

# DOCUMENTS

## THE FY 1984 SECURITY ASSISTANCE PROGRAM

On 22 February General John W. Vessey, Jr., USA, Chairman, Joint Chiefs of Staff, presented the following statement on the FY 1984 Security Assistance Program before the House Foreign Affairs Committee.

Mr. Chairman, members of the Committee, thank you for the opportunity to share with you the views of the Joint Chiefs of Staff on the Security Assistance Program.

We live in a dangerous world; wars and rumors of wars abound -- Afghanistan, Iran-Iraq, Lebanon, Angola, Mozambique, Chad, Somalia, Kampuchea, and our own back yard in Central America have all been battlefields in recent days. We and our allies in NATO and East Asia look out on the massive military buildup of the Soviet Union and the threat that military power poses to our security. It is not only a dangerous world; it is an interconnected world. The economies of the free world are inextricably intertwined -- for markets, for raw materials, for energy, and for financial support. Our own security is inescapably linked to the security of our allies, friends, and trading partners.

The Security Assistance Program through the years has been a very cost-effective way of supporting the foreign policy objectives of our nation and adding to our own security. The U.S. Security Assistance Programs were key ingredients in the building of our fundamental alliances with the nations of Europe and East Asia, alliances vital to our security today. Security Assistance Programs have helped secure cooperation important to our strategic goals and have supported peace and stability efforts of the United States in the world. At a time when we must rebuild our own defense forces quickly to meet the growing threat, when the cost of the defense build-up and the health of our economy are of great concern, the Security Assistance Program should continue to be recognized as an important and efficient investment in our own security.

The strategic objectives of the program today are straightforward. They are: to strengthen the combined defenses of our military alliances; to help friends and allies cope with regional threats; to help secure access, overflight, transit and forward basing rights for our own forces; to promote standardization and interoperability of allied forces so we can work more effectively with our friends; to help promote U.S. influence abroad while, at the same time, reducing the influence of the Soviet Union and its proxies; to help secure continuing access to markets, raw materials, and energy sources such as Middle East oil. Most importantly, to help friendly nations secure for themselves peace, freedom, and well-being for their people.

The Security Assistance Program also helps our defense by providing orders for larger production runs of military equipment and reducing unit costs to our own forces. Longer production runs also help improve the defense industrial mobilization base and

provide jobs for American workers. Foreign military sales stimulate the flow of foreign currency to the United States and help the balance of payments.

Most important, an effective Security Assistance Program can lessen the likelihood that U.S. troops will have to go into combat abroad.

The Soviet Union uses security assistance to further its objectives in the world, either directly or through surrogates. Cuba, Vietnam, and Libya have exploited instability in the world with the aid of Soviet security assistance. The Soviets expand their security assistance programs quickly where opportunities arise. Sometimes when the United States has not responded to requests for aid from less-developed nations, the Soviets have seized the opportunity to spread their influence through effective use of security assistance programs. Angola, Peru, and North Yemen are examples. In the last two years, the Soviets have far outstripped the U.S. in foreign military sales to third-world nations. Interest-free loans, very low interest rates, and free grants of military equipment are very much a part of the Soviet program. The Soviets have attempted to extend their influence by stationing nearly twenty times more training and support technicians abroad than we have and by training far more foreign military students in the Soviet Union than we do in the United States.

I raise these points not to suggest we are in a security assistance race with Russia, but rather to point out that our potential adversaries recognize and use security assistance programs to achieve their objectives and that our programs will be measured against theirs in many countries.

The U.S. Security Assistance Program needs a strong connection to our national security strategy. About fifty percent of our program goes to Israel and Egypt, and seven countries account for over 80 percent of the program. In addition to Israel and Egypt, they are: Turkey, Spain, Greece, Pakistan, and Korea, all countries very important to the U.S. for a combination of military and political reasons. Nevertheless, the emphasis on these seven countries leaves little flexibility for influencing important strategic areas in the remainder of the world. The Joint Chiefs of Staff would urge more balance in the program, but that the balance be achieved by adding to other important areas and not by reducing support to the seven countries mentioned.

The Joint Chiefs of Staff urge strong support for our friends and allies in Central America and the Caribbean. The region is important to the United States because of our traditional economic and cultural ties and because of its relationship to our strategically important sea lines of communication. The strategic importance of the region can be weighed by assessing the efforts of the Soviet Union and its Cuban surrogates. The Soviets put almost 8 percent of their security assistance into Latin America in contrast to our 3

percent for 1984 -- a percentage that is double the 1.5 percent of the past few years.

The International Military Education and Training Program deserves the wholehearted support of the Congress. Training military personnel from allied and friendly forces is a very effective way of establishing and maintaining long-term cooperative security relationships with nations whose interests are closely linked to those of the United States. The program has a side benefit of giving a first-hand look at American life and democracy to potentially influential people from many different countries. Over the years, such training here has paid real dividends for the United States. Thousands of foreign leaders have undergone training at senior U.S. military schools during their military careers. For example, fully one-third of the foreign graduates of the U.S. Army Command and General Staff School have attained general or flag rank. During one recently surveyed five-year period, 160 foreign graduates of U.S. senior service schools had become cabinet ministers, legislators, or ambassadors, and over 1,800 foreign graduates had attained general or flag officer rank. The extension of U.S. influence also has a multiplier effect, since U.S.-trained foreigners train still others. We need to make wider use of training as a security assistance tool and one initiative we support would permit exchanges of training for individuals or units on a reciprocal no-cost basis. At present, the U.S. and another country engaging in reciprocal training must reimburse each other. Many countries cannot afford U.S. costs. This keeps both sides from benefiting from reciprocal training. In addition, we would like expanded authority to train the police forces of those small countries that have no separate armed services for national defense. These countries, predominantly in the Caribbean, are important to our national security strategy. We also support changing the law so that there is a single standardized cost for training of foreign personnel in U.S. military schools. This would reduce confusion on the part of our allies and reduce fiscal impediments to formal U.S. military schooling.

The Joint Chiefs of Staff strongly support the Administration's program to increase the size of the Military Assistance Program (Grant Aid). Many nations in the underdeveloped areas of the world are simply unable to pay for the goods and services they need. The Joint Chiefs of Staff believe that selective use of Grant Aid to strengthen poorer countries in strategic areas is an important supplement to our own defense program.

There is another group of potential recipients that can repay us, but only if the repayment period is extended from the current twelve years to twenty years, with a grace period before the payments must start. We now have these arrangements with Egypt, Greece, Turkey, Sudan, and Somalia. The list of countries in this group should be expanded. The cost of military technology has grown significantly, and inflation is a critical factor -- \$25 billion in foreign military sales today actually buys less than \$10 billion bought only ten years ago. In fact, today's program is at about the same level, in 1973 dollars, as it was ten years ago. Because

we must charge more for goods and services, we have almost priced ourselves out of the market in many small nations. While interest rates are hard to cope with here at home, poorer nations abroad are having a still tougher time than we are.

Effectiveness of the Security Assistance Program could be improved in certain instances by entering into multi-year commitments for some countries.

The Joint Chiefs of Staff also strongly support lifting the obligation ceiling on the Special Defense Acquisition Fund. The Fund enables us to procure military equipment in anticipation of foreign sales and thus shortens critical production line lead time. Previously, meeting urgent foreign military equipment requirements meant diverting equipment already ordered for our own forces, often delaying U.S. force modernization and impacting on U.S. force readiness. The Special Defense Acquisition Fund is an important addition to our program. It needs more flexibility in application to improve its effectiveness.

In conclusion, Mr. Chairman, I want to stress again the importance of the Security Assistance Program to our own defense. It is a cost-effective adjunct to the Defense Budget. It is surely not a "give-away" program as some have characterized it. The Joint Chiefs of Staff believe the program before you is the minimum required to support the objectives laid out.

Mr. Chairman, thank you for taking the time for this brief discussion of the U.S. Security Assistance Program. I have touched only a few of the high points. I sincerely appreciate the opportunity to discuss these important matters with the Committee.

Thank you very much.