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# **COMMITMENT TO FREEDOM**

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## **SECURITY ASSISTANCE AS A U.S. POLICY INSTRUMENT IN THE THIRD WORLD**

A paper by the  
Regional Conflict Working Group  
submitted to the  
Commission on Integrated Long-Term  
Strategy

May 1988

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The Working Group on Regional Conflict is pleased to present to the Commission on Integrated Long-Term Strategy our paper *Commitment to Freedom: Security Assistance as a U.S. Policy Instrument in the Third World*.

The paper is a product of almost one year of research, analysis, and drafting by Working Group members. It provides more comprehensive and detailed information in support of the Commission's report, *Discriminate Deterrence*, which made substantial use of our preliminary findings and conclusions. The paper, however, is the responsibility of its authors, and the Commission does not necessarily subscribe to all of its details. Our Working Group will also provide to the Commission our main report, *Supporting U.S. Strategy for Third World Conflict*.

We are indebted to the Institute for National Strategic Studies of the National Defense University which hosted a three day workshop on Security Assistance. It was from the discussions at that workshop that much of this paper is drawn.

The lead authors of the Working Group paper are David Blair and myself. Contributing authors include John Keeley and Paul Mahlstedt. Other members of the Regional Conflict Working Group are listed on the inside back cover.

Paul F. Gorman  
Chairman  
Regional Conflict Working Group

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## **Main Points**

The Commission on Integrated Long-Term Strategy observed that "nearly all the armed conflicts of the past forty years have occurred in what is vaguely referred to as the Third World: the diverse countries of Asia, the Middle East, Africa, Latin America, and the Eastern Caribbean. In the same period, all the wars in which the United States was involved--either directly with its combat forces or indirectly with military assistance--occurred in the Third World. Given future trends in the diffusion of technology and military power, the United States needs a clear understanding of its interests and military role in these regions." Calling for a "national consensus on both means and ends" to protect our national interests in the Third World, the Commission identified security assistance as the most important means to preserve free peoples against violence that could "imperil a fledgling democracy (as in El Salvador), increase pressures for large-scale migration to the United States (as in Central American wars), jeopardize important American bases (as in the Philippines), threaten vital sea lanes (as in the Persian Gulf), or provide strategic opportunities for the Soviet Union and its proxies."

The security assistance programs of the United States--referring to funds, goods, or services this country sent overseas to bolster the security of a friend or ally--have underwritten American foreign policy for 40 years, and are regarded worldwide as tangible evidence of American commitment to national independence and peaceful development. The Marshall Plan, which Winston Churchill characterized as "the most unsordid act in all of human history," extended a broad range of assistance to nations struggling to recover from the trauma of World War II. Every U.S. Administration since then has pursued a strategy of providing combined economic and security assistance to help nations of the Third World help themselves.

The needs of the recipients of our aid have changed less over time than we who have given it. In the years since the wars in Southeast Asia, the government of the United States has adopted legislation, policy, and procedures that have severely limited the flexibility and utility of its security assistance. While U.S. military aid served Presidents Truman, Eisenhower, Kennedy, and Johnson as a mainstay of policy, Presidents Nixon, Ford, Carter, and Reagan were increasingly constrained in its use. The next President will find that instrument a weak reed, less a pillar of national strength for supporting strategy in

a violent and changing world than a wand-like symbol of domestic political sentiments and alignments, so encumbered with legal and administrative tendrils as to deprive it of credibility either here or abroad.

The United States is likely to suffer grievous setbacks unless future Presidents are provided with improved means for protecting U.S. interests in the Third World. Current security assistance programs, variously legislated as Economic Support, Military Assistance, Foreign Military Sales Credits, or International Military Education and Training, are seriously underfunded for pursuing an integrated, long-term strategy and too micromanaged by Congress to enable any Administration to deal with crises.

The strategy advocated by the Commission requires that the 101st Congress provide more security assistance funds with fewer restrictions. Also, it must legislate 12 basic reforms of security assistance methods and means:

- Provide multiyear appropriations.
- Appropriate more funds for foreign aid and reallocate funds among aid claimants to provide more for developing nations threatened by low intensity conflict. It should recategorize such nations so that they may be treated in budget actions separately from Israel, Egypt, and the base rights countries.
- The current security assistance pricing system, based on no monetary loss, must be scrapped in favor of pricing based on strategic gain. If Government accountants cannot dispense with surcharges for non-recurring costs and program administration, then DoD should pay these as a "cost of doing business". Congress should authorize a LIC (low intensity conflict) catalog establishing favorable, fixed prices for U.S. goods and services for especially threatened developing nations.
- U.S. law should permit, even encourage, more liberal leasing rather than purchase of major equipment.
- Laws should provide security assistance recipients the opportunity to claim a trade-in allowance for worn-out or damaged equipment. Further, the damaged or worn-out equipment should be replaced at once.
- Security Assistance Offices for Third World countries should be reconstituted, and laws and policies should provide U.S. Ambassadors and the regional Commanders-in-Chief (CINCs) with personnel capable of discharging

planning and representational responsibilities, as well as administering security assistance. DoD should revamp its methods of fielding trainers and technicians in the Third World to provide better for teamwork and continuity.

- The CINCs must be more thoroughly involved with security assistance planning and operations, and with explaining and defending the program within the Executive Branch, with Congress, and with the public.
- DoD training exercises should be used to help allies and friends in the Third World.
- Congress must forego the conditionality that cripples International Military Education and Training (IMET) for potential leaders in Third World nations.
- Congress should lift the prohibition on security assistance for police training.
- The United States should tailor improved support for countries fighting insurgency.
- Congress should authorize use of security assistance funds for procurement of foreign-manufactured equipment.

The implementation of any of the foregoing reforms will require extraordinary political leadership. But without such reforms, our richer, more capable allies and friends will not be encouraged to invest more of their resources in assistance programs in the developing world, in support of common interests; the United States will not invest systematically in the research and development of technologies responsive to the foreseeable security requirements of Third World friends and allies; and U.S. Ambassadors and CINCs will continue to be frustrated by the tangle of security assistance laws and regulations that enmesh strategy, rather than support it.

The security assistance system--including all responsible departments and agencies in the executive branch, and the many oversight committees and staffs in the legislative branch--is quite unlikely to reform itself. In fact, aspects of the system that are dysfunctional for U.S. strategy among developing nations are now embedded in the bureaucracy that administers the system. Reform will require a painful realignment not only within that bureaucracy, but also within all Government departments and agencies concerned with the formulation and execution of foreign policy and national strategy. Hence, the Secretary of State, through his Assistant Secretaries in charge of Third World

regions, should provide the interagency leadership to reinstate security assistance as a powerful instrument of policy, and to integrate it with other elements of our national strength.

# I

## A BLUNTED INSTRUMENT

### U.S. Military Aid in Strategic Perspective

The recent Report of the bipartisan Commission on Integrated Long-Term Strategy, **Discriminate Deterrence**, warned that "U.S. economic and security assistance--the foreign aid programs to assist U.S. friends and allies in reducing the underlying causes of instability--have proven inadequate and inflexible." Knowing how slowly U.S. strategic concepts, weapons systems, arms control arrangements, and force structures evolve, the Commissioners advocated beginning now to improve strategic instruments for national security and the conduct of foreign policy. Prominent among the changes the Commission proposed were revisions in the kind and amount of aid furnished to governments of developing nations. The Commission had in mind not only aid of the sort now underwritten by the Foreign Assistance Act of 1961, but also other forms of help, particularly combined training with U.S. forces, U.S. intelligence support, and U.S. promotion of security cooperation by other friends and allies.<sup>1</sup>

The United States will require revised legislation to enable Presidents in the first decade of the 21st Century to employ such assistance effectively in an era when the emergence of major new actors on the world stage and new forms of security threats will have invalidated many of the assumptions upon which current laws--and current strategy--have been predicated.

This paper, one of the supporting analyses requested by the Commission, describes past and present programs of U.S. security assistance and presents recommendations for more efficient and effective aid.

#### A. THE PAST: BIPARTISAN CONTINUITY

The United States has passed through six phases in its financial and security relationships with other nations:

**18th and 19th Centuries.** The statuary of Lafayette Park, which commemorates European soldiers who helped Americans to win independence, is a reminder of what the U.S. Founders owed to foreign military assistance. For most of the 18th and 19th centuries, the basis for American foreign policy and military strategy--for example, the Monroe Doctrine--was the reality of British naval power. Our attention was inward, and our interests abroad were mainly in free trade and attracting investment: the United States was a net borrower, much of the territorial expansion and economic growth of our first century was funded by Europeans.

**World War I and Aftermath.** France and Great Britain borrowed heavily in the United States, and we became a creditor nation. During the 1920s and 1930s, isolationists resolved to remain aloof from the deadly quarrels of Europe, and often made common-cause with those who saw foreign policy in banking terms, demanding repayment of "hard-loans" to Europeans.

**World War II.** The early successes of Germany and Italy in World War II spelled the end of isolationism, and led Congress, in March 1941, to authorize "lend-lease": the President could transfer munitions and other military materiel to any government whose survival he deemed strategically vital. The stratagem of "lending" overcame domestic resistance to setting aside the Congressional embargo on monetary loans, and over the next 4 years President Roosevelt sent some \$49 billion worth of such aid overseas.

**1946-1960.** U.S. strategy of containment of the Soviet Union, adopted after World War II, was implemented through aid focused on reviving Europe's economic vigor, through forward-deployed U.S. forces in Europe and East Asia, and through large-scale U.S. economic and military assistance. Allies joined in interlocking alliances around the Eurasian rimland: NATO, CENTO, SEATO. We negotiated bilateral mutual defense pacts with the Republic of Korea, Japan, the Republic of China, and the Republic of the Philippines. Congress, in the Mutual Defense Assistance Act of 1949, the Mutual Security Act of 1951, and the Mutual Security Act of 1954 prescribed ways and means of administering the Mutual Security Program, which made this country the bulwark of the Free World against Communist expansion.

**1961-1968.** The Administrations of Presidents Kennedy and Johnson sought to amplify the concept of containment through ambitious programs of economic and security assistance targeted on the Third World--for example, strategic emphasis on

counterinsurgency. President Kennedy, in asking Congress for the legislation that became the Foreign Assistance Act of 1961, stated that "The fundamental task of our foreign aid program in the 1960s is not negatively to fight communism: its fundamental task is to help make a historical demonstration that in the twentieth century, as in the nineteenth--in the southern half of the globe as in the north--economic growth and political democracy can go hand in hand..." But the outpouring of American blood and treasure for the prolonged war in Vietnam led ultimately to rejection of that demonstration by the electorate.

**1968-1987.** U.S. withdrawal from Southeast Asia, Arab aggression against Israel, and the world's oil crisis transformed U.S. foreign aid. The lofty objectives of the previous decade gave way to narrower purposes: shoring up the Republic of Vietnam while it still had a chance of survival, securing Israel (which meant, ultimately, securing Egypt as well), selling military goods and services to oil-rich allies such as the Shah of Iran, and preserving U.S. overseas bases and enroute access to strategic zones on the perimeter of Eurasia.

This stark summary belies the continuity in American strategy over time. All Presidents since World War II, Republican or Democrat, have operated in the Third World from similar strategic premises. All have pursued, as an essential part of national strategy, combined economic and security assistance programs. For example, the Kennedy Administration's seeming shift in strategy in 1961 was quite consistent with recommendations advanced toward the end of the Eisenhower Administration by bipartisan commissions, committees, and study groups seeking an integrated, long-term strategy.

Consider the strategic posture of the United States 30 years ago: a two-term, Republican President was about to leave office. A profound change in U.S.-Soviet relations was portended by the U.S.S.R.'s demonstration of mastery of nuclear and space technologies. There was a sea-change underway in U.S. strategy: 1958 was the year in which the Navy mothballed the last of its battleships, and sailed a nuclear submarine under the polar icecap for the first time; the year in which the Air Force laid up the B-36, the last of its propeller-driven strategic bombers, and started development of its second-generation ICBM; the year in which the Army retired its high altitude air defense guns, and launched a satellite into space. It was the year in which the Joint Staff came into being, and the Strategic Army Command was formed, in line with the recommendations of the Gaither Committee in 1957 that the nation ought to improve its preparedness for future "local wars" perceived to be probable in the Middle East and Asia.

1958 was also the year in which President Eisenhower sent U.S. military forces into Lebanon to forestall its loss of independence through calculated overthrow of its democracy through propaganda, terror, and arms and funds for dissident minorities. As Secretary of State Dulles expressed it, such "indirect aggression" was inimical to U.S. security, for if it were tolerated "as a legitimate means of promoting international policy, small nations would be doomed, and the world would become one of constant chaos, if not war."<sup>2</sup>

In 1958, the "Rockefeller Report" on U.S. defense policy identified such "concealed wars" as one of the most serious strategic challenges facing the nation:

These conflicts raise issues with which in terms of our preconceptions and the structure of our forces we are least prepared to deal. The gradual subversion of a government by concealed foreign penetration is difficult to deal with from the outside, even though the fate of millions may depend upon it. Our security and that of the rest of the non-Communist world will hinge importantly on our willingness to support friendly governments in situations which fit neither the soldier's classic concept of war nor the diplomat's traditional concept of aggression.<sup>3</sup>

In 1958 and 1959, a Presidential Committee under William H. Draper reevaluated U.S. foreign aid programs and recommended coupling economic aid with increased assistance for the internal defense of developing nations and with broadened use of local military resources not for security alone, but for education, minor engineering, and other community services.<sup>4</sup> In 1960, Senator Fulbright sponsored Congressional publication of a study which strongly endorsed recommendations of the Draper Committee for integrating various forms of U.S. foreign aid as a strategic instrument.<sup>5</sup> In 1961, President Kennedy not only undertook dramatic uplifts for Third World economies--such as the Alliance for Progress in Latin America--but also directed formation of the U.S. Strike Command (USSTRICOM) to train unified forces for rapid deployment into local wars.<sup>6</sup> In 1963, he directed reorganization of the Caribbean Command into the U.S. Southern Command (USSOUTHCOM), with higher rank and broader regional responsibilities for its commander, and assigned to the Commander-in-Chief of USSTRICOM responsibilities for U.S. military undertakings in the Middle East, Africa, and South Asia.<sup>7</sup>

In retrospect, the strategic analyses and structural responses of 30 years ago have proved basically sound. If anything, they underestimated the implications for the U.S. of impending violence in the Third World. To be sure, in the 1960s the United States responded maladroitly to the crises in Southeast Asia, overestimating our own capabilities, and underestimating those of our enemies. We misapplied our military power, acting indecisively in North Vietnam and imprudently in South Vietnam. Retrenchment was a

sensible course. President Nixon's "Guam Doctrine", that the United States would help other nations help themselves, returned to the previous emphasis on economic and security assistance as the mainstays of U.S. strategy among the less developed nations

However, the United States overreacted in the 1970s: we not only eliminated the military commands deployed to prosecute the war in Southeast Asia, but also slashed economic and security aid funds for Asia, Latin America, and Africa, curtailed the number of U.S. personnel deployed in those countries, cut back on numbers of foreign military leaders trained in the United States, abolished USSTRICOM, and severely curbed USSOUTHCOM.

We should not have misread the operational lessons of the 1960s as requiring abandonment of U.S. interests, friends, and allies in the Third World, for we did not really have the option of pulling back. Our principal strategic competitors, the Soviets, pressed in wherever they perceived strategic opportunity. Voracious forces at work among developing societies--the indigenous destabilizing factors of overpopulation, of social, economic, and political rigidities, of radical nationalism and militant sectarianism, and of ethnic and religious prejudice, aided and abetted by the Soviets and their East European and Cuban surrogates--inevitably continued to challenge U.S. security interests. The Yom Kippur War of 1973, and other events in the Middle East, has eventuated in virtually continuous deployment of U.S. land forces in the Sinai. The fall of the Shah in Iran, the Soviet invasion of Afghanistan, the militarization of Nicaragua--each strategic circumstance elicited a specific response from the United States that revalidated the soundness of our remaining strategically involved, and of seeking to influence events to our advantage. The formation of the Rapid Deployment Joint Task Force by the Carter Administration in 1979 and its stationing of carrier battle groups off the Arabian Peninsula was logically consistent with the strategy this nation has been pursuing in Southwest Asia since the 1950s. The Reagan Administration acted with similar consistency in bolstering the U.S. Southern Command and forming the U.S. Central Command, the U.S. Special Operations Command, and the U.S. Transportation Command.

In some respects, however, our Presidents have been outmaneuvered by the U.S.S.R. Soviet influence among the developing nations has become pervasive, its growth as marked as the decline of influence of the United States. Some strategists have seen in the Soviet's thrust into the Third World during the 1970s and 1980s one measure of the success of the United States and its allies in deterring a test of arms for control of free nations in the Northern Hemisphere. According to this view, strong defenses against

conventional or nuclear attack channeled Soviet aggressiveness into the Southern Hemisphere, and compelled not only them and their allies, but also other antagonists of the United States--for instance, the Syrians and the Iranians--to resort to forms of violence that entail lower risk and cost. Whatever the reason, threats to U.S. security interests from sabotage, terrorism, and insurgency--low intensity conflict--have mounted as the influence of the Soviet Union and its "fraternal nations" has increased.

The following are some indices of the strategic realignment in the Third World:<sup>8</sup>

- As the United States withdrew its personnel, the numbers of the Soviets and their surrogates increased dramatically in all categories. The U.S.S.R. now has 30 times more military advisors and trainers than the United States in the Third World.
- Over the last two decades, the United States has cut back its training programs for Third World military personnel by two-thirds. In the same period, the Soviets trebled theirs, and now train almost twice as many as does the United States.
- Soviet aid has increased as dramatically as U.S. aid has decreased. In dollar terms, Soviet aid for Third World countries is now 5 times greater than that of the United States. Soviet tanks, attack helicopters, artillery, and other equipment have been shipped throughout the Middle East, Africa, Latin America, and Asia.

These data suggest that sometime in the 1970s, strategists of the U.S.S.R., seeing the United States in the after-shock of Vietnam and Watergate and perhaps encouraged by the War Powers Resolution and the Clark Amendment to believe that the United States did not intend to contest a more aggressive policy in the Third World, launched a vigorous effort to suborn developing countries in Asia, Africa, and Latin America. Like their war materiel, their undertakings were initially clumsy and trouble-prone; but they retrofitted in service, and, in time, their overseas operations became quite serviceable.

In the long term, it is the numbers of Third World youth trained in the socialist homeland that will pose the greatest threat to U.S. interests. The Soviet program reflects strong determination to gain and maintain influence with prospective Third World leaders. Whatever their rhetoric, the U.S.S.R. and its client states behave as though they are deeply committed to future political violence, and are determinedly preparing to foment, to augment, to support, or to capitalize upon it. The Soviet Union and Cuba, in particular,

continue to train, year by year, thousands of young men and women from Third World nations for terrorism, insurgency, and subversion.

On the one hand, the Soviets have managed low intensity conflict better than the United States. They have often opted for maritime basing, using barges and portable piers instead of building elaborate fixed facilities ashore. Inside a developing country, they prefer to work low profile, preferably at the top. Their hand is often hidden, or clad in the velvet of humanitarian aid. They are particularly adroit at installing their own or proxy systems for command, communications, and intelligence. They have an effective coalition strategy; their use of "fraternal nations" has been masterful. While their political and economic doctrines are patently vapid, and while association with them seems to offer to any Third World country only subjugation to a new, more oppressive form of imperialism, they probably consider it strategically significant that the number of Marxist-Leninist states in the Third World has grown, and that now a Cuba-like Nicaragua is on the same continent with the United States.

On the other hand, however, U.S. influence in the Third World has not declined proportionate to the reduction in our overseas presence or aid, or the increase in Soviet and Soviet-related undertakings. To the contrary, the U.S.S.R has often been confounded in their strategic designs by the admiration of many in the Third World for the United States as a political and economic model, and by appreciation for U.S. support for national independence and human rights. The Soviets and their clients have suffered serious strategic reverses, and recently--in Afghanistan, Ethiopia, Angola, and Central America--even military setbacks. Democracy and free-enterprise continue to attract more support, by far, than the state-socialism and militarism offered by the communist powers.

## **B. THE PRESENT: STRATEGIC CRISIS**

Modification of Department of Defense command structures, or the redeployment of naval forces, is an inadequate strategic response to challenges to U.S. security interests in developing nations. U.S. strategy for meeting these challenges requires the use of all our strengths: diplomatic, economic, and informational, as well as military strength. It often requires of our military forces forms of support for which they are not well structured, equipped or trained. And, most important, it depends upon security assistance.

In 1983, Secretary of State Shultz convened a bipartisan Commission chaired by Frank Carlucci, who had just left office as Deputy Secretary of Defense, to reexamine the U.S. foreign aid program. That Carlucci Commission noted that foreign aid was declining in real terms (overall expenditures in the previous 5 years averaged 21 percent below those of the previous decade) and that military assistance had been falling off at a disproportionately higher rate than economic aid. It judged this imbalance deleterious to our foreign policy objectives and to national security, and called both for more funds and for reform of foreign aid planning and administration:

...The current fragmentation of program policy, design, implementation and evaluation is detrimental to both effectiveness and public support. The future effectiveness of the mutual assistance program rests on the concept that security and growth are mutually reinforcing and that both are fundamental to the advancement of U.S. interests. This truth is best illustrated by two regions that loom large in our future: the Caribbean Basin--including Central America--and Africa. The first is an immediate security challenge with an important economic dimension, while the second is a situation of economic crisis that may well heighten security concerns.<sup>9</sup>

As the Carlucci Commission met, there was another Presidential Commission at work examining the situation in Central America. Chaired by Dr. Henry Kissinger, who had been National Security Adviser and Secretary of State during the 1970s, a bipartisan group of distinguished Americans recommended to President Reagan and Congress a bold new program of economic and security assistance aimed at ensuring the survival of democracy among our closest neighbors to the south:

The 1980s must be the decade in which the United States recognizes that its relationships with Mexico and Central and South America rank in importance with its ties to Europe and Asia...three principles should ...guide hemispheric relations:

- *democratic self-determination.*
- *encouragement of economic and social development.*
- *cooperation in meeting threats to the security of the region.*

Just as there can be no real security without economic growth and social justice, so there can be no prosperity without security....<sup>10</sup>

The Kissinger Commission found that what was at issue in Central America was not the ability of the United States to finance the requisite aid, but "the realism of our political attitudes, the harmony of the Congressional and Administration priorities, and the adaptability of the military and civil departments of the Executive."<sup>11</sup> A realistic, coherent, and consistent U.S. program of economic and security assistance, it concluded, would enhance prospects for a negotiated settlement, "...arms would support diplomacy rather than supplant it."<sup>12</sup>

Admiral William Crowe, the Chairman of the Joint Chiefs of Staff, recently testified before a Congressional Committee that :

Security Assistance is a vital pillar of our national strategy...yet Fiscal Year 1987 was extremely disappointing in terms of Congressional action on the program and deep trade-offs required to stay within funding levels not fenced by Congress...In many developing parts of the world we are slipping dangerously behind the power curve...simply not enough for smaller, poorer countries to protect their sovereignty, deal effectively with state-supported terrorism and subversion, and curtail local trafficking in drugs...I caution you against repeating last year's legislation which skewed the program disproportionately toward the eastern Mediterranean. Too much is at stake and risk elsewhere in the world.<sup>13</sup>

In January 1988, President Reagan, in his annual report on national security strategy, identified U.S. foreign assistance for development and security overseas among the elements of national power.<sup>14</sup> But he deplored the fact that "we currently spend less than two percent of our annual federal budget on foreign assistance. While the federal budget has been growing overall, foreign assistance was reduced by 29 percent in FY86, an additional 11 percent in FY87, and faces another reduction in FY88. In recent years Congressional action has earmarked as much as 90 percent of certain foreign assistance accounts to specific countries. These and other restrictions force us to conduct foreign policy with our hands tied. We are losing our ability to allocate resources according to our strategic priorities, and we have virtually no leeway to respond to emergencies with reallocations of funds."<sup>15</sup>

The Commission on Integrated Long-Term Strategy, has held--as has virtually all other authorities on these issues over the past 40 years--that a marginal dollar invested in security assistance buys more security for the United States than it could if allocated instead to U.S. forces.<sup>16</sup> It has also agreed with Secretary Carlucci that the security assistance program has become too inflexible to serve U.S. strategic interests well: a combination of Congressional budget cuts, Congressional sanctions, and Congressional earmarking has led to a situation in which, as he put it, "we are about to gut U.S. geopolitical strategy."

Frank Carlucci, while he was still National Security Adviser, addressed a conference on security assistance convened to support the Commission's work.<sup>17</sup> He told the conferees that the Administration faced a 10 percent shortfall from the amount it considered minimally essential for security assistance. He also remarked that:

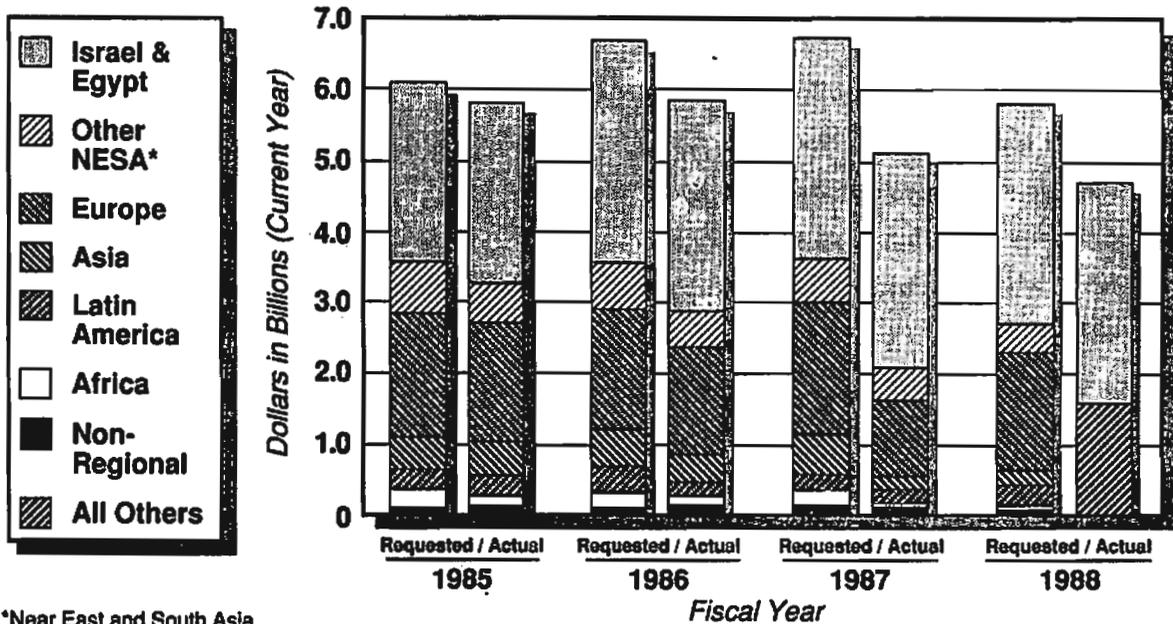
...The President recently signed a National Security Decision Directive promulgating our national strategy for Low Intensity Conflict (LIC). In it he stated that security assistance is a principal instrument of U.S. strategy for helping nations facing such conflicts.... We face a crisis in security assistance because of inadequate funding...compounded by Congressionally mandated earmarks which

take an ever larger piece of a shrinking pie. As much as 96 percent of FMS credit could be earmarked in FY88. Almost half of MAP is likely to be earmarked, and worst case estimates of ESF funding show that over 90 percent of the funds available may be fenced off.... Earmarking hits the developing world particularly hard. With a few exceptions, programs in Africa and Latin America are unprotected. Thus, they must bear a disproportionate share of the burden when earmarks are maintained at a constant level while the overall security assistance program is cut.<sup>18</sup>

Lieutenant General Charles Brown, the new Director of the Defense Security Assistance Agency (DSAA), agreed with Mr. Carlucci and stated that he had accepted his DSAA appointment because he felt compelled to fight for an essential program in danger of demise: "a disaster."

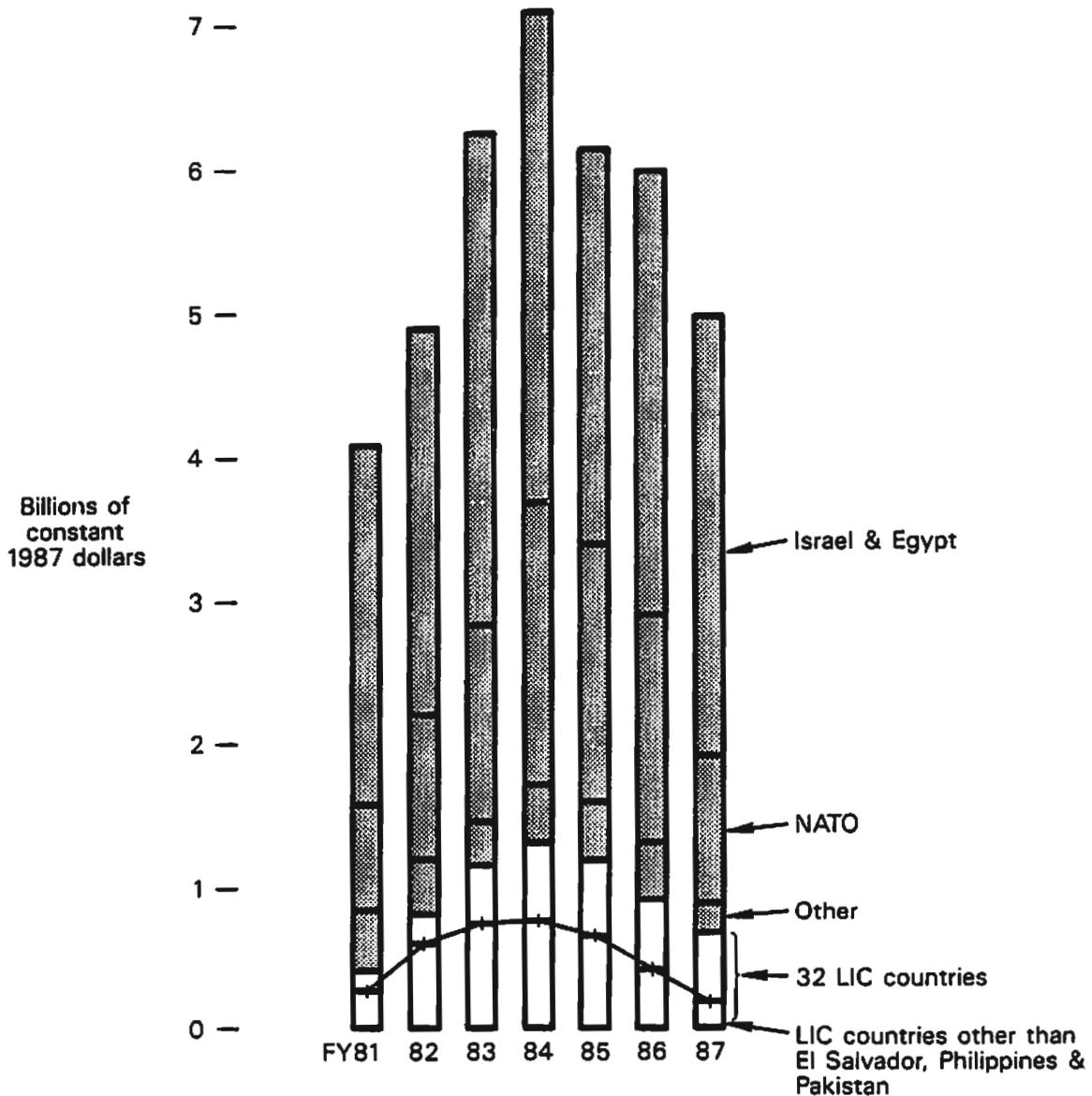
The graphics that follow illustrate what Secretary Carlucci and General Brown were talking about. Congress has consistently voted fewer funds than the Administration requested. The figure below compares what was asked for to what Congress provided in fiscal years 1985 through 1988.

### *Military Assistance: Budget and Funding Trends*



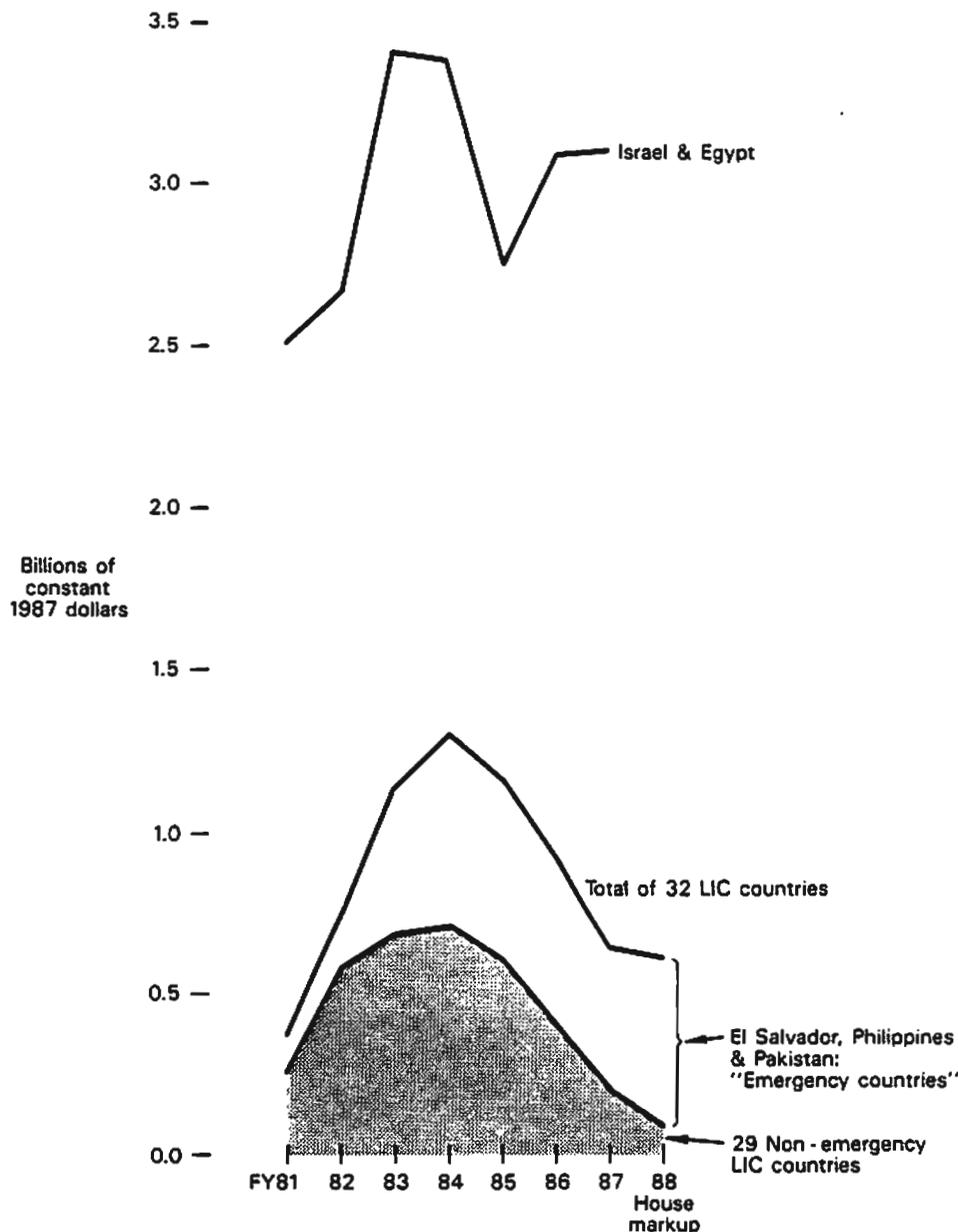
The following figure shows that worldwide, in the years FY84 to FY87, security assistance was cut by nearly one-quarter--after which the Gramm-Rudman-Hollings sequestrations reduced the appropriation still further. Most of the cuts were applied to programs designed to meet LIC threats in countries threatened by terror, subversion, and insurgency.

*The Squeeze on Third World Security Assistance*



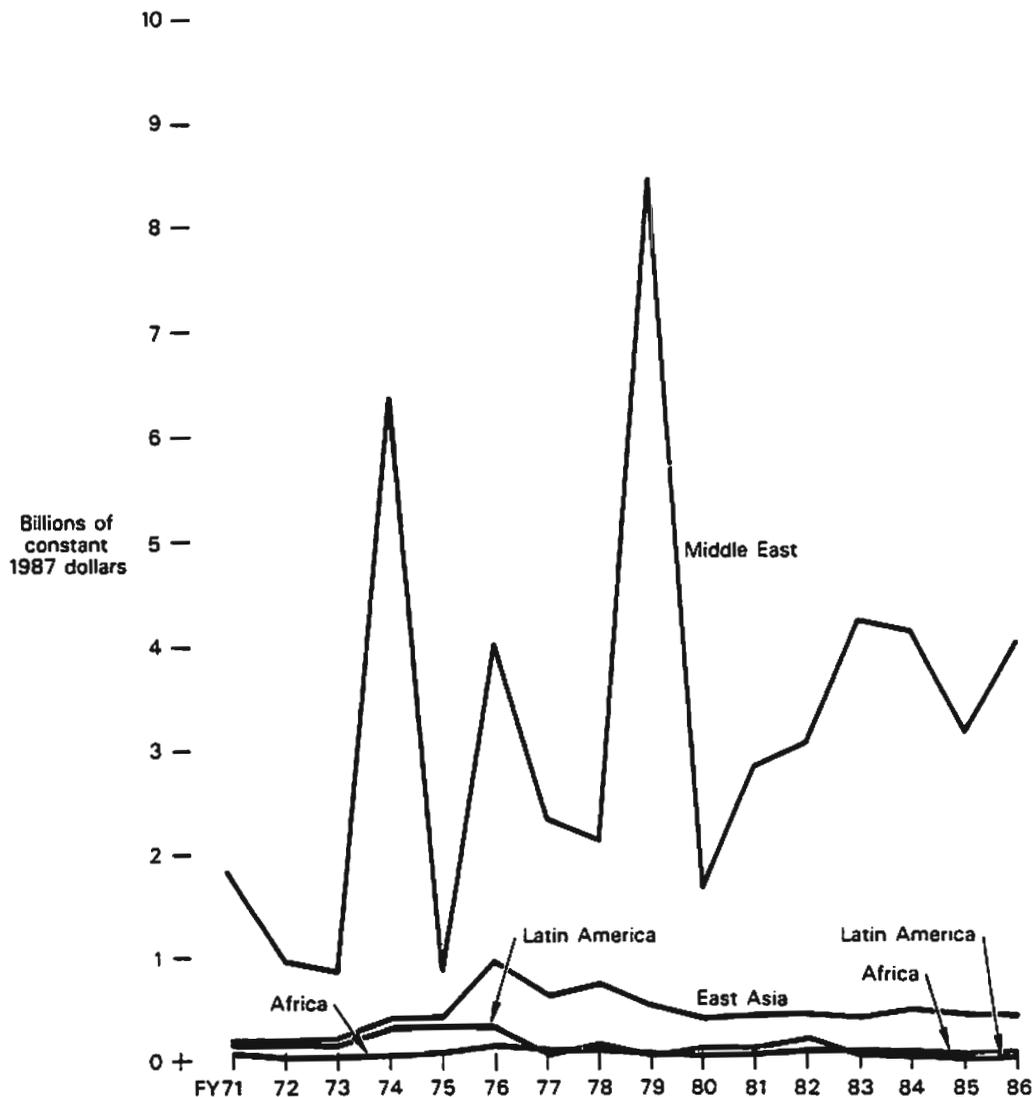
The figure below is another portrayal of strategic discontinuity. Because actions by Congress increased aid for Israel and Egypt some 20 percent, an actual reduction of 40 percent had to be spread among a group of 32 developing nations afflicted with low intensity conflict.<sup>19</sup> Even among these 32 programs, strategic priorities had to be exerted, and sustaining the emergency programs for El Salvador, the Philippine Republic, and Pakistan FY84 through FY87 caused a slash of 79 percent in programs for the remaining 29 LIC nations--an intolerable squeeze, which reduced most assistance below strategic significance.

### *Overemphasis on the Middle East*



General Woerner, USCINCSO, argues that his region must be of greater strategic significance than current budget allocations and categorizations would indicate. All of Latin America, for all of its prominence in LIC, international narcotics trafficking, and Soviet geo-political expansion, receives only 4 percent of security assistance. Since 84 percent of that amount goes to El Salvador and Honduras, the remainder of the nations of Latin America receive about 0.6 percent of U.S. security assistance. The figure below illustrates the small and shrinking apportionment for Latin America and Africa. Assistance to sub-Saharan Africa has been diminished to the point that whole country programs will have to be dropped, and the United States will probably have to concentrate what little is left in the more threatened countries of Chad, Kenya, and Somalia.

### *Regional Allocation of Security Assistance*



### C. THE FUTURE: PERIL

Strategic challenges to the United States in the developing nations are unlikely to subside. The Commission on Integrated Long-Term Strategy has pointed out that, in the first decade of the next century, the Third World will likely be quite different, and probably more dangerous.<sup>20</sup> Rates of change there in coming decades will be startling. China and Japan together will grow economically to command wealth about equal to that of the United States, and two to three times that of Western Europe or of the U.S.S.R. Either or both Asian countries could also wield significant power in a politico-military sense. China, India, Brazil, and conceivably other Third World nations will have the capacity to produce and support substantial arsenals of modern weapons, so that no longer will the United States and the Soviet Union be able to influence surely the resolution of regional wars through the control of armaments. In almost all developing nations, the average age will decline, while in the developed nations it will increase. In 20 years, the peoples of the northern, developed nations will be preponderantly middle-aged "haves", while those of the Southern Hemisphere will be mainly juvenile "have-nots", congregated in sprawling urban slums, with no means for earning a living. In Latin America today, 38 percent of the population is under age 15. Unemployment there is already at 40 percent and rising. Urbanization is approaching 50 percent, and is expected to reach 75 percent by 2010. Mexico is particularly vulnerable to imbalanced growth. The prospect is for slum-shackled cities swarming with millions of poverty-stricken, idle, disease-vulnerable teenagers, traps from which many will seek to escape by illegal emigration, or by turning to crime, or to political radicalism.

There are six related trends among the developing nations likely to impact U.S. security interests in the next two decades:

**Continued interdependence.** The raw materials and agricultural produce of the developing world--especially oil and other minerals--will remain strategically important to the United States for the foreseeable future, and the United States will remain a mainstay of Third World economies. There is no technology in sight that will alter fundamentally those patterns. Maintaining access to strategic materials and assisting nations close to us politically, economically, and socially, will persist as a strategic goal, and require adroit use by the United States of economic, security, and other assistance.

**U.S. friends and allies are becoming more influential.** The U.S. strategy of helping others help themselves has been significantly aided in recent years by cooperation from other nations--for example, U.K. cooperation in the Caribbean Basin and Kenya, Italian aid for Somalia, our cooperation with France in Chad and Djibouti, Pakistan's role with regard to Afghanistan, and the Saudi aid for Yemen. U.S. leadership could seek to elicit much greater assistance from these other friends and allies for LIC-beleaguered, strategically important third parties--what the Commission has referred to as "cooperative forces".<sup>21</sup> But U.S. leadership will require our playing some role in whatever combined programs may be decided upon, and almost certainly we will find security assistance essential.

**Rising U.S. consumption of illegal drugs** from Latin America and Southwest Asia. Drug abuse by some estimates costs Americans almost as much as they spend for national defense. Trafficking imperils the very survival of democracy in friendly nations, such as Colombia and Panama, heavily involved in drug production, smuggling, or related movements of money. The United States must reduce domestic consumption of illegal drugs, but at the same time, it faces strategic urgency in helping other nations seeking to eliminate narcotics trafficking at its source.

**Immigration.** Over the past decade, the United States experienced the greatest wave of immigration in the memory of living Americans. Each year from 1977 to 1986, legally and illegally, about 1,000,000 people entered the United States to stay, three times the annual intake from 1925 to 1965. Most recent immigrants were Asian and Central American refugees from conflict within their homeland. Political violence in the Third World spills over, in this sense, into the United States, and it is in our interest to aid in eliminating its causes.

**Human Immunodeficiency Virus (HIV) and the related disease AIDS.** Haiti is one neighbor of the United States already widely infected (10-45 percent of the population), and could be "the most likely reservoir of infection contributing to the North American epidemic."<sup>22</sup> HIV in Central Africa threatens to be as severe a scourge as famine. Under such calamitous circumstances, often the military establishment has had the resilience to maintain civil law and order, to provide public health services, and to administer re-building. Security assistance, conjoined with other forms of aid, can support such functions.

**Debt repayment.** The United States is now the world's largest debtor. One implication is that the United States must greatly increase its exports of goods and services, for which markets in the Third World will become more important than ever. But markets require economic vitality and growth in the Third World, and these in turn, in country after country, rest on security--further imperatives for integrated U.S. aid programs to promote both.

The foregoing six trends portend the dedication by the United States of more attention and more resources to the developing world, especially to Latin America, than has been its wont.<sup>23</sup> Certainly, future Presidents will have to contend with a much more complex international system than that of today, with a number of Third World nations exerting strong influence in international politics. But the primary law on the books governing the President's main strategic recourse in the Third World, foreign aid, is still the Foreign Assistance Act of 1961. U.S. priorities for economic and security assistance are still dominated by the Camp David Accords. Overall security assistance for developing nations has dropped 40 percent from fiscal year 1984 to 1988. The time has come for another serious look at the purposes and mechanisms of military assistance.

## II

### THE SYSTEM NOW

#### How Security Assistance Works

The major programs that are referred to collectively as security assistance and are underwritten by funds appropriated annually by Congress include: Foreign Military Sales (FMS) and direct (licensed) commercial sales, which may be funded wholly or in part by Foreign Military Sales Credits (FMSCR) or by grant aid under the Military Assistance Program (MAP); the International Military Education and Training (IMET) program; Peacekeeping Operations (PKO); and Economic Support Funds (ESF), money provided to bolster budgets distorted by expenditures for security. Considered and appropriated by Congress as part of foreign aid, none of these programs are incorporated in the Department of Defense budget.

In the past, most FMS took the form of cash transactions, but, among most developing countries, these have dwindled almost to zero in the last few years.

The FMSCR program provides recipients credits in the United States, either at a subsidized interest rate, or at the Treasury rate, for use in purchasing U.S. military equipment or services. Third World nations with substantial debt-servicing problems--virtually all of them--are often reluctant to accept FMSCR precisely because it adds to their fiscal burdens. Israel and Egypt are a special case of FMSCR. Military aid to them is labeled "credits", but is "forgiven" (meaning they do not have to repay even the principal), and thus is effectively a grant.

The MAP program grants funds to cover the costs of U.S. military equipment or services.

IMET provides mainly professional military training, mostly in the United States, to officers and men of foreign military services.

PKO underwrite U.S. forces involved in peacekeeping roles in several unstable areas around the world.

ESF is economic assistance on a grant or loan basis for a militarily-threatened, developing country. It complements other forms of aid by helping recipients avoid

economic or political instability occasioned by their security circumstances. ESF monies may not be used for military or paramilitary purposes, and consists of either project money or funds used for such purposes as balance of payments support.

## A. LAWS AND ADMINISTRATION

The current security assistance system functions under the Foreign Assistance Act (FAA) of 1961, the Arms Export Control Act (AECA) of 1975, and amendments thereto. One thrust of these laws is to attribute a monetary value to any and all assistance provided to a foreign country; another is to constrain that assistance to the kinds and amounts authorized by Congress; a third is to reserve expenditures for American suppliers. Application of these laws, which have become more and more elaborate with each session of Congress, has engendered a good bit of controversy in recent years, and the controversy has often led to further amendments and stipulations in funding authorizations. Disagreement over programs in certain developing nations has been particularly acrimonious. As one former CINC observed, the acronym LIC might well stand for Lawyer-Intensive Conflict.

One interpretation of law important in security assistance is the "inherent authority/incidental benefit" principle, which establishes that a Government agency can generate additional benefits that are not authorized if said benefits are incidental to actions which are authorized. In recent years, disputes have arisen over whether beneficial training provided to foreign troops during a combined exercise with U.S. forces is properly security assistance, and billable as such, or whether the training of the foreigners was incidental to the primary purpose of training the U.S. participants in the exercise, and therefore not chargeable. Disputes have also arisen over how much DoD should charge for Security Assistance when training and other chargeable events occur intermixed with authorized DoD activities.<sup>24</sup>

The Economy in Government Act allows one U.S. Government agency to hire another to perform actions that Congress authorized the first agency to perform. For example, the State Department could hire the DoD to perform some kinds of development assistance or emergency relief. Again, there have been disputes about the rates at which DoD would have to be compensated. In December 1982, the President of the United States promised the President of Costa Rica help in redrilling village wells in a Pacific coastal

region desiccated by a severe drought, but bureaucratic haggling over price and sources of funds held up the sending of well-diggers for 4 months, when the Department of Defense decided to deploy elements of a U.S. Navy Construction Battalion even though the issues of who would pay, how much, and from what funds all remained unresolved.

Particular legislative constraints have seriously limited U.S. ability to respond to special needs. For example, Section 660 of the FAA, amended in 1974, specifies that security assistance funds cannot be used to aid foreign police forces. As the Commission pointed out, this particular provision of law forced U.S. forces to remain in Grenada long after we wanted to withdraw them and required intensive diplomatic efforts to persuade Canadian, British, and other governments to help in training a small Grenada police force. Also, the archaic police system in El Salvador is prominent among the institutions that still require reform if nascent democracy is to flourish.

Security assistance funds are "appropriated to the President", and treated legislatively quite separately from appropriations for national defense. Foreign aid is administered by the the State Department. Yet, DoD (particularly the military services) actually provides almost all the equipment or services delivered as security assistance. This arrangement has broad consequences:

The DoD must be compensated from the State Department's security assistance accounts for any equipment or services it provides. A major issue, then, is how much DoD should charge for equipment and services.

The current rule, derived from the Arms Control Export Act, is that DoD has to charge a so-called "no profit/no loss" price. This price includes a charge for amortizing the research and development of equipment, and for service costs incurred in administration of the security assistance program. DoD is reimbursed both for non-recurring costs--some of which represent money spent years previously solely for U.S. purposes--and unfunded costs, such as a payment toward the pensions of personnel rendering services in connection with the aid transaction. As a consequence, DoD charges State an average premium of some 9 percent above its actual procurement or operations costs. Service materiel commands take pride in exacting from security assistance clients all possible imputed costs.

Another consequence of the State Department's being the protagonist for foreign assistance is that the Foreign Relations committees of the Congress, not the Armed Services committees, have legislative jurisdiction over authorizations. This arrangement makes it difficult for Congress to relate foreign aid to the other elements of national power

as part of an integrated, long-term strategy, and forecloses public understanding and support that might be aided by hearings in which proposed aid funding was related to national security strategy across the board. Certainly, the present system makes it difficult to consider trading off allocations to the U.S. armed services for allocations to the armed forces of an ally or friend.

But conditionality is one form of integration at which the Congressional process is perhaps too efficient: the security assistance budget tends to become festooned with provisos restricting foreign aid recipients in areas of foreign policy unrelated, or only distantly connected, to security. Thus, for example, Congress has foreclosed IMET for countries that decline to submit their nuclear technology programs to international control or to meet U.S. standards for fiscal responsibility or respect for human rights. It seems arguable that instead of cutting IMET in such instances, Congress might usefully increase it, since most U.S. Ambassadors and CINCs agree that they would prefer to deal on such issues with officials who had been advantaged by education in the United States. The sanctions against IMET isolate the officer corps of countries who clearly need enlightened leadership, and thus achieves the opposite of what Congress intends. Or to cite a more strategically urgent example, sanctions imposed upon aid for non-cooperation with the United States in its campaign against international narcotics-trafficking have had the effect of denying aid to democratic governments literally under siege by the traffickers and in desperate need of security assistance, aid we, in our own self-interest, ought to provide.

## **B. KEY PLAYERS IN THE SYSTEM**

The Foreign Assistance Act charges the Secretary of State with administering the Security Assistance program. In practice, the Undersecretary of State for Security Assistance, Science and Technology, or the Deputy Secretary of State take the lead with Congress. They are assisted by the State Department's Bureau of Politico-Military Affairs.

The primary action office for Security Assistance within DoD is the Defense Security Assistance Agency (DSAA). DSAA is responsible for planning, administering, and accounting for all DoD involvement with Security Assistance. The Director, DSAA, reports to the Undersecretary of Defense for Policy, and works closely with the State Department.

security assistance assignment has deprived U.S. commanders of key personnel. Hence, there have been instances in which the military services have resisted security assistance missions.

The CINCs of the regional Unified Commands (Southern Command, European Command, Pacific Command, Atlantic Command, and Central Command) are responsible for planning for, and directing the employment of U.S. forces in their geographic areas of responsibility. Naturally, they are interested in making the best use of security assistance to improve the U.S. strategic position. In fact, given recent legislation reorganizing DoD, the regional CINCs are uniquely well positioned to influence both the quality and the quantity of security assistance within their region.

The Goldwater-Nichols Defense Reorganization Act of 1986 established an Assistant Secretary of Defense for Special Operations and Low Intensity Conflict and a new unified command, the U.S. Special Operations Command (USSOCOM). This command has within its force structure some of the personnel best qualified for security assistance missions, and the CINC and the Assistant Secretary have authority to stimulate development and procurement by the armed services of equipment particularly useful in developing countries. The legislation was prompted, as least in part, by a judgment of Congress that the Department of Defense has devoted inadequate resources to preparation for low intensity conflict--in FY88, about \$1 billion will be spent on RDT&E or procurement that can be directly linked to readiness for LIC, and another \$1.5 billion on Operations and Maintenance: altogether, less than 1 percent of the total DoD budget.<sup>25</sup>

Another new player is the new Low Intensity Conflict Board (LIC Board) of the National Security Council, a cabinet-level group created to oversee U.S. readiness for low intensity conflict. It is concerned about, and is likely to be a strong advocate of, security assistance for developing countries.

But Congress is firmly in charge. As mentioned above, the Foreign Relations Committees of the Congress authorize security assistance funds. The Appropriations Committees, however, actually vote the funds, and often add earmarks, conditionality, and other restrictions of their own.

Finally, the Comptroller General is responsible for ruling (based on General Accounting Office reports) on the legality of the uses of funds within the Security Assistance program by State or by any of the DoD players.

The Security Assistance Organizations (SAOs, also known variously as Military Assistance and Advisory Group--MAAG--or as Military Group -MilGp) are located in U.S. Missions abroad. These offices are manned by U.S. military personnel. By law, the SAOs are limited to six personnel, but waivers can be obtained if DSAA notifies Congress. The commander of the SAO is part of the Ambassador's country team, is chosen by DSAA in coordination with the regional CINC and the Ambassador, and receives his periodic performance evaluations from the CINC.

Needless to say, this complicated interdepartmental organization has often caused problems. The success of our missions abroad is critically dependent on the quality of the people we send. We know from experience that a few well-chosen, well-prepared military professionals can transform the security establishment of a friendly country. But current law limits the duties of these professionals to administering U.S. aid; and their numbers are often related to the dollar volume of the program under their purview. Understandably, within the armed services such duties tend to be regarded as less rewarding than commanding ships, squadrons, or battalions. As the Commission has observed, SAO conditions of service are "a self-inflicted strategic wound" because they discourage competent men and women from seeking such assignments and the services from providing their best. As a result, Ambassadors, CINCs, and the United States are handicapped.

Security assistance training or technical assistance is undertaken abroad by small groups of U.S. military personnel assembled for a particular job, dispatched to a foreign country to perform same, then disbanded. Although these ad hoc groups are usually labeled a team--e.g., Mobile Training Team (MTT) or Technical Assistance Team (TAT)--they are commonly composed of individuals drawn from different sources who rarely have any opportunity to develop teamwork until they are on the job abroad. And their experience is promptly dissipated when that job is finished.

The military departments (Army, Navy, Air Force) are responsible for providing, when tasked, from on-hand assets, or from contract suppliers, virtually all the equipment or services that the United States provides through the security assistance system. The departments are then reimbursed from State Department funds appropriated under the Security Assistance program. Within each military department, the service materiel commands play central roles. Sometimes equipment critically needed for security assistance has been withdrawn directly from units of our armed forces, or diverted before it could be issued to them. Frequently, too, providing trainers for temporary duty on a

### C. A HOUSE DIVIDED AGAINST ITSELF

Security assistance overall has no domestic constituency to influence votes in Congress. It is misunderstood by and is unpopular with the general public.<sup>26</sup> Only a handful of countries (primarily Israel and Greece) have strong lobbying efforts on Capitol Hill. Security Assistance programs for small developing countries suffer disproportionately from any budget cuts. Furthermore, security assistance for developing countries involves small, troublesome programs with few strong bureaucratic advocates in the Executive Branch. Its effectiveness abroad depends on cooperation within the U.S. Country Team among representatives of the U.S. Intelligence Community, the Agency for International Development, U.S. Law Enforcement Agencies, and the Defense Intelligence Agency. These latter can rarely influence the security assistance system qualitatively or quantitatively before they are asked by the SAO to help put programs into effect. Hence, interagency cooperation is often as problematic overseas as it is in Washington. In short, security assistance is an orphan.

Even though security assistance shortfalls could be met by using only a tiny portion of the DoD budget, and even though many DoD leaders admit that such a reallocation would make strategic sense, the propensity within that Department is to fight tooth and nail against redistribution, and to protect funding for its primary missions--a stance evidently rooted in fears that any attempt to lobby Congress to transfer entitlements from DoD to Security Assistance will result in a situation where DoD's very willingness to contemplate cuts will cause Congressional hatcheting of its funds, without any corresponding increases for Security Assistance.

The regional Unified Commanders (CINCs) have expressed a strong interest in effective security assistance. But there have been instances in recent years in which CINCs have not been invited to testify in Congress to present their views. The Congressional committees deliberating on security assistance could always schedule time to receive the CINCs views--but have not always done so in the past. The CINCs could also use their influence within DoD to integrate security assistance with other elements of national strategy --but have not always done so in the past.

Nor has Congress been an ameliorating influence. Even though Security Assistance receives only about one-half of one percent of the federal budget, it has been caught up in deficit reduction formulae, and has taken reductions that even knowledgeable

Congressmen have found disquieting. Foreign aid funding in general has been used explicitly as a hostage. For example, the FY87 report of the House Appropriations Committee/Foreign Operations stated:

The Committee does not believe that the funds recommended in this bill adequately meet the needs for the U.S. Foreign Assistance Program. However, unless Congress and the Administration can find an institutionally agreed upon way to deal with the problem presented by Gramm-Rudman, the Committee has no choice but to present this kind of bill to the House.<sup>27</sup>

### III

## REFORGING THE INSTRUMENT

### A Plan of Action

U.S. foreign aid speaks powerfully to developing countries. In the Third World, U.S. Security Assistance is widely perceived as a commitment of the United States to preserving national independence and to protecting the aided peoples from threatened violence. That perceived commitment has been successfully used in recent years, despite waning aid budgets and administrative entanglements within the United States, to advance the cause of human rights, to encourage the spread of democratic governments, and to forestall the extension of communist influence. It is that perception of commitment, not the kind and amount of aid that truly counts. But it is also true that the perception of U.S. commitment can be severely damaged or destroyed in a single year if promised aid does not materialize, or if an aid program carefully designed to meet a security threat recognized by both the host government and the U.S. Country Team is precipitously cancelled, either because of a budgetary-reduction formula, or because of a conditionality clause.

To permit future Presidents to make a firm commitment to protecting human rights, freedom, and democracy abroad, in concert with economic and other U.S. aid designed to promote political, economic and social progress, American leaders will have to begin now to educate the American people on the sorry condition of their foreign aid apparatus in general and the impotence of Security Assistance in particular. With such an understanding, members of the next Administration and the next Congress can address legislative and administrative reforms that will restore strategic utility to both.

Presented below are 12 specific recommendations for reform, each derived from consultations with practitioners--the diplomats and military officers who plan and furnish security assistance abroad, the officials of the several departments and agencies who administer the aid program in Washington, and members of Congress and Congressional staffs.

## A. PROVIDE FOR MULTIYEAR APPROPRIATIONS

Experience has demonstrated repeatedly that the most effective means of expressing U.S. commitment and assuring the most efficient use of U.S. aid funds is to develop with an aid recipient nation a long-range plan--and in some countries even 2 years is a long-range plan--and then to deliver the promised aid in accordance with that plan. It is not difficult to imagine the human reasons for pursuing such a course in a small developing nation: security forces have to be trained and deployed, public administration refurbished, school teachers installed, and agricultural aides mustered, all of which takes time as well as money. Developing countries run a risky course, one in which they have usually failed in the past, and they usually have neither the economic nor the moral resources to rally again without that U.S. commitment. But if our aid hinges annually on a cliff-hanger vote, there is a tentativeness about U.S. help that can induce reluctance among these countries. Instances abound in which a nation launched with fanfare upon a long-term plan based on suggestions by the U.S. Mission of a reasonable kind and amount of security assistance, only to discover that U.S. funding was not available in succeeding years. Moreover, the lack of consistent, long-term Security Assistance funding precludes efficient, gradual procurement of infrastructure, logistics, and training; thus, on-again, off-again U.S. funding leads to hasty, spend-it-while-you-got-it wastefulness. The effect is to inhibit Ambassadors, CINCs, and other U.S. officials abroad, and to create confusion and resentment among friends and allies.

Although it will earmark amounts for some countries, Congress does not appropriate specific amounts for all countries. Therefore, the amount available for support of many friends and allies depends upon the difference between the earmarks and the overall aid allocation. Earmarks that are consistent (or even raised), plus budget cuts, inevitably lead to faltering U.S. programs. They also lead to inflexibility in meeting strategic circumstances unforeseen at the time of the appropriation.

A far better aid allocation method would be for Congress to provide multiyear appropriations, at least for developing nations facing low intensity conflict, at a level that could remain constant over several years and would provide for both present and unforeseen threats. Consistency and flexibility are *sine qua non* for integrated strategy in the Third World. With consistent funding, U.S. Country Teams could encourage nations receiving security assistance to develop a sound, long-term strategy of their own. With

more freedom to reallocate, the Administration could respond to, and conceivably often head-off, unanticipated crises. Reliable year-to-year funding would provide clear evidence of our commitment, and with assurance of U.S. backing, developing countries may experience a stiffening of resolve and a willingness to assume risk. The additional amounts required would be comparatively small--recent gaps between the Administration request and Congress have been of the order of \$1 billion; with other changes proposed below, the net plus-up would be less than \$0.5 billion.

Events in Botswana illustrate the consequences of the unreliability of U.S. security assistance. In 1982, a DoD survey team examined defense needs of the Botswana Defense Force. It developed a 5-year acquisition plan using Foreign Military Sales Credits and Military Assistance Plan funds. In accordance with the plan approved by the Secretaries of Defense and State, the United States gave Botswana \$9 million of MAP funds in both FY84 and FY85. Showing its appreciation, Botswana severed all ties with the Soviets and welcomed the U.S. offer to establish an SAO. But that U.S. assistance was cut to \$3.35 million in FY86, and then to \$1.5 million in FY87. Botswana officials became confused about U.S. intentions, and some felt betrayed. The clumsy U.S. aid bureaucracy played a part: in November 1985, Botswana signed up for three anti-aircraft guns to be delivered in January 1987--their delivery, thanks to red tape, is now expected in June 1989. Botswana has had to look to other alternatives, including Soviet equipment, to counter South African and other border incursions. For the want of a few million dollars, the United States has greatly disappointed a friendly country and perhaps given the Soviets a strategic opening.<sup>28</sup>

Traditionally, Congress has been reluctant to provide multiyear appropriations because it fears this would reduce oversight and limit its capability to influence emergency situations. Moreover, the Budget Act seems to preclude it. However, the Congress does need to find some way to guarantee multiyear funds to small countries that depend on us. At a minimum, Congress should align its actions on Foreign Aid with its review of the U.S. Defense Program, which is now on a 2-year budget cycle. If Congress allows the present circumstances to persist, the United States will continue to squander its influence in the Third World, to impair the effectiveness of its representatives overseas, and to lose allies and friends.

## B. PRIORITIZE BY STRATEGIC OBJECTIVE

The cuts in Security Assistance available to small developing countries are forcing the United States to make trade-offs that should not be necessary. The budget process has required the Administration to decide between either concentrating available funds on a few high priority states that are facing immediate emergencies or continuing small programs that could yield long-term benefits in many developing countries. In strategic terms, that choice is irrational and, since the latter programs entail only a few hundred million dollars, seemingly unnecessary. In short, present funding of Security Assistance programs, other than for Israel, Egypt, and the base rights countries, is dysfunctionally low.

Two remedies are recommended:

- Reallocate. Consistency of support over time is more important by far than any gross amount for a given year, but funding, especially in a politically fragile developing country, must not be permitted to fall below the threshold sum that would permit pursuing minimally effective programs over the years. Current levels are so low in some countries that U.S. programs are meaningless. And in any event, low funding levels vitiate U.S. influence across the board. For example, cutting a program deprives certification requirements and related sanctions of any utility for U.S. policy, and budget-cutting applied to programs with long-range payoff, such as education and training, actually do us strategic disservice.
- Recategorize. By lumping security assistance for less developed nations afflicted with low intensity conflict in the same accounting category with Egypt, Israel, and the base rights countries when computing budget cut-backs under the Gramm-Rudman-Hollings legislation or any other formula, Congress affects the former disproportionately. Their programs deserve separate consideration on their own strategic merits.

One utility of an integrated, long-term strategy is to head off emergencies. Drastic shortfalls in funding force Ambassadors and CINCs to forego preemptive or deterrent strategies. Concentrating all assets on a few countries condemns us to a constant posture of firefighting, while severely limiting opportunity to prevent the outbreak of new fires.

### C. CHANGE SECURITY ASSISTANCE PRICING RULES

Current laws force U.S. agencies to charge a higher price than necessary for equipment or services provided to foreign militaries. These laws, and their zealous interpretation within regulations of the Department of Defense, impose use of a very complicated and confusing accounting system that makes it difficult for any U.S. planner, aid recipient, or service supplier to anticipate what an item will eventually cost. In effect, the provisions of law on pricing require the supplier (one of the armed services) to add-on whatever cost it incurs whenever it encounters new expense, so that prices actually float for years. The law does not provide multiyear funding for aid recipients, but it subjects them to multiyear billing, holding transactions incomplete for years, and submitting new charges long after the equipment is actually delivered. High prices and complicated procedures discourage sales, engender delays in delivery, and create resentment and misunderstandings. Foreign military sales were once a useful tool for spreading U.S. influence, for linking U.S. plans with those of allies and friends, and for bolstering their security. We are allowing that tool to rust away.

The Arms Export Control Act (Sections 21 and 22) mandates the price that U.S. departments and agencies must charge for sales to foreign nations. The so-called "no loss" rule requires that the price include a charge for administration of the security assistance program (currently 3 percent of all FMS and MAP for standard equipment and 5 percent for non-standard) plus a portion of the research and development (R&D) costs incurred when the service or agency originally procured the equipment. The price the United States must charge foreign buyers is higher, sometimes substantially (averaging about 9 percent)<sup>29</sup> higher, than the real cost (the current, marginal cost) the U.S. military actually pays for the article. The Office of Management and Budget credits Security Assistance surcharges to the Department of Defense account.

One reason U.S. influence is on the wane in the Third World is that we are increasingly seen not only as an undependable supplier of aid, but as an expensive one as well. Foreign nations will continue to be attracted to U.S. high-tech military equipment, still widely regarded as better than that available from other suppliers. But, even nations who would keenly desire such equipment will often reluctantly turn to cheaper suppliers, substituting their trainers for ours, and (due to incompatibility problems) reducing the scope for combined operations with U.S. forces. Partially due to high U.S. prices and

increased foreign competition, U.S. FMS sales have fallen from \$22 billion in 1983 to \$7 billion in 1987.<sup>30</sup>

Nor does pricing policy affect foreign aid exclusively. Similarly derived super-charged prices drive cash customers away--even if those customers would prefer to buy equipment from the United States government. For example, Costa Rica recently wanted to purchase 5-ton trucks. They were offered an FMS of \$162,000 per vehicle for a truck that met U.S. military specifications, and, in a separate bid from a civilian supplier, a price of \$55,000 per truck for a close civilian equivalent<sup>31</sup>--scarcely a choice at all.

However business-like, an accounting procedure aimed at recouping already sunk development costs plus the expense of U.S. bureaucracy seems futile with debt-ridden developing nations, and manifestly unfair, especially in view of very large, forgiven credits to Israel and Egypt. The total sums at issue here amount to \$0.7 billion per year. Estimates are that waiving non-recurring costs (primarily charges for R&D) would save FMS consumers (in turn, reduce DoD payback from OMB) up to \$400 million per year. And Security Assistance management costs are now running about \$300 million per year.<sup>32</sup> If the U.S. government must manage through imputed costs, then the Department of Defense ought to bear both surcharges as a "cost of doing business".

Rather than trying to recapitalize from the foreign aid allocated to poor allies or friends, the U.S. Congress should subsidize their procurement of U.S. military equipment and services. For example, Congress could authorize a LIC catalog, a set of favorable, fixed prices to be offered to a specified list of LIC-threatened countries, established without regard for imputed costs.

There will be formidable political problems with revising the "no loss" pricing rule. (1) We can and should revise pricing for developing countries facing low intensity conflict, but we should expect other countries, primarily Israel and Egypt, to lobby for the same treatment. Including them would vitiate the purposes of the revision, and greatly increase new costs imposed on DoD. (2) The President is already authorized to offer bargain prices to selected allies, for example, he can waive surcharges for non-recurring costs for NATO countries, Australia, New Zealand, and Japan. On the one hand, broadening that largess would remove some U.S. bargaining leverage with such privileged countries. On the other hand, focusing the pricing alteration on LIC-afflicted developing countries could be presented to them as a useful form of cooperation in the Third World. (3) If the Department of Defense supports waiving surcharge receipts, the Congress might take this

as evidence that the DoD does not need the payback, and simply cut the DoD budget without impacting Security Assistance. (4) If the Congress perceives that the costs of the Security Assistance program have been lowered by manipulation of pricing formulae, some members will want to reduce the security assistance budget by an amount at least equal to the putative saving. (5) In a time of tight budgets, some elements within the Department of Defense will not want to give up even the relatively small revenues at issue.

Hence, action on this recommendation to down-price security assistance for Third World allies and friends will require leadership from those at cabinet level who are responsible for formulating and integrating national strategy and bipartisan support in Congress, especially from the advocates of budgeting based on national strategy, as prescribed in the Goldwater-Nichols Defense Reorganization Act. "No loss" pricing must be scrapped in favor of pricing based on gain for national strategy.

#### **D. PERMIT LEASING OF EQUIPMENT**

Broader use of leased DoD equipment is an alternative to FMS sales or grant aid that would often be in the interests of both the recipient country and the United States. Leasing is an efficient and comparatively inexpensive way to provide equipment that the recipient will need for only a relatively short time--the aided country is relieved of not only the acquisition cost, but also the longer range costs-of-ownership, including personnel costs. Leasing equipment could give the United States more leverage over a country than we would have were we to sell it outright; lease terms could provide us a direct say in how the equipment is maintained and employed. Leasing could be of long-term strategic significance if we plan demilitarization after an emergency. For example, U.S. leasing the Salvadorans major end-items of equipment in recent years, like military helicopters, vice selling these to the Salvadorans, would have been much more conducive to success of the Central American Peace Initiative through reducing regional apprehensions over armament levels.

The Arms Export Control Act now places severe restrictions on no cost or low-cost leases, especially where damage is likely. It has also been very difficult for the State Department to assert priority for a Security Assistance leasor of items of military equipment if the U.S. armed services have any unfilled purchase orders for same.

Sometimes nations need special equipment on a short-term basis. One example is a request for air defense missiles to protect a Gulf Cooperation Council meeting. Short-term leasing of equipment could also meet seasonal requirements associated with anti-drug operations (for example, surveillance devices and transportation needed for short periods, related to local cultivation cycles). And, nations fighting guerrillas often need advanced mobility equipment only for one phase of the war.

Congress should modify the Arms Export Control Act to allow more extensive leasing of equipment to meet the exigencies of low intensity conflict.

#### **E. AUTHORIZE TRADE-IN ALLOWANCES**

The Arms Export Control Act does not countenance "trade-ins". The United States will not accept an old or battered piece of equipment as partial payment for a replacement. When a piece of U.S. military equipment is worn out or damaged, the owning country has no recourse except to turn to our Security Assistance system for repair, pay the inevitable surcharges, and wait for months while the gear is refurbished. Often the latter process entails shipping the item to and from the United States. The law should be modified to allow recipient countries to trade-in damaged equipment, and issuance of an identical serviceable replacement on the spot. The country would pay depreciation plus repair costs.<sup>33</sup> Obviously, when the damage is occasioned by combat, such an arrangement could have tactical as well as strategic utility.

#### **F. RECONSTITUTE THE SAOs**

Help in long-term military planning is one of the main benefits the United States can provide to developing countries. But, the U.S. security assistance system and its accompanying laws and regulations were designed as a logistical system to deliver equipment, with underlying assumptions that the recipients were financially solvent, and had well-established, professional military establishments. The security assistance system is neither manned nor organized to provide intensive planning assistance to developing countries.

In countries where the indigenous military establishment is neither well-managed nor well-postured to meet its security challenges (the Philippines now, and El Salvador in the early 1980s), the goals of U.S. security assistance, objectives arrived at in concert with the host nation, may well include a fundamental change in the nature of the military institutions of the host country. Achieving this requires patient, time-consuming efforts on the part of the U.S. Country Team and the regional CINC, and both well-reasoned American advice about tactics and equipment and day-to-day American counseling for those in the host country's military who plan the development of its armed forces. U.S. military personnel in the host country should serve as examples to promote professionalism and respect for human rights.

Current legislation militates against providing Ambassadors and CINCs with SAOs with the time, talent, and mission to work closely with the host military. The Arms Export Control Act, Sec. 21 (e)(1)(a), specifies that the administration of security assistance must be underwritten by a surcharge on all sales, including those funded by MAP or credits. The Foreign Assistance Act (Section 515) specifies the precise functions that SAO military personnel, thus underwritten, may be assigned to perform:

- Case management of equipment and services
- Training management
- Program monitoring
- Evaluation and planning of the host country's military capabilities and requirements
- Administrative support
- Promoting rationalization, standardization, and interoperability (in NATO countries, Japan, Australia, and New Zealand)
- Liaison functions exclusive of advisory and training assistance.

Also, the law subordinates the SAO personnel to the Ambassador. In practice, SAO personnel in a number of countries spend a large amount of their time performing U.S.-oriented functions, such as escorting U.S. official visitors, coordinating joint/combined exercises, and supporting visits by U.S. military teams. Current regulations do not recognize the impact of these additional duties, and the Security Assistance budget is not reimbursed for SAO time spent on them.

DSAA policy further dictates that the number of people in a Security Assistance Organization within a country is dependent on the amount of security assistance (FMS plus MAP) provided to that country. The law specifies a maximum of six persons within the SAO of any country. However, DSAA can waive this by notifying Congress of the intention to do so and waiting 30 days. DSAA notes that the Congress has never opposed a request to exceed the six person limit. Thus, countries with larger Security Assistance programs (Egypt, Turkey, Korea, Greece, Thailand, the Philippines, and Saudi Arabia) normally have larger SAOs than do small developing countries. DSAA has asked the Unified Commands to identify SAO billets which directly serve U.S. forces and should be funded and manned by the services. At the very least, this change, which has long been the practice in Spain, Turkey, and Kenya, should be adopted throughout the Third World.

The damage done by the previous budget cuts in the security assistance program has been compounded by reductions of the numbers of U.S. military personnel within SAOs in developing countries. Because of rising competition in the international arms market and the declining price of oil, U.S. Foreign Military Sales have dropped dramatically. Sales have declined from as high as \$22 billion in 1983 to roughly \$7 billion in 1987, with no indication of future recovery. The United States must maintain at least \$14 to \$15 billion in FMS volume per year to finance the costs of management of security assistance programs, but FY86 and FY87 FMS volume has been about half what is required.<sup>34</sup> To make ends meet under this (self-imposed) financing scheme, the United States may be forced to reduce its Third World SAOs, assigning SAO functions as an additional duty to military attaches, or assigning several countries to one SAO.

Law and DoD policy are precisely the inverse of what they should be. It is often the less developed countries facing low intensity conflict with minimal accounts that need the most planning help from SAO personnel. Developed countries plan for themselves and rarely permit SAO personnel to assist. Members of SAOs in developing countries should not be considered bookkeepers, whose prime responsibility is to prepare the paperwork for Security Assistance transactions. Rather, they should serve their Ambassador and as the on-scene representatives of the U.S. military and their CINC as an extension of his staff. Their primary mission should be to aid their counterparts in the host nation military in planning and to coordinate that country's actions with the strategy of the United States, responsive to the guidance of the Ambassador and the CINC, and drawing as need be on the CINC's joint staff. The number of U.S. personnel needed should not be a function of the dollar level of security assistance. Rather, U.S. SAOs in developing countries should

have a distinctive manpower and funding basis, reflecting their advisory and representational roles and different from those for developed countries or countries with large security assistance accounts.

When security assistance is used to purchase training or technical assistance in the foreign country itself, the U.S. armed services customarily form an ad hoc team of the requisite experts, and dispatch them to the SAO concerned for temporary duty. This practice assures inefficiencies stemming from inexperience, lack of teamwork, and inconsistency. Lessons learned are individual lessons, and rarely is there an adequate feedback mechanism to assure that the same mistakes are not repeated on other occasions. Experience has demonstrated that when MTT and TAT personnel are drawn from the same unit, team cohesion, morale, and mission effectiveness is distinctly superior to that of casual groupings. For example, teams drawn from well-trained detachments of Army Special Forces or Navy Seals will probably outperform any other group, no matter how expert. But since LIC requirements are likely to extend beyond the sort of help such Special Operations Force units can furnish, readiness for LIC ought to entail steps to prepare and hold in readiness similar MTT or TAT within other units of the services. For example, U.S. medical units might be missioned to designate, train, and periodically exercise an MTT capable of implanting a medical service corps within the army of a developing nation, or U.S. aviation and engineer units might be tasked similarly to ready TATs.

## **G. INVOLVE THE CINCs**

The regional Commanders-in-Chief are responsible for all U.S. military activities within, and all U.S. operational plans for, their area of responsibility. Of course, in many countries, security assistance is their only means for furthering U.S. interests. But past and serving CINCs vociferously complain that the security assistance system denies them an adequate voice. Some Washington officials responsible for the system argue that some of the CINCs have held themselves aloof from their Security Assistance programs, that they lack the expertise to say much meaningful about them anyway, that they do not contribute to meetings called by DSAA, and that they often take 6 months to reply to simple requests. But the Goldwater-Nichols Defense Reorganization Act mandates a larger

strategic role for the CINCs, and requires close attention to what they have to say about Security Assistance and the system.

For example, the USCINCEUR (who is responsible for most of Africa as well as Europe) states:

Major procedural and legislative changes are needed...better methods for conducting business must be found...The link between overall U.S. strategy and the use of security assistance is disjointed. This disconnect is most apparent in regional strategy, including the Unified Commands' peacetime objectives and war OPLAN execution. The State Department works out its general country-by-country strategy through the use of a "goals and objectives" directive to each ambassador. Without a clear regional and country defense strategy, the SAO chief and other country team members are forced to rely on the ambassador's goals and objectives for guidance in preparing the five year plan as contained in the AIASA (Annual Integrated Assessment of Security Assistance), a critical component of the program development process. The disconnect with overall strategy prevents security assistance from fully complementing U.S. strategic goals.<sup>35</sup>

USCINCSO, in charge of U.S. military affairs in Latin America, expressed a similar view:

Planning should be based on objectives, not administrative expedience. The objectives, in this case, are to enhance defense cooperation and strengthen military relations with our friends and allies.

Planning requirements should flow from line agencies: SAOs, Unified Commands, and the JCS. Although the Annual Integrated Assessment for Security Assistance (AIASA) process currently takes these steps, it really serves as a tool for requesting funds from Congress; the majority of day-to-day planning functions are actually managed at the DSAA level. Knowledge and pre-planning of U.S. security assistance efforts serve the CINC as an important source of information into the allied state of preparedness. The CINCs already have the war plans and intelligence at their disposal to aid them in security assistance planning and crisis response. The regional CINCs also need to have direct and formal input into security assistance budget allocations and long range planning.<sup>36</sup>

And, USCINCPAC, who has purview over the Pacific Basin and Southeast Asia, states:

CINCs need to have greater participation in the formulation of security assistance policy since Security Assistance actions, issues and activities potentially affect their operational responsibilities in theater. Therefore, he must be an active participant in the initial stage of the process. It is important that the CINC's insights and recommendations be received and given due consideration in the program development process.<sup>37</sup>

The crux of strategy is resources. The paradox is that the United States cannot plan a long-term integrated strategy with any country unless it can postulate some security assistance funding level; if it does thus promise funds, the planning is constrained by what those funds can buy. But such planning is often dependent on selling the aid package within the system, and the ability of the system to respond appropriately to country-specific needs is usually a function of the care and effort developed by requesters to the careful articulation and justification of requirements. DSAA officials estimate that 90 percent of the delay encountered in providing price and availability estimates for goods and services is attributable to vague or incomplete specification of exact equipment requirements. The problem with requirement definition is caused by flawed planning by recipient countries, overworked SAOs, and uneven performance by U.S. Country Teams and cognizant unified commands, as well as fumbled interagency coordination in the United States.

However, these changes could significantly improve procedures:

- The Annual Integrated Assessment of Security Assistance, for selected countries, should be made a priority planning document. Now, it is only one input to the budget planning process in many important cases. Also, the AIASA should be used for more than budget planning.
- Often, the U.S. Country Team (SAO and the Ambassador) will draw up the AIASA without much interaction with either the CINC's joint staff or officials of the host country. In many cases the Unified Command does not coordinate on the AIASA until after it has been sent from the Country Team to the State Department, and to DSAA. When it is forwarded to the CINC for comments at the same time that it is forwarded to Washington, it is often too late for the CINC to influence the plan significantly. The CINC and the Ambassador should ensure better coordination to involve the CINC earlier.
- The CINC should aid the planning process by making personnel from his components available for planning with the SAO and the Country Team on a temporary duty (TDY) basis. This work should be funded out of CINC TDY funds, not out of Security Assistance administration funds.
- The CINC should continue to be given the opportunity to appoint the leader of survey teams designated to plan long-term security assistance and force development requirements for a country. These surveys should consider the overall strategic requirements of the country and not just concentrate, as has been their wont, on only one aspect (such as air defense).

Note that these recommendations again bring up the question of who pays for such services. The costs of such planning efforts and surveys would be negligible as a portion of the Department of Defense budget. Each CINC should assure that the funds of his own command, and those of his service components, are adequate to support such missions.

## **H. USE DoD EXERCISES TO HELP ALLIES AND FRIENDS**

U.S. military exercises are a cost-effective way to provide economic, humanitarian, and military assistance to allies and friends among the developing nations. At the same time, the exercises give very valuable, virtually irreplaceable, training to the U.S. forces involved. Despite these advantages, laws and regulations have constrained CINCs and Ambassadors from making good use of this tool.

The anti-deficiency provisions of law mandate that Security Assistance cannot be funded from money appropriated for U.S. military operations and training exercises. The law has been interpreted to mean that in the course of an exercise, DoD can provide assistance to a foreign nation only if that assistance is incidental to the original purpose for which the exercise was funded. Disputes have arisen about what constitutes assistance, about the definition of incidental, and about how much the host nation should be charged for assistance that is a marginal addition to the exercise. The controversy centered on whether a country's participation in combined exercises with U.S. forces should be paid for by DoD exercise funds, or out of the country's security assistance funds, or both.

Here again the United States seems to confuse accounting with strategy. A well-planned U.S. exercise in the developing world would be designed by the regional CINC to meet three criteria: (1) It must be sound training for all U.S. participants, advancing their readiness for their assigned missions better than any other uses of the same training time and dollars. (2) The exercise must fit the requirements of the host country. After all, they provide the territory, airspace, and waters upon which the exercise takes place; their populace must suffer the inconveniences and dangers inherent in all military maneuvers, and their government must bear the political consequences of accepting a U.S. military presence. (3) The exercise should contribute to U.S. regional strategy. If the exercise meets criteria (1) and (3), then any beneficial fall-out from (2) should be considered incidental. In fact, the cost of exercises so planned stem very little from foreign participation, but the effectiveness of such exercises is often crucially determined by the extent and quality of foreign participation.

Consider the bureaucratic furor that surrounded C-130 landing strips scraped out of fields and forest in Central America by U.S. Army combat engineers. Accounting experts held that these were airfields usable by the host nation and therefore chargeable as security assistance. The fact is that the engineer units participating had wartime missions of constructing exactly such emergency strips (in another theater), and that EPA and other constraints on training in CONUS foreclosed practicing for such missions there. USCINCSO had a contingent need for training C-130 crews in his logistic command, control, and intelligence nets to use a similar hasty infrastructure in his theater. The CINC's training requirements matched neatly requests from the host country that the exercises train its forces in strategic redeployments from one section of the country to another, using fixed wing aircraft. Far from having its security assistance account charged for the airstrips--which were usable for only a few weeks at best without further engineering--the host country might well have submitted a maneuver-damage claim against the United States for the physical scarring of, and noise pollution in, its countryside and the use of its airspace.

Beginning in fiscal year 1987, Congress appropriated to the Department of Defense between \$1 and 2 million to pay for participation by developing countries in combined exercises. DoD has interpreted this to mean JCS-directed exercises, but for these, the funds may pay for transportation, rations, quarters, food, and ammunition. Slightly less than \$1 million was also provided to conduct seminars and planning meetings, and about twice as much to underwrite humanitarian and civil assistance projects in conjunction with combined exercises. This is a small, but extremely useful redressal of the aforementioned difficulties.

Military services of developing countries have learned a great deal by participating in combined exercises with U.S. military forces. They acquire the attitudes and demeanor of military professionals, as well as specific military skills. But there can be little doubt that U.S. troops usually benefit far more than host nation forces, receiving realistic training under conditions that would be impossible to duplicate in the United States. Exercises rewarding for both parties need not center on combat or combat support forces. U.S. combat service units can both train with corresponding units of the host country military and, as an incidental by-product, together provide economic and humanitarian assistance to the people of the host country.

There are at least four types of exercises that CINCs commonly plan:

**Interoperability Exercises and Training.** One primary responsibility of a CINC is to ensure that the U.S. and its allies are prepared to fight as well-coordinated

partners in the event of war. His need to evaluate host nation forces in the field, then, is often in tension with constraints against carrying out exercises that, in training host nation forces, might be construed as providing security assistance.

**Training for Special Operations Forces.** Training foreigners in unconventional warfare is a specified mission of U.S. Army Special Forces, and one wartime mission of U.S. Air Force and U.S. Navy Special Operations Forces (SOF). All must be ready to impart a wide variety of military skills directly applicable to low intensity conflict; therefore, and they are sought after by host nations as trainers particularly knowledgeable in subjects of interest. By actually training foreign troops, U.S. SOF participants are required to work through linguistic barriers and past cultural inhibitions to communicate skills and knowledge; thus, they practice in a realistic environment the very skills they would be called upon to use in wartime. U.S. SOF personnel operating as trainers are totally immersed in the host culture, and get experience that is impossible to replicate in the United States. Recent legislation has eased proscriptions against SOF participating in such training of foreigners abroad, but there remain security assistance payback provisions that can make it difficult for host countries to support SOF-provided training at the levels desired by the United States. Thus, CINCs must continually walk a legal tightrope as they attempt to give their SOF personnel the fullest possible opportunity for quality training and cross-cultural experience.

**Medical Exercises.** The generation of American military medics who have had first-hand experience with battlefield trauma, or indeed, with tropical medicine, has all but passed from the ranks of our armed services. Military exercises in Third World countries provide unparalleled training opportunities for U.S. military medical personnel and units. Most developing countries find combined training with medical units easier to accept than any other type. And invariably the people of the countryside enjoy having U.S. medics in their midst, because for many, being treated by a medical professional is a once-in-a-lifetime experience. In one combined exercise in Central America, U.S. helicopter-borne medics, deploying in all cases with officials of the host's Ministry of Health, inoculated over 100,000 children against five basic diseases.

But there are grim purposes for such exercises. Many developing countries do not have military medical systems that can provide essential care and evacuation for combat casualties. The result has been very high combat mortality, which greatly reduces morale and combat effectiveness and imposes grave political and economic costs on the government in raising and training replacements. For example, in El Salvador in 1983, mortality from injuries sustained in combat was about 45 to 50 percent. The problem, like

that in most developing countries, was neither the lack of good doctors, nor of excellent hospitals, but the absence of a military medical service corps to provide first aid, to stabilize the wounded, and to move them rapidly by helicopter to professional medical treatment. After the U.S. introduced a 2-year program to train company-level aidmen, and to develop a battlefield evacuation chain, combat mortality was reduced to 5 percent of overall casualties, a proportion comparable to U.S. results in Vietnam.<sup>38</sup>

In any country facing an active insurgency, military medical training can provide immediate tangible benefits. Usually, the entire system of combat medical support needs to be revamped, and there are few easy fixes. However, U.S. assistance in training medics, aid men, nurses, surgeons, and medical administrators, and in improving the evacuation system can make a major difference. Hence, CINCs are properly concerned with the medical readiness of allied forces. Here too, recent legislation indicates Congress is more tolerant of extending humanitarian aid without incurring security assistance charges, but here too, our commanders walk a legal tight rope.

**Construction Exercises.** U.S. military engineers obtain training otherwise denied them in building roads and airstrips, digging wells, assessing and upgrading water supplies, and controlling flooding in developing countries. If each exercise is properly planned, it will be responsive to the host government's interests and consistent with the U.S. Ambassador's general plan for developmental assistance. The legal thickets surrounding such exercises include entanglement with the numerous laws and regulations on military construction, as well as the security assistance system.

## **I. RESUSCITATE INTERNATIONAL MILITARY EDUCATION AND TRAINING**

Through the International Military Education and Training (IMET) Program, the United States brings foreign military personnel to the United States for training. At low dollar cost it has achieved important strategic objectives. Since 1950, the IMET program has provided training for more than 500,000 officers and enlisted men from more than 100 countries. From FY 1979 to FY 1984, over 1,540 IMET-trained personnel held positions of prominence in their countries--including chiefs of military services, cabinet ministers, ambassadors, senior staff officers, field commanders, and other officers of flag rank. The administration's FY 1988 budget request of \$56 million will train approximately 7,707 personnel from 106 countries.<sup>39</sup>

The main aim of IMET is professional military education, but it also includes training in skills needed for operation and maintenance of U.S.-produced equipment, management of an indigenous training base, and development of expertise for efficient management of defense establishments. As important, IMET encourages interaction among U.S. and foreign military personnel and exposes future national leaders to American institutions and values. On the scale of U.S. expenditures for security, IMET entails very small investments with disproportionately high potential yields in international understanding and cooperation and the sort of personal relationships that can pay important dividends in unforeseeable future circumstances.

But conditionality often obtrudes in IMET. Congress has imposed numerous legislative sanctions that foreclose the United States from extending security assistance, including IMET, to particular countries. These sanctions prevent participation in valuable training programs and create resentment among both political and military leaders in the sanctioned nation. The irony of such sanctions on IMET, is that they often cut off communication with precisely those countries and those categories of individuals we wish most to influence. The impact can be illustrated by the list of Latin American countries currently under sanctions, which includes Chile, and Peru; Argentina and Brazil were recently removed from these sanctions. Together, the sanctioned countries in USCINCSO's region constituted 80 percent of the land mass and 71 percent of the population.<sup>40</sup>

Since IMET is a people-oriented program with potential for a major contribution to developing nations, it should not be included within the sanctions applied to more material-oriented MAP and FMS programs. The IMET program should be exempted from the provisions of the following FAA sections: 483 (concerning failure to eradicate narcotics production; 669 and 670 (concerning failure to enter into international agreements for control of nuclear materials and technologies; and 620(q) and the Brooke amendment (concerning failure to repay loans).<sup>41</sup>

In addition to removing these sanctions, the United States needs to ensure that adequate funding is available and that optimal use is made of that funding. For example, nations that have national airlines with flights to the U.S. should be required to provide round-trip transportation (at no cost to the U.S. Security Assistance program) for their nationals.<sup>42</sup>

The U.S. military services that provide the training should examine the curricula to ensure that they are providing the right training. A joint study should be commissioned to take an across-the-board look at low intensity conflict as a curricular focus especially

relevant for participants from Third World nations, one in which they might take part as faculty as well as students. This may require modifying existing courses or developing entirely new programs to accommodate an increasing need for training and education in nation-building amid the threats of modern low intensity conflict. Also, there may be expanded requirements for foreign language proficient trainers. In conjunction with the effort to identify training requirements, DoD should reassess its requirements for individuals with the requisite skills, attitudes and other attributes for training Third World leaders, a resource useful either within IMET or within the regional unified commands.

## **J. AUTHORIZE SECURITY ASSISTANCE FOR POLICE TRAINING**

The effectiveness of U.S. security assistance is seriously hampered by the legal prohibition (Section 660 of the Foreign Assistance Act as amended in 1974) against providing training, advice, or financial support to foreign police. In the Third World, police forces are often subordinated to the defense forces, and are an integral--and important--part of each country's intelligence establishment.

In its time, the provision may have served the useful purpose of distancing the United States armed forces from human rights abuses by foreign police forces. But, the law should be changed to recognize the emergence of democratic governments throughout much of Latin America in the last 10 years. There is no reason to deny vital aid to the police forces of democracies, so long as their governments observe human rights.<sup>43</sup>

Police and other public security forces are a vital element in combatting threats from terrorists, saboteurs, subversives, paramilitary criminals, and insurgents. Police are the essential infrastructure for responding to such threats precisely because they can carry out investigative and protective operations for which military forces are seldom well-trained, and in which they can rarely be employed efficiently. U.S. military police trainers have demonstrated their competence in conducting large, successful programs in several countries, often under security conditions that obviated our introducing civilian law enforcement trainers. Our inability to furnish military aid for police forces often leads to absurd results--the Grenada case, already mentioned, to point. U.S. laws should be modified to aid democracies to enhance the professionalism of their police forces through MAP and IMET funding.

This has already been tried successfully on a limited basis in Central America. Costa Rica, a long-time democracy with no military forces, must rely on its civil and rural guards to counter Nicaraguan border incursions, general lawlessness in its undeveloped

northern regions, and incipient terrorist threats in its major cities. U.S. military assistance to the Costa Rican paramilitary police organizations has improved their capabilities through training, improved communications, better transportation, and standardization of personnel equipment (boots, uniforms, small arms).

In El Salvador, following several years of defeats at the hands of the increasingly professional Salvadoran Armed Forces in rural actions, the communist guerrillas began to infiltrate the cities, where they immediately overwhelmed the inadequately trained, poorly armed police. Lacking any other recourse, the Duarte government ordered its soldiers into its cities, an environment for which its equipment, tactics, and training were less than satisfactory. Recently, after obtaining temporary exemption from the no-police-aid provisions, El Salvador designated \$9.7 million of their available MAP funds, and Honduras substantially less, to be used for their police forces. This money will go for trucks, police cars, portable radios, and the training of several thousand policemen. The training will cover the subjects of professional investigative techniques, marksmanship, paramilitary operations, interrogations, human rights, and community relations. In these instances, U.S. security assistance will help assure that each is capable of coping with well-armed terrorists and urban guerrillas and is competent with investigation under the law, respectful of human rights, and supportive of democratic government.

#### **K. TAILOR SUPPORT FOR COUNTRIES FIGHTING INSURGENCY**

Much of the materiel that the United States should provide to countries facing low intensity conflict is not in the inventories of the U.S. armed services. What is needed to combat terrorists and insurgents is not the high-tech, expensive, difficult-to-maintain, and very lethal equipment that the U.S. military has bought to prepare against a Soviet attack on Europe or the United States. Nor is conventional U.S. training and doctrine relevant for their circumstance. The United States is not well prepared to provide the countries facing insurgencies with the kind of help they require. Partly for legal reasons and partly for follow-on support reasons, both discussed in the section which follows, the United States has found it very difficult to provide equipment that is not in the U.S. inventory to our allies and friends through security assistance. We must reexamine the restrictions, and seek their removal.

One key to winning a guerrilla war is discrimination in the use of weapons to avoid killing innocent civilians. This is one area in which the United States can provide a crucial advantage--to provide for them what they cannot for themselves. The host-country military

needs detailed tactical intelligence that will aid in identifying the guerrillas from the populace and discriminate weapons for attacking them. Recent technological advances, available to the United States, could make both available, and could go a long way to reducing collateral damage.<sup>44</sup>

Developing countries conducting a counterinsurgency campaign also need (1) intensive help with intelligence; (2) cheap, reliable and secure communications; (3) transportation that is affordable and supportable; (4) help in organizing and running their logistic systems; (5) help in informing their people; (6) medical support and training; (7) help with civic action and civil engineering projects; (8) help in organizing local enterprises that can manufacture military goods; (9) aid in finding non-U.S. sources of materiel; and (10) military training.

**The Centrality of Intelligence.** The standard rule of thumb in a guerrilla war is that the government needs 10 times as many troops as the guerrillas have, because the guerrillas can hide and then strike with surprise. The government has to be prepared to defend everywhere, all the time, while the guerrillas can choose the time and place they will attack. Help with intelligence, to deprive the guerrilla of freedom of action and to deny him the initiative, is often the most important form of aid the United States can give. Yet, because of its understandable concentration on East-West issues, the national intelligence community is not well structured to provide coordinated support for LIC activity on a sustained basis, and institutional rivalries and preferences create a predisposition against doing so.

U.S. intelligence, combined with development of the Salvadoran's own intelligence system, has been crucial in El Salvador. Airborne and other surveillance has provided valuable intelligence that has changed the course of the war. But, the United States has had to collect this intelligence through a makeshift system, much more expensive and less capable than a pre-planned, optimal system could be. There has been great progress in identifying guerrilla base areas and actionable mobile guerrilla targets. But, the effort has been manpower intensive and has stressed U.S. capabilities. Extending the same sort of aid to another country, e.g., the Philippines, would require a substantial expansion of U.S. capabilities. The chances are that a future President will ask for just such a capability. The military services, the CINCs, the CIA, and the Department of State should cooperate to ensure that the United States takes the steps now that will ensure that capability is available when needed.

**Communications.** Signals equipment for LIC is a classic case where U.S. military equipment is, in general, too sophisticated, too costly, and too difficult to support.

Sophisticated military communications, designed for an electronically dense and electronically hostile battlefield, carries with it large training and logistics burdens. It is often difficult, if not impossible for Third World recipients of such gear to develop self-sufficiency and to cut themselves loose from extensive U.S. involvement in maintaining, supporting, and operating the system properly. Furthermore, developing countries often do not need many of the capabilities that drive up the cost of U.S. military standard radios.

Less expensive civilian equipment will often do the job quite well. New, open-market devices for interactive image conferencing seem to be attractively priced and particularly relevant in LIC situations. Microwave or other radio-repeater transmission systems may be a liability if relay towers are vulnerable to guerrilla attack. In such cases, inexpensive satellite ground stations, providing access to U.S. satellite channels, albeit in one sense very sophisticated, may also be a practical and maintainable communications medium.<sup>45</sup>

**Mobility.** The U.S. Southern Command (USSOUTHCOM) has tried for years to obtain an easily maintainable, low-cost, Short Takeoff and Landing (STOL) aircraft that can be used on the short, unprepared airfields of Latin America. Such a plane would meet many of the mobility requirements for the region, filling their needs and ours. Yet, the U.S. services have not yet acquired such planes for USSOUTHCOM from either U.S. or foreign vendors. Nor have our Latin American allies been able to use security assistance funds to purchase them. The problem arises largely from the U.S. military services' reluctance to buy this type of plane. Again, if an item is not in the U.S. services' inventory, other countries have great difficulty obtaining it through U.S. security assistance.

The American approach to military mobility has tended to revolve around high-cost, high-tech fixed wing and rotary wing aircraft, expensive trucks, and other similarly high-cost equipment built to demanding military specifications. In many developing countries, such equipment is often a burden, not a boon. Due consideration must be given to the host country's technical support capability, as well as to the actual tactical needs of the recipient—which may be far less than U.S. standard equipment is designed and priced to provide.

**Logistical Support.** For very valid reasons, the DoD logistics system is not well structured to provide support for developing countries' armed forces. Dusty parts bins and 3x5-card inventory systems are difficult to match with the highly automated U.S. systems, and many components needed for security assistance customers are no longer maintained in the inventory of U.S. services. Developing countries need tailored logistics

support, not attempts to impose compliance with contemporary American logistics processes.<sup>46</sup>

**Informational Support.** Many of the new democratic governments are quite inexperienced in communicating with their own people or with the outside world. On the other hand, communist-trained guerrillas often have an experienced, international propaganda network. The United States can help by providing advice and technical support to the democratic governments.

**Medical Infrastructure.** As pointed out previously, many Third World countries do not have military medical service corps that can provide essential medical care for combat injuries. In this respect (like many others), the Philippines situation is now similar to that of El Salvador was in the early 1980s. A concerted U.S.-Philippine effort to ameliorate the situation is indicated.

**Civic Action and Pioneering.** When violence spreads in developing countries, governments often find it impossible to obtain civil construction firms willing to take the risk to repair roads, bridges, and other infrastructure in conflicted areas. For this reason, one of the tasks that must be taken up by the military establishment is leading-edge reconstruction work that provides for the people's livelihood and extends public administration. Security assistance can help with appropriate equipment and training.

**Promoting Self-Sufficiency.** When President Duarte of El Salvador first met the Chairman of the Joint Chiefs of Staff, he said: "You have been selling us fish for years. Now teach us to be fishermen." He asked for help in setting up local manufacturing of military consumables (e.g., boots, rations, uniforms, bandages, and small arms ammunition). Help such as he requested boosts both military capability and the local economy. But current law restricts the use of U.S. Foreign Aid for such martial purposes. Congress should enact legislation that enables the United States to provide development capital and management advice for such ventures and permits use of MAP funds for offshore procurement of them. U.S. firms should be encouraged to participate as partners.

Jungle boots, camouflage uniforms, field rations, radio batteries, sandbags, barbed wire, and plywood are but a few of the consumables that could be made to military specifications, either U.S. or local, by Central Americans--where a concentrated local market of 350,000 soldiers and local militia needs them--for 1/2 to 1/4 of what it would cost to buy them in the United States, per present security assistance pricing formulae. For more complicated items, it would be possible to stretch security assistance dollars further by buying critical components in the United States and assembling the final product in the

host country, using indigenous labor and a hybrid of U.S. and locally manufactured parts and components.<sup>47</sup>

Many Third World military establishments are already in commercial businesses of some sort--much to the disadvantage of their military professionalism and to the probity of some officers. Aid in moving existing military manufacturing activities into the private sector could promote efficiency, free up military manpower and resources devoted to such activities, and possibly remove the potential for corrupting influences within the military establishment. The U.S. Agency for International Development now has a program to encourage privatization of government-owned industries in developing countries. This experience should be extended to encourage military establishments to privatize manufacturing of military goods.<sup>48</sup>

**Procuring Non-Standard Equipment.** In theory, developing nations can use security assistance funds to purchase U.S.-made military hardware that is not in the inventories of the U.S. services. And sometimes they do--but there are several drawbacks and pitfalls to this course of action. Low volume sales are not particularly attractive to U.S. business because, without U.S. government backing, small manufacturers literally "bet the firm" when they attempt to produce a piece of hardware only for low intensity conflict. If United States manufacturers were to pursue the development of LIC-unique items for sale solely to other countries, U.S. government sponsorship and support would be necessary to encourage developers and manufacturers to accept the inherent risks. Current U.S. legislation forecloses using DoD funds to develop items solely for export.

Purchases from suppliers other than the U.S. government can also create logistics problems. The U.S. military logistic system is large and cumbersome. Even if certain non-standard components happen to be available within DoD's logistics system, the administrative demands of mobilizing the U.S. system to find and ship them may be too difficult for the aid recipient. And the DoD system can be unresponsive to small user demands. An even greater problem is the case where the private vendor simply closes shop and decides that it can no longer produce spares and parts for the few systems sold. In any event, U.S. security assistance pricing rules (the "no loss" rule that mandates FMS surcharges) and slow licensing procedures, often price U.S.-made military equipment out of the market.

Again, what is needed is more flexible pricing and a more attuned and responsive DoD logistic system, prepared to support commercial, non-standard items for LIC-threatened allies and friends. The CINCs and the SAOs should be encouraged to support U.S. private enterprises offering LIC-relevant military goods and services to their host

countries, for in certain instances, commercially available, off-the-shelf equipment can provide an adequate capability. Such might not meet U.S. military specifications, but since the item is commercial produced, R&D costs are non-existent, and the local market-place can provide the logistic support system. Even in such instances, however, the aided military should be offered U.S. advice on which items to buy, and how to incorporate them into military operations. Such advice is seldom now proffered.

There are other opportunities. Many Third World military establishments hold large stocks of "obsolete" U.S. equipment. This equipment may be obsolete for a war in Central Europe, but, with low-cost upgrades, it can be modernized for low intensity conflict. The cheapness with which some older systems may be updated offers major potential for multiplying the leverage and payoff of shrinking security assistance funds. For example, the U.S. Army Materiel Command has estimated that a \$1000 per-copy laser sighting system for the 106mm. recoilless rifle could be developed for under \$250,000, extending the weapon's range by 2-1/2 times. Israel is marketing an upgrade package for the M-113 personnel carrier consisting of kevlar armor, a better transmission, and a 20 mm. automatic cannon turret, virtually doubling the capability of the vehicle, for an add-on cost of about \$125,000. A modernized sighting/fire control system and a 105 mm. gun can be added to an M-47 tank for about a quarter of a million dollars. Their U.S. replacements, the M-2 and M-1 vehicles, cost \$1.3 and \$2.7 million respectively.<sup>49</sup>

Congress should provide additional MAP funds and legislative authority to use them to support R&D of selected packages to modernize large amounts of obsolescent, but serviceable, allied equipment no longer in U.S. stocks.

**Military Training.** The recommendations advanced earlier in this paper concerning the need to improve the cohesion and preparation of U.S. trainers are particularly relevant to training unsophisticated Third World personnel, where each U.S. trainer serves as a role model, and culture and language are as important to learning as the subject matter. But again, U.S. technology can help. The Defense Advanced Research Projects Agency and the U.S. Army now have available networked simulators centered around vivid, three-dimensional, digital graphics that can be used to teach appreciation of terrain, maneuver and fire planning, and combined arms synchronization, as well as individual and crew skills, without the significant intercultural impediments of conventional training. Networks might be inexpensively leased or provided to the recipient nation as a service, and if ship-borne, could provide secure, politically unobtrusive training sites. These simulators could also be used for operational planning and rehearsals.<sup>50</sup>

## L. AUTHORIZE PROCUREMENT OF FOREIGN EQUIPMENT

Legislative restrictions against off-shore (non-U.S.) procurement reduce the effectiveness of security assistance for Third World recipients. Wider procurement from non-U.S. sources appears to offer LIC-threatened countries significant benefits, though the hypothesis needs further testing. Often, there is no available U.S. equipment that can do the same job at anything close to the same cost. Off-shore procurement could expedite acquisition of equipment that may be not only cheaper than U.S. equivalents, but also more applicable to the needs of the recipient country and more easily supported locally. Foreign support personnel may blend more easily into the aided nation's society, and thereby reduce resentment of foreign presence. Off-shore procurement may also be an inducement to an ally or friend to join with the United States in its Third World foreign aid undertakings.<sup>51</sup>

For example, the Hondurans need an anti-tank weapon to counter the large number of Soviet-supplied Sandinista T-55 tanks. They already own many U.S.-manufactured 106mm. recoilless rifles, perfectly adequate for destroying such tanks and thus deterring an armor attack from Nicaragua. But the 106mm. round is effective only when it hits; the weapon has a limited range of accurate direct fire, and its sight is virtually useless at night. One approach would be to fund the U.S. Army Materiel Command's development of the laser-sighting system described above--it would be expensive (the sight would cost more than the weapon and the round) and time-consuming, but ultimately workable. A more cost-effective solution would be to buy off-the-shelf in Sweden, where Bofors sells upgraded fire controls for the 106mm.; a fix that could quickly and significantly increase the deterrent value of Honduran weapons. The U.S. Southern Command judged that such off-shore procurement would be the most cost-effective way to solve the Hondurans' anti-armor defense problem. Yet, current U.S. law has effectively restrained the Hondurans from using security assistance either to purchase the Bofors upgrade, or to underwrite U.S. development of a counterpart. We need to change that law.

## IV LEADERSHIP FOR INTEGRATED LONG-TERM STRATEGY

Security assistance is of minor importance in the Federal budget, but it is strategically crucial. The set of recommendations in this paper would require only a small increase in foreign aid funding (our estimate is less than \$0.5 billion per year) and some shifts from Foreign Aid to Defense (of about \$0.7 billion per year). Only relatively minor changes in administration and legislation are needed. However, the consequences of failing to act on these recommendations will not be minor at all.

Even if Congress were to support such changes, however, the challenge of using the reforged strategic instrument carefully and to advantage would remain. Security assistance anticipates another nation's hard work and sacrifice, which requires the utmost effort of American diplomats and military leaders to elicit and support. And trends in Congress are likely to make their job more difficult.

The United States is heading for a condition in which the officials who are entrusted with implementing foreign policy and protecting our national security interests--the President, the Secretaries of State and Defense, and the Ambassadors and CINCs--will be deprived of viable security assistance programs for all but a few developing nations. This means that they will have been deprived of our most effective instrument for influencing such countries. They will have lost our main counter to the huge, active Soviet programs in the Third World. And having diminished military assistance to offer, they will steadily lose the ability to influence the profound economic and politico-military transformations underway. Democracies could founder. The U.S. military could lose the ability to project force around the world.

Facing profound change abroad, we must dare contentious reform at home.

Clearly such reform will not be easy. The Commission on Integrated Long-Term Strategy called for a "national consensus on both means and ends" to help protect U.S. interests and allies in the Third World. Consensus building requires the exercise of leadership and requires convincing the framers of public opinion in this country, whether they be in the Executive, Legislative, or Judicial Branches, in academia, or in the media, both that there is a need for action and that a reasonable plan is available. Reform of security assistance for developing countries must be advocated strenuously at the highest level by those who have prime responsibility for national strategy. Similar support should come from principals of all departments and agencies involved in overseas operations. The

Executive Branch needs to demonstrate to the people and to Congress that it has developed and is determined to implement a coherent, comprehensive plan for protecting U.S. interests in the Third World. Without such a demonstration, there will be no national consensus, and security assistance will not be accepted as the vital element of national policy that it should be.

There is a paradigm for how to proceed: the U.S. Country Team. President Kennedy formally articulated the concept of the Ambassador, as the President's representative, drawing together the several departments and agencies represented in every U.S. Mission for either planning or operations. That scheme has worked well in many instances of U.S. involvement in Third World terrorism, sabotage, subversion, and insurgency, including that cited favorably by the Commission in its report.<sup>52</sup> It deserves to be applied in Washington as well. The Secretary of State, through the appropriate regional Assistant Secretary, should lead in pulling together the several departments and agencies concerned with U.S. security interests in the developing world, in eliciting short-term actions and long-term planning, particularly Research, Development, Test, and Evaluation to improve U.S. ability to help allies and friends in the Third World. The Low Intensity Conflict Board of the National Security Council could provide whatever authorities may be required and approve plans and proposals for action. But the Secretary of State should be foremost in developing the new consensus, out of which should emerge the reform of security assistance and the integrated long-term strategy that future Presidents, and future Congresses, will surely require.

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<sup>1</sup>Report of the Commission on Integrated Long-Term Strategy, Discriminate Deterrence, January, 1988, pp.2-3, 16-17.

<sup>2</sup>John Foster Dulles, "Foundation of Peace", Address, Veterans of Foreign Wars, New York, N.Y., in the Department of State Bulletin, 39 (September 8, 1958), pp. 375 ff.

<sup>3</sup>International Security - The Military Aspect, Report of Panel II of the Special Studies Project, Doubleday & Co., Garden City, N.Y., 1958, p.24.

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<sup>5</sup>U.S. Congress, Senate, Committee on Foreign Relations, United States Foreign Policy --Economic, Social and Political Change in the Underdeveloped Countries and Its Implications for United States Policy, 86th Congress, 2d Session, pp. 5, 42-45.

<sup>6</sup>U.S. Congress, House of Representatives, United States Defense Policies in 1961, prepared by the Legislative reference Service, The Library of Congress, 87th Congress, 2nd Session, House Document No. 502, pp. 79-80.

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- <sup>7</sup>U.S. Congress, House of Representatives, United States Defense Policies in 1963, Legislative reference Service, The Library of Congress, 88th Congress, 2nd Session, House Document No. 335, p.36.
- <sup>8</sup>Discriminate Deterrence, p.19.
- <sup>9</sup>The Commission on Security and Economic Assistance, A Report to the Secretary of State, 1983, pp. 2-3.
- <sup>10</sup>Report of the National Bipartisan Commission on Central America, Government Printing Office, Washington, D.C., January, 1984, pp. 12ff.
- <sup>11</sup>Ibid., p.94.
- <sup>12</sup>Ibid., p. 105.
- <sup>13</sup>Admiral William J. Crowe, USN, Chairman of the Joint Chiefs of Staff, Statement before the House Foreign Affairs Committee on Security Assistance, 18 February 1987.
- <sup>14</sup>Reagan, R., National Security Strategy of the United States, Washington, D.C., January, 1988.
- <sup>15</sup>Ibid., pp.37-38.
- <sup>16</sup>Discriminate Deterrence, p. 61.
- <sup>17</sup>The Security Assistance Workshop (SAWS) of September 28-30, organized by the Commission's Regional Conflict Working Group, was a 3-day conference hosted by the Institute for National Strategic Studies of the National Defense University. Entitled "Security Assistance as a U.S. Policy Instrument in the Developing World," the Workshop drew participants from the Defense Security Assistance Agency, the Department of State, the Military Departments, the Joint Chiefs of Staff, the regional unified commands, and other agencies. The Honorable Frank Carlucci, then National Security Adviser, and Lt. General Charles Brown, Director of DSAA, gave plenary addresses. Panels within the Workshop were chaired respectively by Vladimir Lehovich and David Passage of the Department of State, and by Henry Gaffney of DSAA. Many of the ideas presented in this report are derived from papers submitted to the Workshop, and the discussions there. (However, no participant in the Workshop has had an opportunity to review this report in its final form.) INSS plans to publish two volumes on the Workshop itself, Panel Reports, and Proceedings.
- <sup>18</sup>The Honorable Frank Carlucci, Keynote Address, Security Assistance Workshop, INSS, NDU, 28 September 1987.
- <sup>19</sup>John P. Caves, Jr., "Foreign Assistance Resource Problems and Requirements for Low Intensity Conflict," paper submitted to SAWS. Some 32 LIC-threatened friendly governments were listed by DSAA in coordination with the Office of the Assistant Secretary of Defense for Special Operations and Low Intensity Conflict. The countries are: Bolivia, Botswana, Burkino Faso, Burma, Central African Republic, Chad, Chile, Colombia, Ecuador, El Salvador, Guatemala, Honduras, India, Indonesia, Ireland, Lebanon, Lesotho, Malaysia, Mali, Morocco, Mozambique, Pakistan, Papua New Guinea, Peru, Philippines, Somalia, South Korea, Sri Lanka, Sudan, Thailand, Uganda, Zaire.
- <sup>20</sup>Discriminate Deterrence, p. 5-11.
- <sup>21</sup>Ibid., p. 20-21.
- <sup>22</sup>Information Paper, OSGUSA(SGPS-CP-T), 1 March 1987, "AIDS in Haiti - An Analysis of the Current and Projected Effects of the Disease on the Population."
- <sup>23</sup>Discriminate Deterrence, p. 11.

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- <sup>24</sup>U.S. General Accounting Office, "Cost of Military Exercises in Honduras," GAO/NSIAD-86-50FS, February, 1986. See also U.S. GAO, "Honduras U.S. National Guard Construction Exercises", GAO/HSIAD-87-66, April, 1987.
- <sup>25</sup>This estimate is from a study prepared by Dov Zakheim, Office of the Undersecretary of Defense for Policy, for the Commission on Integrated Long-Term Strategy.
- <sup>26</sup>Michael S. Ryan, "The Need to Focus U.S. Military Aid," paper presented at SAWS, p. 3. He cites a 1982 poll showing that 62 percent of the U.S. population opposes military assistance.
- <sup>27</sup>*Ibid.*, pp. 2-3.
- <sup>28</sup>U.S. European Command, "Security Assistance Concerns...", paper submitted for SAWS, p. 8.
- <sup>29</sup>Communications from Henry Gaffney, Director of Plans, DSAA.
- <sup>30</sup>Information provided by DSAA.
- <sup>31</sup>Testimony of General John R. Galvin before the Senate Armed Services Committee, 23 February 1987, cited in USEUCOM, *Ibid.*, p.6.
- <sup>32</sup>John J. Tyler, Jr., "Support for Security Assistance in the DoD Budget", paper submitted to SAWS, Annex 1, p.2.
- <sup>33</sup>U.S. Southern Command, paper for SAWS, "Quality of Service: Support," p.8.
- <sup>34</sup>SAWS Panel 3 Report, pp. 3-5. Cf., Secretary of Defense, Annual Report to the Congress, Fiscal Year 1989, p. 95.
- <sup>35</sup>U.S.EUCOM, op.cit., p.1.
- <sup>36</sup>U.S. Southern Command, paper submitted to the SAWS, p. 23.
- <sup>37</sup>U.S. Pacific Command, "Security Assistance Role in Peacetime--Warfighting Strategies," paper submitted to the SAWS, p. 1-6.
- <sup>38</sup>SAWS Panel II report, p. 9.
- <sup>39</sup>Department of State, Congressional Presentation for Security Assistance Programs, Fiscal Year 1988, p. 55.
- <sup>40</sup>SAWS Panel I Report, p. 5.
- <sup>41</sup>U.S. Southern Command, "Legislation Concerning IMET," paper submitted to the SAWS, p. 14. The paper holds that exemptions should not be sought from FAA Section 116, 502B and 660, concerning human rights.
- <sup>42</sup>Paul C. Hutton III, "Improve the Efficiency of IMET Outlays," paper submitted to the SAWS, p. 3.
- <sup>43</sup> U.S. Southern Command, "Legislation Concerning Police Training," paper submitted to the SAWS, p. 17.
- <sup>44</sup>For an excellent discussion, see Peter Bahnsen, "Protracted War and The Role of Technology or Six Rules, Six Solutions and Three Challenges," unpublished, 1987.
- <sup>45</sup>SAWS Panel II Report, p. 4.
- <sup>46</sup>SAWS Panel II Report, p. 5.
- <sup>47</sup>Paul C. Hutton III, "Encourage Cooperative Low-Tech Industrial Ventures, paper submitted to the SAWS, p. 2.
- <sup>48</sup>Frances Johnson, USAID, "Privatization as an Instrument of U.S. Military Assistance Programs," paper submitted to the SAWS.

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<sup>49</sup>Paul C. Hutton III, "Upgrade Obsolescent U.S.-Made Equipment in LDCs," paper submitted to the SAWS.

<sup>50</sup>Discriminate Deterrence, p. 22.

<sup>51</sup>Ibid., pp. 20-21.

<sup>52</sup>Ibid., p. 15.

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