraqi troop movements and presidential blustering foreshadowed the impending crisis, and despite the approval of \$2.2 billion of armaments to the Kingdom on 29 August,¹⁴⁵ like Saudi Arabia and Kuwait, the United States did not really believe Saddam Hussein would make good on his rhetoric, and was caught flatfooted by the invasion.¹⁴⁶ However making good on commitments first made by President Truman, President Bush decided to uphold the Carter Doctrine, and committed the United States to direct military action, in an effort to restore security and stability in the region.¹⁴⁷

Economic Benefits

The economic benefits of security assistance to Saudi Arabia are pretty straightforward. Over an eleven year period (1980-1990), Saudi Arabia accounted for almost \$38.5 billion in Foreign Military Sales. From 1953 to 1995, they have accounted for almost \$ 80 billion in sales, or almost 30% of all security assistance sales during that same time. Another important factor is that all of these

foreign cultural influence on "the Saudi way of life." For more on this topic see Mordechai Abir, *Saudi Arabia: Government, Society, and the Gulf Crises* (London: Routledge, 1993), Chapter 9, "Prelude To The Iraq-Kuwait Crisis".

¹⁴⁴ National Security Directive 26, *U.S. Policy Towards The Persian Gulf*, 2 Oct 89.

¹⁴⁵ Blumberg and French, *The Persian Gulf War*, p. 32.

¹⁴⁶ Don Oberdorfer, "Mixed Signals In The Middle East", *Washington Post Magazine* (17 March 91) pp. 22-23, 36-41.

¹⁴⁷ Schubert and Kraus, *The Whirlwind War*, p. 23.

transactions, have been cash sales. There has not been any grant aid to the country since 1966, and the total amount of that Foreign Military financing was only \$652,220.¹⁴⁸

Inter-operability and commonality / Access - Basing rights

Despite the best efforts of the other nations of the world, the practical reality is that the United States is the only Western state which retains the significant power projection forces that can help defend the Gulf in time of crises. Prior to the war, the U.S. had no full time bases in the region. Its only contingency facilities in the Gulf were in Oman, and were focused primarily on a defense of the Straits of Hormuz, and not the Gulf as a whole. The closest facility where the U.S. could station aircraft and troops in peacetime was Diego Garcia, which was as nearly as far away from Kuwait city as Dublin, Ireland¹⁴⁹ The U.S. in anticipation of this constraint, had compensated for this weakness by establishing the kind of military relations with Saudi Arabia that would give the U.S. suitable basing facilities in the Kingdom in the event of a major crisis. Through the use of military advisors and commercial contractors, the U.S. had created standardized Saudi air and air defense forces, capable of being technically, fully interoperable with the U.S. forces in U.S. Central Command (USCENTCOM).

While Saudi Arabia had never formally agreed to provide the U.S. with contingency bases, reinforcement by U.S. forces in an emergency had always been a component of Saudi defense planning; extensive planning talks to this effect, having taken place with Commander-in-chief, CENTCOM and other senior U.S. officials. In fact to many observers, Saudi installations appeared plainly overbuilt, as if actually intended only for other forces. Saudi bases with their modern infrastructure and service facilities, could easily accept an American deployment

¹⁴⁸ DOD, DSAA, *Fiscal Year Series, As of September 30, 1995*, pp. 126, 2.

¹⁴⁹ Cordesman, *Western Strategic Interests In Saudi Arabia*, p. 22.

on very short notice. Those bases, combined with the large quantities of American supplies and equipment purchased ostensibly for Saudi use, ultimately constituted the virtual equivalent of American bases in Saudi Arabia, albeit without the necessary complement of troops needed to translate their potential into actual combat power.¹⁵⁰

The Saudi military buildup had been principally oriented on aviation facilities. The Saudis had the largest and some of the most modern bases in the region, with American contractor employees servicing their equipment and American-trained technicians among their own ground crews. Although rejecting any combined maneuvers, they recognized the need for cooperation with a CENTCOM deployment if and when it were ever necessary. Short of that necessity, they insisted that cooperation remain based on Saudi Military buildups with American arms and technical assistance.¹⁵¹

Saudi purchases from the United States clearly facilitated the deployment of Central Command forces to Southwest Asia. The expeditionary force gained an advantage by its weapons, ammunition, and repair parts being compatible to the equipment used by the host nation. The United States achieved a large measure of interchangeability through military assistance to the Gulf States, despite occasional frustration at the hands of American supporters of Israel, who saw the provision of arms and equipment to an Arab nation in a different light.¹⁵²

¹⁵⁰ Schubert and Kraus, *The Whirlwind War*, p. 20.

¹⁵¹ For a more detailed discussion of this topic, see: Majid Khadduri, *The Gulf War: The Origins and Implications of the Iran-Iraq Conflict* (New York: Oxford University Press, 1988), p. 143.; John E. Peterson, *Defending Arabia* (New York: St. Martin's Press, 1986), pp. 148,203; Cordesman, *The Gulf and the West*, pp. 142-143; Quandt, *Saudi Arabia In The 1980's*, p. 156.

¹⁵² Cordesman, *The Gulf and The West*, p. 7, 13.

In the case of Saudi Arabia, the value of security assistance to the Kingdom far outweighed the marginal cost associated with the program. Without the assistance, the outcome of the war would have perhaps been very different; not in the final determination of the victor, but perhaps in the cost of the victory.

Egypt

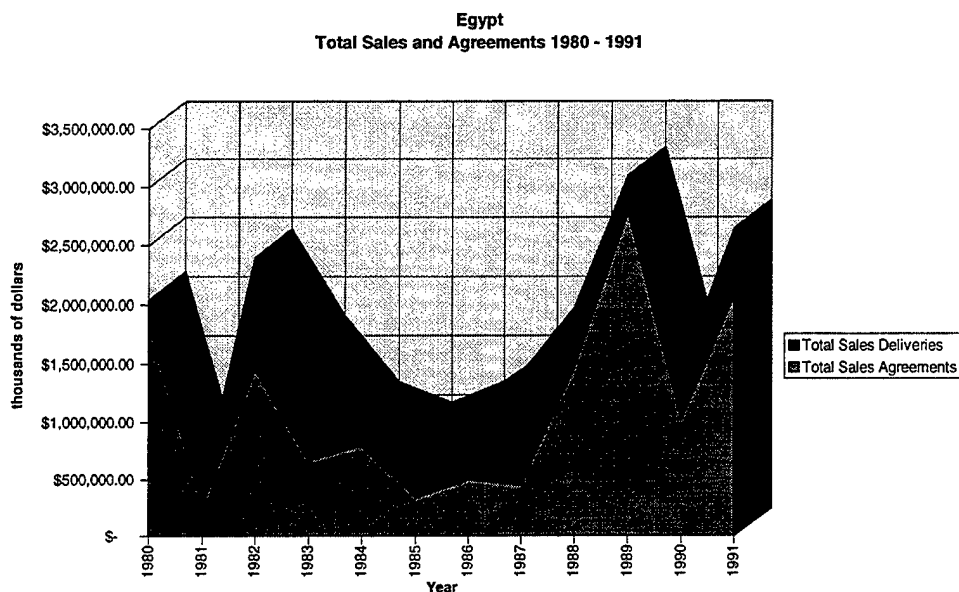


Figure 4-2 Egypt - Total Arms Sales and Services Agreements and Deliveries - 1980 - 1990¹⁵³

Influence and Leverage / Security and Stability / Economic Benefits

By the Fall of 1973, Egypt had been drawn into four wars. These wars had brought this ancient country to the brink of economic bankruptcy and political stalemate. But then the country's focus shifted by almost defeating Israel in the first week of the October 1973 War. The Arab states, led by Egypt, regained a level of prestige, by shattering the aura of Israeli military invincibility. No longer could Washington assume that Israel's military superiority over its Arab neighbors, would ensure relative stability in the region. The successful imposition of the oil embargo, increasing the price of oil from \$5.12 a barrel in October 1973

¹⁵³ DSAA, *Fiscal Year Series - As of September 30, 1995*, p. 96.

to \$11.65 by January 1974, also showed the international clout that could, and as demonstrated, would be used by the Arab world, to further their foreign policy agendas.¹⁵⁴ To be sure, Soviet military support for Syria and Egypt during the war, the growing importance of access to Mid East oil as highlighted by the embargo, and Moscow's threat to send its own forces into the region, increased the U.S. resolve to limit Soviet presence in the region. The question remained, by what mechanism were they to diminish the Soviet influence, by increasing theirs.

A new imperative was attached to resolving the ongoing Arab- Israeli dispute. Beginning under President Nixon, then continuing under President Ford, Secretary of State Henry Kissenger, probably spent more time mediating this dispute than dealing with any other foreign policy matter. In fact, during the first five months after the October War, Kissenger expended so much time and effort travelling between the capitals of the Mid East in a quest of a military disengagement and an end to the oil embargo, that a new term "shuttle diplomacy", entered the lexicon to describe his well publicized jaunts.¹⁵⁵

It was this renewed awareness, fostered by the succeeding Carter administration, that enabled Sadat to make his historic visit to Jerusalem in November 1977. Returning from his trip and finding himself completely alienated in the Arab world, he did find himself in a better position vis a vis the Americans. Pushing for a show of support, Sadat convinced the U.S. of providing what would be the first of many major arms purchases. At his insistence, the U.S. government approved the sale of jet fighters to Egypt and Saudi Arabia, as well as to Israel¹⁵⁶

¹⁵⁴ Daniel Yergin, *The Prize: The Epic Quest for Oil, Money, and Power* (New York: Simon & Schuster, 1991), p. 625.

¹⁵⁵ Burton L. Kaufman, *The Arab Middle East and the United States*, (New York: Twayne Publishers, 1996), p. 87.

¹⁵⁶ *Ibid*, p. 109.

U.S. influence in Egypt, beginning with the Camp David Accords, has been directly tied to its economic assistance packages. U.S. aid suspended in 1965, was resumed in 1978, at a funding level of \$672 million, and has increased steadily since then.¹⁵⁷ While the original design of the economic aid received following the Camp David Accords, was to offset the abrupt cessation of all Arab trade, even at \$1 billion it did not begin to reach full compensation for Egypt's loss. Moreover, in spite of the unwritten pledge that the United States would match its aid to Israel, this promise was not kept for long, and the strings attached to aid flows to Egypt, rendered their effective cash value far smaller than the corresponding cash transfers to Israel.¹⁵⁸ The economic impact was enormous. In fact, just prior to the Gulf War, while Washington was giving Egypt aid amounting to almost \$2 billion per year; Cairo was paying close to \$900 million a year interest on the loans used to purchase U.S. military equipment.

The United States however gained a great deal of influence and leverage due to this client state relationship. Egypt needed to modernize its outmoded military; and they needed cash or ready credit to accomplish this task; the U.S. needed a moderating force in the Arab world, capable of serving as an intermediary with the other Arab nations in an ongoing attempt to promote peace in the region. They also needed to enhance the security of Israel on at least one of the Jewish nation's borders. Albeit one-sided in its balance, it nevertheless represented a true marriage of convenience. With the outbreak of hostilities in the Gulf, the role of Egypt as an ally became more evenhanded. Having entered into an economic relationship with Jordan, Iraq, and Yemen (Arab Cooperation Council- ACC) in 1989, it was widely hoped Egypt could exert its influence in dissuading Saddam

¹⁵⁷ DSAA, *FMS, FMCS and Military Assistance Facts*, pp. 16-17.

¹⁵⁸ Stanley Fischer, Dani Rodrik, and Elias Tuma (editors), *The Economics of Middle East Peace* (Cambridge, Ma.: The MIT Press, 1993), Heba Handoussa and Nemat Shafik, "The Economics of Peace: The Egyptian Case", pp. 24-26.

Hussein in his hegemonic designs.¹⁵⁹ Unfortunately, and in hindsight, predictably, this was never really an option.

By maintaining a state of peace with Israel, Egypt greatly stabilized an extremely volatile region. The stability extended to more than just those two former adversaries. Freed from having to maintain a constant war time alert on their Eastern border, they were able to focus on their Western flank, and internal economic and domestic instabilities. The military aid from the United States helped in solving these problems as well, reducing Cairo's defense expenditures, allowing the integration of the defense industries with their civilian counterparts¹⁶⁰, increasing employment opportunities and freeing up more capital to fund the domestic reform agenda.

By 1984 the country was self sufficient in the production of a wide variety of small arms, mortars, rockets, and ammunition. In 1987, a collaborative agreement was signed with the United States for the domestic manufacture of 550 M1A1 Abrams tanks, the most advanced armored system in the U.S. inventory at the time. Co-produced with General Dynamics Land Systems, this permitted the U.S. production line to remain open, during a period when U.S. domestic production was drawing down.

Additional benefits to Egypt were received after the Gulf War, directly as result of the pivotal role they played, and as an obvious testimony to the community of foreign aid recipients that there were rewards to be gained by sticking with your patron state. In 1991, Egypt was forgiven its \$6.7 billion military debt, and

¹⁵⁹ Muhammad Faour, *The Arab World After Desert Storm* (Washington, D.C.: United States Institute of Peace Press, 1993), pp. 80-83.

¹⁶⁰ Stanley Fischer, Dani Rodrik, and Elias Tuma (editors), *The Economics of Middle East Peace* (Cambridge, Ma.: The MIT Press, 1993), Heba Handoussa and Nemat Shafik, "The Economics of Peace: The Egyptian Case", p.28.

received a commitment for an additional \$2.5 billion military aid package.¹⁶¹ The economic benefits to the United States once again are self evident. This directly translates into additional work for our defense industries, as the funds are grant aid, and are mandated to be spent on U.S. products.

Access - Basing Rights

As with other locations through out the Middle East, the question of rights of access and the ability to project power from forward bases is a topic of major importance. While the United States has had a large training presence in Egypt for almost the past two decades, the population is a transitory one, comprised primarily of contractors, Mobile Training Teams (MTT's), or Technical Assistance Field Teams (TAFT's). Formal agreements for access include the tacit permission to move warships through the Suez Canal; allow port visits to the Port of Alexandria; and overflights and access to airfields in the region with nominal coordination. Basing rights include *Cairo West*, an unnamed airbase jointly shared with Egypt, normally with approximately 100 men deployed on its permanent facilities. It has been used for joint F-15 and E-3a AWACS operations. The other facility is Ras Banas, an airfield providing basing capabilities for C-5 aircraft, and for the unloading and transit of SL-7 and other fast sea lift ships.¹⁶²

Security Assistance to Egypt seems to offer a more balanced relationship than with Saudi Arabia. Both the United States and Egypt visibly stand to benefit from the relationship, and from each of their perspectives the benefit is enormous. Both countries are getting something for nothing. Egypt receives the aid - U.S. receives the benefits associated with having a captive market.

¹⁶¹ American Foreign Policy Council, *Modernizing Foreign Assistance - Resource Management as an Instrument of Foreign Policy* (Westport, Conn.:Praeger, 1992), p. 64.

¹⁶² Anthony H.Cordesman, *Western Strategic Interests In Saudi Arabia*, Table 3-5, p. 68.; Schubert and Kraus, *The Whirlwind War*, p. 15.

Israel

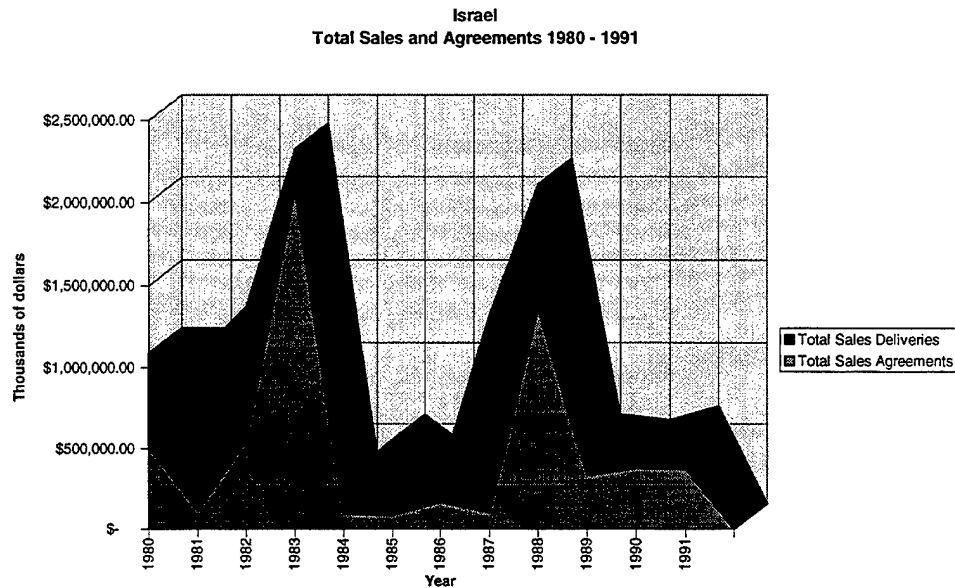


Figure 4-3 Israel - Total Arms Sales and Services, Agreements and Deliveries - 1980 - 1990¹⁶³

Influence and Leverage / Security and Stability

The quest for influence and leverage in Israel, is inextricably intertwined with this nations relentless pursuit, for security and stability. From the very inception of Israel in 1948, the United States has been embroiled in its day to day existence. At certain periods of time more involved than others, but always committed to Israel's well being, often with complete disregard to world opinion.

¹⁶³ Figure 4-3 shows a decrease in arms transfers to Israel beginning in 1988; while this is true, the amount of aid received by Israel increased. The explanation for this discrepancy is straight forward. The Israeli's boast a very robust and well developed defense industrial base, on a par with the west's. By 1989, the Israelis had already purchased all the weapons they desired from the United States, and had basically reached the point of saturation. Due to special dispensation with regard to Israel, they are permitted to receive cash payments of assistance, to be spent in their own country, as opposed to other recipient nations, who are mandated to spend the aid in the United States. This limited the availability of FMS for major procurments from the United States, and delayed large scale implementation of new programs for helicopters and missile patrol

Just prior to the outbreak of the Gulf War, this policy was clearly articulated in the 1989, Department of States, Congressional Presentation for Security Assistance, which said:

*The United States commitment to Israel's security and well being has been a cornerstone of our Middle East policy since the creation of the State of Israel in 1948, in which the U.S. played a key role. Our long standing commitment is based on historic and cultural ties, as well as the U.S. interest in securing a just and comprehensive peace between Israel and its Arab neighbors. President Reagan has repeatedly emphasized that in order for the peace process to succeed, the security and legitimacy of Israel must not be in doubt.*¹⁶⁴

The pursuit for security and stability, often despite public cries to the contrary by Israel, has been as successful as can be expected by a country surrounded by historical, and potential enemies. Through the funding of the United States, coupled with the survival efforts of the country's inhabitants, the Israelis have created a military force, though while quantitatively at a disadvantage, qualitatively has an edge against any potential enemy. Most Israeli leaders recognized the collapse of the Soviet Union and the defeat of Iraq greatly reduced the magnitude of external threat to their country. They do however, almost with a paranoia type fervor, believe this situation is temporary, and could potentially deteriorate by the turn of the century. The fear arises, due to the perception the actual number of possible adversaries is increasing, as technology and political changes bring additional, more distant "Moslem" states into the circle of potential adversaries. They believe that long range missiles and the proliferation of weapons of mass destruction in the Middle East, bode ill for Israeli security and state. Israel must constantly strive to maintain a qualitative edge and quantitative sufficiency in order to be able to defeat any combination of possible opponents.¹⁶⁵ Whether or

boats. See United States Department of State, *Congressional Presentation for Security Assistance Programs - FY 1989*, pp. 194-195.

¹⁶⁴ Ibid.

¹⁶⁵ L. Benjamin Ederington and Michael Mazarr, *Turning Point - The Gulf War and U.S. Military Strategy* (Boulder, Colo.: Westview Press, 1994), p. 215.

not this concern is valid, really does not matter. It will be this continued profession of a collective fear of extinction, that will be used by the Israelis, and their friends in the United States, to continue to garner U.S. Economic and Military Assistance Financing. At the present time, Israel receives more financing (\$3 billion annually) than the 110 countries which make up the geographic regions of the Middle East, Sub-Saharan Africa, South Asia, East Asia and the Pacific, and South America and the Caribbean combined.¹⁶⁶

While the United States had spent almost fifty years providing for the security of Israel, during the prelude to, and in the execution of the Gulf War, was one of the few times during almost five decades, that they demonstrably exerted influence over the Jewish state.¹⁶⁷ Israel had been particularly wary of Iraq since even before the outbreak of the war. On April 2, 1990, Saddam had vowed to burn half of Israel with chemical weapons if Israel launched a preemptive strike against Iraqi weapons production facilities.¹⁶⁸ This anxiety was further increased by a new round of anti-Israeli rhetoric from a meeting of the Arab League in Baghdad, during the May timeframe. When Iraq invaded Kuwait, many Israelis were

¹⁶⁶ United States Department of State, *Congressional Presentation for Foreign Operations - Fiscal Year 1997*, pp. 499-505.

¹⁶⁷ Another example of American attempts to forcefully influence Israel occurred in September 1991, almost seven months after the war. In response to President Bush's desire to capitalize upon the cooperative spirit amongst the Arab members of the coalition, he dispatched Secretary of State Baker on a new round of shuttle diplomacy to try and revive the moribund Arab-Israeli peace talks. After months of efforts to reach a common start point, the countries agreed to meet, having assured the Arab nations, the U.S. was going to be taking a more balanced approach. Just prior to the meeting, the Secretary of State was deflected in his efforts by a row over an application which Israel was preparing to submit to the U.S. for a \$10,000 million loan guarantee, to be used for the resettlement of Soviet Jews. A plan the Arabs feared would mean an increase in the construction of settlements in the Occupied Territories. U.S. asked Israel to delay its application; they refused. President Bush announced if Congress approved it, he would veto it. American commentators could not recall any American president confronting the U.S. Jewish lobby in so direct a fashion. See Mohammed Heikal, *Illusions of Triumph - An Arab View of The Gulf War* (London: Harper Collins, 1993), pp. 417-421.

¹⁶⁸ Peter Hayes, ed. "Chronology 1990." *Foreign Affairs* 70, no. I (1991): p. 226.

skeptical of U.S. resolve in the Middle East - they did not expect the U.S. to act so forcefully against Iraq.¹⁶⁹

As the United States became increasingly determined to reverse the Iraqi aggression, it pressured Israel to keep quiet and allow U.S. coalition-building diplomacy with moderate Arab states to succeed. For the most part the Israelis complied with U.S. wishes, though they found it especially difficult in late summer, when the U.S. announced plans to sell F-15's, Patriot missiles, and M1 tanks to Saudi Arabia¹⁷⁰. Though Israel was also standing to benefit from the increased tension in the region, through promises of increased U.S. economic aid and weapon sales, it was disturbed that the historical ratio of Arab to Israeli assistance was reversed in favor of the Arabs. The forgiving of Egypt's \$6.7 billion debt was especially galling, due to a quirk in U.S. law, the Israeli debt could not be forgiven that year¹⁷¹. As 1990 drew to a close, Israel found it increasingly hard to ignore the threats from Iraq, that if Saddam were attacked by the U.S., he would seek revenge on Israel. On December 5, Israeli foreign minister David Levy, warned that Israel might move to remove the Iraqi threat, if the U.S. failed to do so.¹⁷² Saddam Hussein made good on his threat. In all 41 Scuds were fired

¹⁶⁹ Michael Mazarr, Don M. Snider, and James A. Blackwell, Jr., *Desert Storm - The Gulf War and What We Learned* (Boulder, Colo: Westview Press, 1993), p. 103.

¹⁷⁰ Otto Friedrich, ed. *Desert Storm: The War In The Persian Gulf* (Boston: Little & Brown, 1991), p. 157.

¹⁷¹ The debt could not be forgiven under the Gramm-Rudman-Hollings Act, because Israel was expected to service their debt in 1991, while Egypt who was expected to be unable to service its debt in 1990, was therefore not budgeted on its debt service requirements. Basically since nothing was expected, nothing was really lost, according to the accountants. Egypt benefited from the accounting rules. Israel did receive however receive an unprogrammed \$1 billion for their efforts of "not getting involved". The President was allowed to transfer \$700 million of defense supplies to Israel, and to preposition \$300 million of U.S. defense stockpile in Israel, solely under Israeli control. See American Foreign Policy Council, *Modernizing Foreign Assistance*, pp. 64-65.; and Micah L. Sifry and Christopher Cerf, ed., *The Gulf War Reader - History, Documents, and Opinions* (New York: Random House, 1991), p. 171.

¹⁷² Hayes, *Chronology*, p. 231.

at Israel. Three quarters of those were fired in the first 10 days, causing a great deal of material damage, but relatively few fatalities.¹⁷³

The fact the Israelis did not retaliate was due to several factors, though all directly related to the influence of future military and economic aid. Realizing any retaliatory action by the Israelis, either collective or unilateral on their part, would only serve to splinter the already tenuous relationship of the various members of the coalition, the United States applied tremendous political pressure on the Israeli government both before and during the war. Repeated calls from U.S. State Department, Defense, and Administration officials - as well as calls from President Bush to Prime Minister Yitzhak Shamir- kept up a constant chorus for restraint. Israeli Defense Minister Moshe Arens reportedly spoke to U.S. Secretary of Defense Cheney, sixty times during the war. Indeed, a special communications link, similar to an Israeli-U.S. hotline, was installed for that purpose.¹⁷⁴ As time passed, the Israelis perceived there was much political capital to be gained by restraint. Greater sympathy towards Israeli positions in an Arab-Israeli peace settlement, to say nothing of increased financial assistance in housing Soviet Jewish immigrants, and a forgiveness of outstanding debts, were just a few of the potential rewards.¹⁷⁵

¹⁷³ Most sources give 81 as the total number of Scuds fired. The number of Scuds fired at particular targets is a matter of some dispute, but Israel and Saudi Arabia appear to have been roughly equally targeted. Author's numbers are taken from a compilation of sources, including Mazarr, Snyder, and Blackwell, *Desert Storm*, p. 105; R.A. Mason, "The Air War in the Gulf," *Survival* 33, no. 3 (May-June 1991), pp. 211-229; Department of the Navy, "The United States Navy in 'Desert Shield' 'Desert Storm'." Office of the CNO, May 15, 1991; and McPeak, "The Air Campaign: Part of the Combined Arms Operation."

¹⁷⁴ Friedrich, *Desert Storm*, p. 161

¹⁷⁵ Operational constraints also served to restrain Israeli desires to strike back, despite all of their claims to the contrary. Information exchanges during the "Scud Hunts" must have revealed the U.S. was doing much of what Israel allegedly had planned. It would be unacceptable, for example, to have both coalition and Israeli special operation forces roaming around the Iraqi desert, even if Israel had been able to solve their logistic problems. Separate air forces performing the same mission would be equally unacceptable. The United States may also have discouraged the Israeli involvement by refusing to reveal the IFF (Identification Friend or Foe) codes being used by coalition aircraft. Unless the Israelis were given those codes, if they had flown into Iraqi airspace, their aircraft would have become targets in the integrated allied air surveillance system

Another ameliorating factor was that shortly after the attacks began, the United States provided additional Patriot missile batteries to Israel on top of the sets that had been sold to them before the war. Two Patriot batteries, with U.S. crews arrived in Israel from Germany on 19 January. These missiles were equipped with advanced PAC-2 software, which made the Patriots allegedly more effective against Iraqi ballistic missiles. Israel's own Patriots were optimized for use against aircraft. Additionally, the presence of U.S. servicemen, for the first time serving on Israeli soil, served to illustrate the U.S. commitment to Israel's security despite the circumstances of the moment, which required close cooperation with Arab militaries.¹⁷⁶

Economic Benefits

Moshe Syrquin of Bar-Ilan University has argued with respect to Israel that aid "permitted inefficiencies to go on, reforms to be postponed, and eventually generated additional aid requirements."¹⁷⁷ He further theorizes, aid flows to Middle Eastern countries would not have been the same in the absence of conflict. Without the Arab-Israeli conflict, aid to the Levant would have been similar to the results of aid packages to other regions, due to the fact the majority of the countries in the region are poor and they are following plans for economic reform, as in Eastern Europe. The Middle East hardly qualifies for aid on either of those scores. Using data published by the World Bank on "official development assistance" *which excludes military aid*, in 1989 the per capita aid average worldwide came to \$8.70. During the same period, Egypt received \$31 ; Jordan, \$72; and Israel \$264 per capita. By contrast, the much poorer states of

¹⁷⁶ Schubert and Kraus, *The Whirlwind War*, pp. 236-250.

¹⁷⁷ Shai Feldman and Ariel Levite, *Arms Control & the New Middle East Security Environment* (Boulder, Colo:Westview Press, 1994.), p. 129. For additional information see: World Bank, *World Development Report 1991*, p. 48. That page is devoted to a debate about whether aid has a positive or negative effect on growth. The main arguments for aid refer to the financing of specific projects, not policy reforms.

South Asia received \$5.40 per person, and Sub-Saharan Africa received \$27.70 in aid per capita.¹⁷⁸

The economic benefits clearly favor the recipient in the case of Israel. Unlike Saudi Arabia and Egypt, who purchase either primarily or solely from the United States, Israel receives the money and then puts it into its own economy as much as possible. At times the United States actually gives money to Israel to assist in the development of a system, then once it has been completed, will pay additional funds to acquire the item.

Rhetoric, as to the strategic or economic benefit of Israel to the United States, continues ad nauseum. Why this small country wields so much influence over the United States can be discussed at length, however the fact that it does exert so much influence over U.S. security policy cannot be debated.

¹⁷⁸ Ibid. To be fair however, the world's total is low because China and India receive aid equal to \$2.00 and \$2.30 per capita respectively. The world average without China and India is \$14.40 per capita.

Jordan

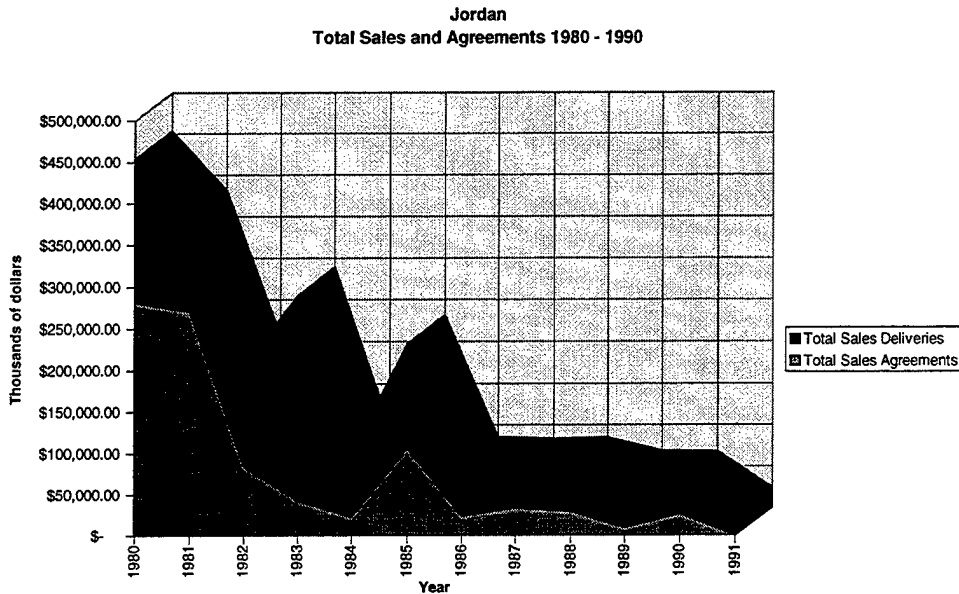


Figure 4-4 Jordan - Total Arms Sales and Services,
Agreements and Deliveries 1980 - 1990¹⁷⁹

Security and Stability

Before the Gulf War, most observers considered it a tribute to King Hussein's wisdom and skill as a statesman that he had survived for so long. At the conclusion of the Gulf War, anyone who had doubted his possession of those two traits, no longer was in doubt. Despite the fact he supported Iraq more openly than any other Arab country aside from Yemen, and had antagonized his traditional supporters both in the GCC and the West; despite the fact his country had become a major dumping ground for the now homeless, fleeing, Palestinians; King Hussein emerged from the conflict with his country and monarchy intact, and perhaps even stronger than when he entered, if by nothing else than the fact

¹⁷⁹ DSAA, *Fiscal Year Series- As of 30 September 1995*, p. 106.

the despot most threatening to his Kingdom's security and stability had been defeated.

Before the conflict began, King Hussein wagered the wounds with his former allies would heal, because he, and Jordan, are simply too important strategically, to be dismissed from the equation. Both Israel and the United States see Jordan's role as a key buffer state in the region, critical to Israel's precarious security situation. Without a security arrangement with Jordan, Israel could never hope to solve the tenuous Palestinian situation by other than even more oppressive tactics, let alone address the issue of the formation of an independent Palestinian state. His very handling of the Gulf War earned him tremendous support at home from his Palestinian majority population. The domestic management of these volatile constituents is never far from his mind. He clearly recognized that nothing the west could offer would assist him in stabilizing his homefront. Jordan knew regardless of the outcome they could return to the Western fold at the termination of hostilities. King Hussein's actions represented a novel approach to crisis rarely seen in the West, and perhaps an approach only able to be taken by monarchs - a long term view of a situation.

Economic Benefits

Although Jordan was neither the site of battles, nor an active party to the conflict, the impact of the Gulf War on Jordan was exceeded only by its effects on Iraq and Kuwait. The nature of its economy, the composition of its population, and its geopolitical status, made Jordan particularly vulnerable. A small country with relatively few resources, the majority of what they had having been lost in the 1967 Arab-Israeli War, Jordan possesses a large population of Palestinians, and is surrounded by neighbors who are much stronger and potentially expansionistic. Prior to August 2, 1990, one of those stronger and expansionistic neighbors, Iraq, happened to also be their largest trading partner.

Why then would this country, a country with a history of cordial relations with the United States; a country who had trained over 6,167 officers and non-commissioned officers in the United States;¹⁸⁰ a country who had received over \$1.2 billion of military aid from the same, why would they choose, when put to the test, to go against their patron? Why? For all the aforementioned reasons.

Prior to the Gulf War, the Jordanian economy was in poor condition, suffering from a decline in remittances and a large foreign debt. According to the International Monetary Fund (IMF), the balance of payments current account for 1989 showed a deficit of \$82 million, which widened to \$754 million in 1990¹⁸¹. As Jordan's principal prewar trading partner, supplying it with over 80 per cent of its petroleum products at a reduced rate, and purchasing over 23 per cent of its exports, the Iraqis had a significant impact on day to day life. Moreover, Iraqi trade had remained constant over the years, while other sources of aid had decreased. From 1979-1983 for example OPEC aid to Jordan decreased 41%, from \$ 1,008 million a year, to \$ 691 million a year.¹⁸² During the period 1981-1989, with the exception of one year (1985), U.S. aid to Jordan decreased on a steady glide path, going from \$281 million in 1980 to "only" 10 million in 1989.¹⁸³

This attitude towards Jordan, was reflected nowhere more clearly than in the Department of States, *FY 89 Congressional Presentation for Security Assistance Programs* where it stated:

*The FY 89 security assistance funding levels provide the **minimal** [emphasis added] resources needed to support U.S. interests in Jordan. Our military assistance levels have shrunk to a point where there is a negative cash flow from Jordan to service a large FMS debt from previous years. The proposed FY 1989 program will meet **minimal***

¹⁸⁰ Ibid, p. 107.

¹⁸¹ Reported by The Economist Intelligence Unit, *Jordan, Country Report*, no. 1 (1992): pp. 21-22.

¹⁸² Cordesman, *Western Strategic Interests In Saudi Arabia*, p. 48.

¹⁸³ DSAA, *Fiscal Year Series - As of 30 September 1995*, p. 106.

*sustainment requirements of U.S. equipment in the Jordanian inventory, permit essential upgrades of equipment already in the Jordanian inventory, and finance the purchase of a limited quantity of urgently needed items.*¹⁸⁴

The Jordanians could read the writing in the book. When the time came for them to make their choice, the choice was relatively simple - there was no choice.

¹⁸⁴ DOS, *Congressional Presentation For Security Assistance Programs FY 89*, p. 207.

Summary

An examination of the case study results clearly highlights the impact of security assistance on the four recipient nation's actions before, during, and after the Gulf War. While the degree of success in achieving the five core goals of security assistance varied with respect to the individual country, none the less, the goals were successfully achieved in three out of four of the cases. The conclusion that can safely be reached is that even in the post Cold War period, Security Assistance is an especially effective tool of foreign policy. The question that now needs to be asked is, "Why does it appear to not have worked in the case of Jordan?" The answer can once again be found in the theory of why nations form alliances in the first place.

Alliances are most commonly viewed as a response to threats. As previously discussed in Chapter 3, when entering an alliance, states may either choose to *balance* (ally in opposition to the principal source of danger) or *bandwagon* (ally with the state that poses the major threat.)¹⁸⁵ In this particular instance, Jordan elected to bandwagon with Iraq; not in the hope of sharing the spoils of victory, but in an attempt to avoid an attack on themselves. In hindsight, this should have been predictable. No amount of military aid was going to allow Jordan to reach a balancing position with regard to Iraq.

With further analysis, an argument can actually be made, security assistance to Jordan was indeed quite effective. Even though the country did not actively support the United States and the Coalition, neither did it actively oppose it. Jordan, in fact, continued to perform the very role which guaranteed its receipt of military aid in the first place - serving as a "buffer state". While ideally a more active level of participation may have been initially desired, in retrospect perhaps an even more passive role would have been also beneficial. By not actively

¹⁸⁵ Stephen M. Walt, "Alliance Formation and the Balance of World Power", *International Security*, Spring 1985, vol. 9, no. 4. p. 4; and, Kenneth Waltz, *Theory of International Politics*, pp. 125-126.

engaging Iraq, Jordan stabilized one potential battlefield, thereby creating a pocket of stability in at least part of the region. Furthermore, based upon the disparity between Jordan's and the other three countries' security assistance endowments, it can be convincingly argued (stripping away the emotional trappings the United States places on being a "team player"), the U.S. got exactly what it paid for.

The conclusion that needs to be drawn from this study, and what gives it global applicability, is perhaps so self evident, it is often overlooked. An effective alliance cannot be guaranteed merely by bribery. Members must have a common interest or goal, in order for the relationship to survive. If the goals or rationales are compatible however, the alliance will most assuredly be strengthened by an influx of Security Assistance

Chapter Six Taking Stock of the U.S. Security Assistance Program

The clear and present dangers of the Cold War made the need for national security commitments and expenditures obvious to the American people. Today the task of mobilizing public support for national security priorities has become more complicated. The complex array of new dangers, opportunities and responsibilities outlined in this [the National] strategy come at a moment in our history when Americans are preoccupied with domestic concerns and when budgetary constraints are tighter than at any point in the last half century. Yet, in a more integrated and interdependent world, we simply cannot be successful in advancing our interests – political, military, and economic – without active engagement in world affairs.¹⁸⁶

The question I posed in the beginning of this paper was whether or not, at this present juncture in history, the United States was optimizing its limited resources, by maintaining such a high level of expenditure on Security Assistance. During this time of limited resources, military draw downs, and the diminished threat of conflict with an adversary possessing America's modern war fighting equipment or level of tactical skill, could not the United States, make more effective use of its funds?

In the above passage, President Clinton very eloquently summarizes the case for U.S. involvement in world affairs, or for engagement, as the current terminology calls for. Despite the trials and tribulations presently facing America, as a nation it needs to continue to focus beyond its borders, should it ever hope to be successful in the future. It needs to become actively "engaged".

But is becoming more actively engaged the course of action America truly wants, or truly needs to pursue - at least in the purist definition of the term. Since the beginning of the Republic, American's have sought to remain distant, aloof, apart from the rest of the world; safe and secure behind the two oceans which afford it

¹⁸⁶ William J. Clinton, *A National Security Strategy of Engagement and Enlargement*, p. 45.

so much protection. The founding fathers professed a desire to be isolated, and despite periodically sallying forth to do battle when excessively provoked, for almost 160 years, that is what the nation managed to do; not become actively engaged. It was indeed the policy of choice. Times have changed however. The world is much more difficult to escape from than it was in Jefferson's time, and it is arguable, that even should the Nation want to revive the spirit of isolationism, not only is it not practical in modern times, but nigh on impossible. The problem facing the United States today, therefore, is not whether it will be engaged, but to what level should it be engaged.

As this paper has shown, throughout modern history, the United States has used Security Assistance as one of the principal tools of its foreign policy. As a tool, it was especially effective in the bipolar world. Through the effective use of military aid and training, coupled with their own inherent military and economic might, the U.S. won the Cold War, without ever becoming decisively engaged. While it could be argued, having over a half a million servicemen and women stationed overseas throughout this period represents a fairly significant level of engagement, by the strictest military definition of the term, we never became actively "engaged" in conflict. Instead, supported by U.S. financing, regional actors shouldered part of the burden, and assisted in winning the war. It was a victorious combination. But then suddenly, there was no more Cold War.

Yet Security Assistance continued. There was no review of the overall policy's effectiveness. Funding levels have remained relatively constant. Recipient states weren't going to question their stipend from Uncle Sam. If the money faucet got turned off, they would, after all, have to finance their own defense budget. Defense contractors weren't going to beg a review of the policy. It was their bread and butter. Politicians, anxious to support their working constituents, lobbyists, and PAC's, were inclined to get more upset if the funds weren't increased periodically. But the question needed to be asked. Was the United

States getting its money's worth out of its Security Assistance Program? This is the question this paper has strived to answer.

The first question facing the "new world order" policy makers was, would the core rationales that fostered Security Assistance throughout the periods of "deterrence" and "containment", be as applicable in the Post Cold War era. Operation Desert Storm provided an excellent vehicle to attempt to answer that inquiry. The participants in the War, represented a wide variety of security assistance recipients; all were faced with the choice of either supporting their supplier or not; against a mutual enemy who had been globally condemned, the results were hardly surprising. As international relations theory would predict, states responded in accord with what was in their best national interest. While this may seem to be to the reader as simply "a keen sense of the obvious", the result is actually very important. Even in the Post Cold War era, the effectiveness of security assistance as a foreign policy tool remains.

But there is another lesson to be learned as well. In order for the United States to successfully accomplish any or all of the core rationales by which we promote the policy of security assistance, it is essential that the recipient nation and the United States have compatible national interests. Simply giving massive amounts of aid or authorizing large quantities of indiscriminate weapons sales, does not guarantee the successful accomplishment of any of the desired goals. The other fact that must be highlighted is that not all the goals will be equally applicable in every recipient's case. There may be no economic benefit in providing aid to one country, yet it may promote stability in the region, and perhaps minimize the need for the deployment of U.S. forces at some point in the future. In another instance, it may be impossible ever to gain access or basing rights, but the purchase of equipment will bring economic benefit to the U.S., or perhaps provide leverage on foreign policy decisions in the region. Dependence is not the solution, interdependence is. By clearly understanding the recipient nation's

needs and the supplier nation's goals, policy makers today, can just as deftly wield the Security Assistance tool as they did in the past.

Security Assistance is as, if not more, effective today than it was ever in the past. Unhurried in the need to develop hasty international alliances due to the absence of any competing threat, Washington can carefully craft relationships through aid packages, that will assist the United States in the most important national security decision facing policy makers today - the selection of where, and to what degree to become engaged. If engagement is to be our charter, Security Assistance should be the nation's principal means of engagement.

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