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# The Security Assistance Budget Proposal for FY 1991: A DOD Perspective

By

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Mr. Chairman [Representative David R. Obey, D-WI], it is a pleasure to be here today to testify on security assistance. I look forward to working with you throughout Congressional consideration of the President's budget request. Before I go any further, I would like to compliment you, Mr. Chairman and Mr [Mickey] Edwards [R-OK] and the members of this subcommittee for your commitment to a fresh approach to foreign aid. I noted with interest your discussion with Secretary Baker the other day on the need for a bipartisan approach to the situation in El Salvador. I wholeheartedly agree. Let me add that I would like to see this bipartisan approach extended to all of our programs. There is a lot to be done in the world today, and we need to work together to accomplish our country's objectives.

Mr. Chairman, my friend and former colleague Francis Fukuyama stirred up quite a debate last year with a very provocative article entitled "The End of History." His point was not that the historical clock had wound down and stopped, but that the ideals of democratic capitalism have triumphed around the world, to the extent that old fashioned ideological conflict, indeed most large-scale violence between states, is or will soon be passé.

Let me hasten to say that I do not believe this millennium has arrived yet. I do think this analysis is an ingenious way of looking at the changes in the world today, and I do agree with the long-term optimism about the power of the democratic ideal, but I am also concerned that this reasoning can lead to excessive optimism about the threats to peace and stability in the world.

Many people who read that article missed an important caveat about which the article is quite clear—there are many places on earth where history is far from over. It is in these areas, where conflicts of the past continue unabated, and where new threats as varied as drugs and ballistic missile proliferation foster violence and instability, that our security assistance program has an especially vital role to play.

To focus on those changes which have occurred, we have seen in the Soviet Union, and especially in Eastern Europe, an extraordinary shift away from Marxism, and toward democracy and free market economies. Events in the political and economic spheres have brought welcome changes in the military sphere as well. Although the Soviet Union retains and will continue to retain tremendous military capabilities, we see, and we welcome, the prospect of attaining a degree of military stability and security in Europe that seemed impossible in the past.

We have also seen remarkable transitions in other parts of the world. In South America, where General Pinochet just recently was the latest in a series of authoritarian leaders to hand over power to an elected civilian government, we have witnessed over the past ten years an extraordinary peaceful evolution toward democracy. In Asia, Pakistan, South Korea, the Philippines, and Thailand have made similarly large strides. At the other end of the political spectrum, we applaud the results of the elections in Nicaragua, and we hope that the Sandinista

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government will relinquish power in good faith and abandon any hopes of "governing from below."

The United States, and its security assistance programs, have played a role in promoting this trend toward democracy in the developing world. In El Salvador, whose people have defied the intimidation of the FMLN and turned out in great numbers to vote in five free and fair elections, U.S. assistance has provided a security umbrella for that country's transition to democracy. In the Philippines, where the government still faces an anti-democratic Communist insurgency, U.S. aid has been critical in safeguarding the political gains that have been made. Our steady and patient promotion of democracy around the world for the last 40 years has helped to bring great progress. It would be a tragedy if we were to slacken our efforts now when, in so many places, victory is in sight.

### **CONTINUING CHALLENGES—ONGOING SOVIET ROLE, INDIGENOUS INSTABILITY.**

Unfortunately, despite the progress in the Soviet Bloc and in other areas of the globe, we see continuing instability and conflict in much of the developing world. There are several reasons for this. First, while the Soviets have taken the significant step of withdrawing troops from Afghanistan, and have encouraged the withdrawal of Cuban and Vietnamese troops from countries they moved into in the 1970s, they still provide enormous levels of military assistance and advanced weaponry to countries like Cuba, Libya, North Korea, and Afghanistan. In Afghanistan, which is sometimes portrayed as the centerpiece of "new thinking" in Soviet security policy, Moscow is providing some \$300 million a month in primarily military assistance, including sophisticated weapons such as Scud missiles. While there has been some progress in resolving conflicts in such trouble spots as Afghanistan, Angola, Cambodia, the Middle East, and, most recently and encouragingly, Central America, the progress is still far from complete.

Second, and much more important, there are many regional, ethnic, and national antagonisms around the world for which the Soviets are not responsible, and those antagonisms are not moving on the same positive course as East-West relations. The bulk of our security assistance, in fact, goes to help countries deal with threats and conflicts that are largely or entirely local in origin. Some of these conflicts are getting worse, not better, and are being exacerbated by the introduction of ballistic missiles, chemical weapons, and, potentially, even nuclear weapons. In fact, this superimposition of increasingly sophisticated weapons technology upon intransigent regional rivalries is one of the greatest diplomatic and military problems we face.

In this period of great—but uneven—change in the world, our strategy must be to prepare for the spectrum of contingencies which we and our allies and friends may face, in order to preserve, and build upon, the gains which we have made for freedom and democracy. These contingencies range from the threat of all-out war in some regions, to the lingering low-intensity conflicts we find in many areas of the globe.

Our efforts in this regard are not altruistic, they are in our own national interest. This point is sometimes lost in the debate over our foreign assistance programs. The United States will always have an interest in economic and political stability throughout the world. A return to isolationism is simply not an option.

### **ROLE OF SECURITY ASSISTANCE**

As we attempt to manage what we hope will be a transition to a more stable, peaceful world, security assistance plays a number of roles. First and most obvious, it enables friends and allies facing external and internal security threats to defend against those threats. It is far better for us,

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and for the world, if we can help our friends and allies to defend themselves, rather than use American forces. This is especially important at a time when our military budget is decreasing.

It also aids stability, by helping our friends to feel secure about their ability to defend themselves, which can raise the threshold of violence and reduce the risk of hostilities. The stabilizing role of security assistance is especially important in those regions where one country's acquisition of sophisticated weaponry threatens to shift the military balance—and tempt other countries in the region to follow suit. Security assistance can provide these countries with other, less destabilizing, ways in which to redress the balance.

Our security assistance program is also a component of our strategy of forward deployment. Threats to U.S. interests remain, and the network of bases and access rights we have built up in the post-war era to protect our strategic interests must be maintained. Even if, just for the sake of argument, the Soviet Union never again posed a military threat to U.S. interests, we would still need the ability to project military force. As we move away from large-scale forward deployments to smaller, more mobile forces, the bases and access rights that are critical to our ability to project power will become all the more important.

Our security assistance programs also serve as a kind of military diplomacy—a process which introduces military personnel from other nations to the professionalism and democratic ethos of our own military. Ties like these help promote cooperation between the civil and military sectors of society in countries which may not have such a tradition. In many of these countries the military is an important institution, a major source of technical and engineering skills, which plays a critical role in the overall development process. Security assistance is essential to maintain ties and influence.

An important new element of our security assistance program is our aid for governments in South America and the Caribbean in their fight against narcotics traffickers. Countries like Colombia face severe military threats from well-armed and ruthless drug lords, and related insurgencies.

Finally, we must remember that our military sales to friends and allies, which as you know are conducted under careful regulation and Congressional oversight, contribute strongly to our export base. As domestic defense procurement diminishes, foreign sales become more important in maintaining reasonable unit costs, sustaining production lines and preserving jobs in key high-technology industries—all important contributions to our abilities to mobilize if that need should arise again. As you know, almost all our security assistance funds are spent here at home and, together with sales, contribute directly to the domestic economy. Also, declining defense budgets and smaller production runs will raise the relative importance of foreign military sales—already five percent of total U.S. exports. In an era where international trade will become ever more important for U.S. industry, we cannot afford to ignore the part played by the defense industrial base in our high-technology trade.

## **FY 91 SECURITY ASSISTANCE REQUEST**

With these considerations in mind, I turn to our request for security assistance in 1991. Recognizing the budgetary and fiscal realities that limit our abilities to deal with every problem, our total request for FY 1991 is \$5,016.9 million—\$53.5 million less than last year's request. Let me add that, in a time of limited resources, it is more important than ever that we have the flexibility to allocate security assistance funding to meet our priority needs. I appreciate the subcommittee's support in the past on the issue of reducing earmarks, and I would ask your continued support in this year's appropriations cycle.

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Let me begin the programmatic details with our counter-drug program.. This is an area where relatively small amounts of U.S. aid can provide a big payoff in increased capabilities. We are requesting a total of \$137 million for the Andean nations, and another \$9 million for countries in the Caribbean, with narcotics, and in some cases, related insurgency problems. This total request of \$146 million represents a \$16 million increase in military assistance funding for these countries over FY 1990. Our request is the security assistance component of a multi-agency anti-narcotics initiative, to which we in the Defense Department plan to devote \$2 billion in fiscal 1990 and 1991.

We believe that increased funding is absolutely necessary for a number of reasons. Thanks to the courage and resolve of the Barco government, Colombia has begun to turn the tide against the cocaine cartels. The proposed \$58 million will provide much-needed helicopters, spare parts, vehicles, weapons, ammunition and other vital supplies to the Colombian armed forces. We propose \$39 million for Peru, which faces a similar situation and a determined Maoist insurgency as well. We are requesting \$40 million as well for Bolivia, another Andean nation with extremely limited resources. FY 1990 budget constraints and earmarking did not permit us to fund other states with severe narcotics problems such as Ecuador, or some of the island nations of the Eastern Caribbean. These countries need and deserve our assistance in the joint struggle against the narcotics traffic.

Before I get into some of our other important programs, let me make two points. One, you have expressed your concern Mr. Chairman, that despite all the changes that occurred in the world, this year's request looks just like last year's. I believe that we have sound programmatic reasons for our specific country allocation requests. The U.S. government has substantial on-going and soon-to-be started contracts and modernization programs with a number of important allies, including Turkey, Portugal, and Pakistan, as well as Israel and Egypt. Some of these programs continue into the mid-1990s. Ongoing modernization programs and the sustainment of existing equipment are critical, and cannot easily be reversed at a moment's notice.

Secondly, these are, for the most part, minimal programs for minimal conventional deterrence. That is, they provide the recipients with the means to deter against a variety of, though by no means all, possible threats to their stability and sovereignty. As I previously mentioned, the 1990s could well see more, not less, regional instability. As we reduce the size of our armed forces and cut back on overseas deployments, we will be, in effect, relying more on our friends' ability to defend themselves. Now is not the time to degrade that ability.

### Turkey

We are asking \$545 million for Turkey. Turkey borders on the Soviet Union, Syria, Iran, and Iraq and thus faces potential threats of a different order than our other NATO allies. Unlike most other NATO nations, who benefit from the reduction in the Warsaw Pact threat, Turkey remains exposed directly to Soviet military force, and borders on an extremely unstable area of the USSR. While the threat of a deliberate Soviet assault on this critically located NATO ally has decreased, the internal nationalist and ethnic strife in the southern Soviet Union poses the threat of additional regional instability and complications with other powers in the area. The Soviets continue to supply military equipment to many of these nations. Turkey also provides bases and facilities for communications and intelligence that will continue to be critical to U.S. security interests in maintaining the stability we have achieved to date. We have never been able to provide Turkey with what that country really needs for its defense, and much of their equipment remains a generation behind that of almost all other NATO allies. For these reasons, it is important to sustain and increase our level of assistance. Our request is an increase of \$45 million dollars over FY 1990.

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## **Pakistan**

We are requesting \$228 million for Pakistan. As you are well aware, support to the Afghan resistance would not have been possible without the help of Pakistan. However, conflict in Afghanistan has not ceased with the Soviet withdrawal. The Soviets continue to pump massive quantities of arms to the Najibullah regime. Our assistance program will help Pakistani modernization as well as provide a tangible demonstration of support to Benazir Bhutto's government as it continues the difficult democratization process following years of authoritarian rule. Pakistan as you know is at the center of a strategically important region, where tensions remain high. Our continued assistance contributes to Pakistan's sense of security, contributing to their ability to take risks for peace and lessening the likelihood that they might acquire nuclear weapons.

## **Philippines**

This year, as last year, we are requesting \$200 million for the Philippines. As you know, the U.S. government pledged best efforts to obtain \$400 million over a two-year period in military assistance as part of negotiations, on our base rights in the Philippines. As a result of earmarking and funding reductions, we were only able to allocate \$140 million [for FY 1990]. These funds are critically necessary to purchase support, training maintenance, and new equipment in order to combat the anti-democratic insurgency. It is important to the success of President Aquino and Philippine democracy, as well as the future of military facilities in the Philippines beyond 1991, that our "best efforts" pledges not be vitiated.

## **Portugal**

Portugal, like Turkey, is another firm ally to whom we have prior commitments to support modernization. The Portuguese have been very cooperative in the past in allowing the U.S. to use the Lajes air base in the Azores for transit to the Middle East and Southwest Asia—areas that have not been notably affected by the reduction of tensions in Europe, and where instability and the threat of armed conflict remain high. These facilities are also important to our anti-submarine and sea control operations, and are a critical staging point for resupplying forces in Europe. The flexibility these facilities give us becomes even more important if [U.S.] forces overseas are cut.

As with the Philippines, we were forced to come up short in 1990 on best-efforts pledges made to the Government of Portugal as part of base-rights renegotiations. It is important that we not do this two years running, or we risk seriously undermining our position in the negotiations for a new agreement. Portugal is the second-poorest NATO nation after Turkey, and the \$125 million we have requested is needed to support pressing needs to establish modern Portuguese air defense, anti-submarine warfare, mobility, communications, combat support, anti-armor, and program management capabilities.

## **El Salvador**

In El Salvador, we are seeking \$90 million to provide equipment and training to assist the Salvadoran Armed Forces (ESAF) to combat the FMLN insurgency. This radical Marxist organization still seeks the violent overthrow of the democratically-elected Cristiani government. As I noted earlier, the FMLN began a major offensive in November of last year, fighting in heavily populated communities in major cities and often, cruelly and cynically, using civilians as a shield. The ESAF successfully repulsed the FMLN assault, making great efforts to avoid harm to civilians. While the U.S. continues to support a peaceful solution, and while the recent election in Nicaragua may facilitate such a result, it would be a mistake to reduce our support at a time when the threat is so far undiminished, and when a withdrawal of U.S. support would provide a boost to the extremists of the right and the left.

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## Jordan

The moderate Arab state of Jordan plays a vital role in the search for Middle East peace. However, after several years of insufficient assistance, the Jordanians have been forced to reduce their capability and readiness just to keep U.S.-origin equipment operating. It is important to maintain this critical relationship by financing limited quantities of urgently-needed support. The proposed \$50 million will meet minimal sustainment requirements for the Jordanian armed forces, a bedrock of support for King Hussein.

## IMET, Other Programs

We are also requesting funding to restore other small, but nevertheless valuable programs in Latin America, Africa, and Asia that had to be zeroed out of FY 1990 funding. Such small programs bear fruit far out of proportion to the dollar amount spent in terms of good will, contacts, and influence.

We propose \$50.5 million for the International Military Education and Training program (IMET), four million less than last year's request. IMET has been widely recognized as our most cost effective foreign assistance program. IMET is a people program that establishes valuable personal relationships and communication with foreign military personnel, many of whom rise to prominent positions within their countries. As I noted earlier, IMET students return to their countries with new understandings of our military ethos of professionalism and respect for civilian authority. Many retain a respect and admiration for the U.S. which, though difficult to quantify, often proves invaluable in future relations with these countries. This program has been criticized because some of the participating countries are small, poor, and face minimal military threat. But I believe this criticism misses some of the essential goals of the program.

Furthermore, in many of these countries, where the military may be the only functioning modern institution, IMET provides technical training and an education in military professionalism that help graduates play significant roles in nation-building. Finally, these countries represent less than 20 percent of the students and total annual IMET appropriations.

## CONCLUSION

Mr. Chairman, I believe that in these times of historic changes, we have a responsibility to preserve all that we have worked for over the years—the stability, democracy, and prosperity which have made great strides under the umbrella of U.S. security assistance. This program remains a vital part of U.S. national security policy, and will continue to play a role in promoting these goals in an uncertain and still dangerous world

I would emphasize once more the great importance which the Department of Defense places on security assistance. As I am sure you are aware, in the past year and a half, the Defense Department has provided over a billion dollars out of DOD funds to meet emergency needs for foreign economic assistance, most recently as part of the current aid package for Panama and Nicaragua. We took the money out of our own hide, to ensure that it would not be taken out of the security assistance budget. We have made clear what our priorities are.

I recognize that fiscal constraints limit our ability to fund all these pressing needs today. We do not ask for increases over our previous request, but we do ask for flexibility. With that flexibility, the proposed budget represents adequate levels for security assistance in 1991. I urge you to support it.