
SECURITY ASSISTANCE IN PEACE AND WAR*

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The role of security assistance (SA) and its influence on international relations can be traced throughout modern history. Predictably there are some who argue that arms sales are inherently destabilizing and ultimately will lead to conflict. Others maintain that an arms balance between potential adversaries can, and does, inhibit the initiation of open conflict. While examples can be found to support either position, a review of the recent history of U.S. security assistance can illustrate the potential value of security assistance during peace and wartime in supporting U.S. military and national strategy. The positive aspects of security assistance need to be remembered and improved upon to support future strategy. The negative lessons can also serve to teach us what to avoid.

Pre-World War II. Prior to and during the first World War, international trade in arms was characterized by a lack of government controls. Private discretion determined to a great extent the direction, as well as the quantity and quality of arms sales, and resulting random transfers were seldom related to formal international diplomacy or alliances. World War I was fought with weapons developed and sold indiscriminately to all nations by profit-seeking individuals and companies. Many believed that the war was actually caused by the activities of these unscrupulous arms merchants. One student of the history of security assistance related:

World War I was waged by 27 nations with some of them facing weapons manufactured in their own countries. German soldiers faced German-made weapons when they marched into Russia and later when Italy threw in with the Allies. France had also helped to arm her enemies. Both Bulgaria and Rumania had bought French arms and, during the war, the fought each other with French guns. The Turks sank British ships with arms purchased from British firms. Other examples of this type [of] international trade in arms just before World War are legion.[1]

Following World War I, revelations of bribery, profiteering, and even sales to the enemy aroused U.S. public opinion and led to government attempts to monitor and license arms exports as a control. Despite passage of the Neutrality Acts, which required the United States to embargo arms sales

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to both sides of any conflict, determined arms salesmen found loopholes and little changed in U.S. involvement in the arms trade. The United States remained third in the worldwide sale of arms, immediately behind France and Great Britain, a position it held throughout the 1930's to the outbreak of World War II.

World War II. In 1940, the provision of 50 obsolescent U.S. destroyers to Great Britain in exchange for base rights in the Western Hemisphere was the genesis of the modern U.S. security assistance program. This agreement, following within a year by the lend-lease Act, set the stage for a clear example of the successful use of security assistance during wartime. The World War II example further illustrates, as will be seen, some of the important, if indeed not essential ingredients of a successful wartime SA program. The time required to mobilize industry and the economy for wartime production, and the essential high degree of congressional cooperation with the Administration's aims and objectives, are two of these critical ingredients.

The Lend-Lease Act, as approved by Congress, empowered the President to authorize the manufacture and provision of arms to any foreign nation whose defense he deemed vital to the defense of the United States. After December 1941, with U.S. entry into the war, lend-lease became part of the U.S. contribution to the success of the alliance in fighting the common enemy. The U.S.-British agreement, negotiated in February 1942, reflected the changed nature of lend-lease. Not only did it continue U.S. aid to Britain, but it also provided for reverse lend-lease, whereby Britain would supply articles, services, facilities, or information to the United States. Lend-lease to allies in wartime, thus, became a two-way street.

In addition to aid to cobelligerents in World War II, considerable quantities of lend-lease were also provided to other nations in regions considered of strategic significance. Noteworthy, are the lend-lease programs to Latin America (see Figure 1 on the following page). Early in the war, when England was holding out almost single-handedly against the Axis powers, U.S. leaders were concerned that a German victory in Europe and Africa would lead to an attack on the United States, probably through Latin America. Although understandably small in comparison to aid programs to Britain, France, and the USSR, lend lease (i.e., security assistance) to Latin American nations was nonetheless extremely important in terms of mutual security. Not designed to enable the recipient nations to withstand an all-out attack, aid to Latin America recognized the role these nations could play in protecting critical sea lines of communications and defending strategic areas against sea and air attack, presumably in cooperation with U.S. forces.

The prewar lend-lease program helped to increase U.S. industrial capacity and U.S. ability to meet the sudden expansion of demands on industry after Pearl Harbor. Even more important, were the almost \$2.7 billion worth of British cash defense contracts negotiated before lend-lease. The contracts included the construction of 61 munitions plants in the United States at a cost of \$170 million, [representing] a major expansion of the U.S. munitions industry. Even so, major obstacles to the rapid implementation of lend-lease were the long periods required to retool and expand U.S. industrial facilities to manufacture the required military material. Some British orders placed at the beginning of lend-lease (March 1941) were not delivered until many months, or even years later.

FIGURE 1

FOREIGN GRANTS (Lend-Lease) BY COUNTRY -- WAR PERIOD
(1 July 1940 - 30 June 1945; in thousands of dollars)

Total	\$46,728,287	Belgium	68,774
Bolivia	5,026	United Kingdom	28,600,797
Brazil	347,945	Australia	896,641
Chile	22,038	India	610,172
Colombia	8,278	New Zealand	249,432
Costa Rica	156	Union of South Africa	93,370
Cuba	6,154	China	845,743
Dominican Republic	1,458	Czechoslovakia	2,760
Ecuador	7,208	Ethiopia	1,238
El Salvador	877	France	2,613,543
Guatemala	1,736	Greece	75,365
Haiti	1,362	Iran	7,791
Honduras	368	Liberia	236
Mexico	38,621	Netherlands	114,690
Nicaragua	885	Norway	37,039
Paraguay	1,952	Poland	12,119
Peru	18,001	Saudi Arabia	5,489
Uruguay	6,942	Turkey	90,041
Venezuela	4,480	USSR	10,760,975
Unspecified Latin America	108,539	Yugoslavia	32,050
		Other	1,245,077

Source: Foreign Aid: 1940-51, Office of Business Economics, U.S. Department of Commerce, 1952, pp. 85-90.

During World War II, lend-lease to the Soviet Union enjoyed a unique status. Other recipients of aid were required to submit evidence to justify their need and to prove their capacity to make effective use of requested material. None of these limitations applied to the USSR. The unusually generous arrangement, coupled with the circumstances surrounding its termination, may provide a lesson to be learned in the field of security assistance.

According to historian George C. Herring, Jr.:

On May 11, 1945, three days after the cessation of hostilities against Germany, President Harry S. Truman ordered a drastic cutback in lend-lease aid to the Soviet Union. The following day, civilian and military officials, zealously executing the directive, halted loading in port and even recalled several ships at sea bound for Russia. Truman's order naturally evoked loud protests from the Soviets. The Grand Alliance was disintegrating. Joseph Stalin interpreted the reduction of lend-lease as an American attempt to extort political concessions through economic pressure.[2]

Truman denied any intention of coercing the Soviets and based his order on the fact that large-scale lend-lease shipments to the USSR were no longer legally justifiable. Some historical accounts have cited the lend-lease cutback as one of the first of a series of provocative acts by the Truman Administration, and place major responsibility for the ensuing Cold War on U.S. policies and provocations. Herring, however, provides an able defense of the Truman decision to reduce lend-lease after V-E Day. He argues forcibly that the cutback was general, applied to all nations, did not discriminate against the Soviets, and did not mark an abandonment of U.S. attempts to cooperate with the USSR. Whatever the intent of this early example of U.S. security assistance policy, it is apparent that not only the way in which security assistance is administered, but also the circumstances of its termination, can exert a strong influence on subsequent international relations. The U.S. experience in Korea, outlined briefly in the following section, provides another example of the possible unanticipated results of a premature or poorly coordinated termination of security to a friend in need.

Korea. General J. Lawton Collins described the U.S. military experience in Korea as "too little and almost too late." From a security assistance perspective, and as a deterrent to conflict in the area, it was definitely "too little and too late." An almost complete lack of coordination between contingency and security assistance planning -- indeed, a failure of contingency planning itself -- was evident. Because of this deficiency, plus U.S. preoccupation with Europe and the heavy demands placed on U.S. industrial output during the European reconstruction program, the policy of containment of Communist expansionism came near to failure in Korea.

While South Korea, under UN supervision, was holding elections and organizing a representative government, Soviet authorities in the north were creating a Communist state, the People's Democratic Republic of Korea. With the election of Dr. Syngman Rhee to a four-year term as president, the government of the Republic of Korea (ROK) was formed on 15 August 1948 to represent those Koreans living south of the 38th parallel. On that day the U.S. military government for that region came to an end. Despite continuing provocation by the North Korean regime, including frequent incursions across the 38th parallel by North Korean troops, the 50 thousand U.S. occupation troops were withdrawn. By June 1949, only the Korean Military Advisory Group (KMAG), numbering 500 U.S. officers and enlisted personnel, remained. General MacArthur, Commander-in-Chief, Far East, was no longer responsible for the defense of Korea, nor did he retain command over the few remaining U.S. personnel stationed there. Consequently, when the North Korean Army finally struck in force across the 38th parallel on 25 June 1950, there were no plans for rapid reinforcement and no existing logistics system on which to build the large supply and support complex necessary to prosecute a war.

Although U.S. economic aid and technical assistance continued after June 1949, and substantial quantities of military equipment had been transferred from the departing U.S. forces, security assistance policy precluded arming a South Korean force capable of offensive warfare. Furthermore, after World War II through 1950, U.S. aid worldwide was predominately economic (Figure 2). Accordingly, the South Korean military was in fact a lightly-armed constabulary, poorly trained or equipped to resist invasion by the North Korean Army, [which received] training by its Communist patrons, and [was]

equipped with Soviet artillery and tanks. U.S. funds of the Economic Cooperation Administration (ECA) and of Government and Relief in Occupied Areas (GARIOA), to the amount of several hundred million dollars, had been furnished to the South Koreans. As mentioned earlier, however, U.S. interests were focused primarily on Europe and, beset by Communist subversion on many fronts, U.S. productive capacity was sorely strained. No military equipment deliveries of any consequence were made to the ROK under the Mutual Defense Assistance Program during FY 1950.

FIGURE 2
FOREIGN AID EXPENDITURES, 1948-58
(in millions of dollars)

<u>Fiscal Year</u>	<u>Economic</u>	<u>Military</u>	<u>Total</u>
1948-49	4,549.6	--	4,549.6
1950	3,437.2	51.7	3,488.9
1951	2,802.2	934.2	3,736.4
1952	2,147.8	2,385.9	4,533.7
1953	1,766.6	3,953.1	5,719.7
1954	1,246.9	3,629.5	4,876.4
1955	1,953.1	2,297.2	4,250.3
1956	1,585.3	2,620.1	4,205.4
1957	1,601.5	2,356.3	3,957.8
1958	1,550.0	2,200.0	3,750.0
TOTAL	22,640.2	20,428.0	43,068.2

Source: U.S. Congress, Senate Committee on Foreign Relations, Mutual Security for Fiscal Years 1948 to 1959, Committee Print, Washington: U.S. Government Printing Office, 1958

The North Korean offensive has been described as follows:

While the troops and tanks of the northern army poured across the parallel, and while Russian-type aircraft strafed the Seoul area, Republic of Korea (ROK) forces resisted the invaders as best they could, but were forced to retreat in the face of the overwhelming superiority of the Communist forces.[3]

Although luck and a determined effort by UN forces finally drove the North Koreans and their Chinese allies back to a stalemate at the 38th parallel, the outcome of the Korean conflict can hardly be considered a victory for U.S. prewar and wartime security assistance policies.

The Inchon landing of 15 September 1950, while a tactical success, revealed discrepancies in transportation and logistics-over-the-shore (LOTS) operations which could have been minimized by preplanned security assistance measures. Thirty of the 47 LSTs required for the operation had to be obtained from the Japanese government, and a generally laudatory description of

the landing concludes: "Had plans been prepared before 1950 for the reinforcement of Korea, including the use of indigenous transportation capabilities, a better mix of organic assets and indigenous assets could have evolved." [4]

On the other hand, security assistance to nations outside of the Korean war zone must be considered a success for SA during wartime. A report of Congressional hearings on mutual security program appropriations for 1952 stated:

Since the invasion of Korea and particularly since Communist China chose to commit its forces against the United Nations, the free nations have had to govern their course of action by a clear recognition of the possibility of total war which might result from the Kremlin's resort to piecemeal armed aggressions. [5]

The fact that total war did not, and as yet has not erupted, is due at least in part to the success of U.S. assistance in Europe and elsewhere.

The House Mutual Security Appropriations Bill for FY 1952 authorized funding for nations in Europe, the Middle East, Asia, and Latin America, with the largest share going to NATO members and other Marshall Plan participants. Dollar amounts and excerpts from the 1952 justification follow:

Europe - \$6.05 Billion:

- The best foundation on which to build quickly military strength to aid our own.
- To deter attack on Europe.
- To be able to hold the line if attack should come.
- To meet the main strength of the combined forces of the Soviet Union and her satellites.

Middle East - \$556.2 Million:

- Greece, Turkey, and Iran together form a shield against the thrust of possible Communist aggression . . . into the Mediterranean or Middle East.
- A modest program of military assistance on an impartial basis for the Arab States and Israel.

Asia and Pacific - \$817.4 Million:

- Four countries will be principal recipients of military assistance: Nationalist China (Formosa), the Philippines, Indochina, Thailand.
- To assist in assuring that the forces of nationalism are associated with the free world.
- To maintain internal security and to discourage aggression.

Latin America - \$59.4 Million:

- To enable certain Latin American countries to undertake specific tasks in the defense of the hemisphere which the United States would otherwise itself have to undertake.

Clearly, during U.S. involvement in the Korean War, security assistance was used with considerable success to protect U.S. interests, deter communism elsewhere, stabilize other regions, and as a force multiplier to supplement and enhance U.S. global strategic posture and capabilities.

Vietnam. In keeping with much of the historiography of the Vietnam era, the story of the role of security assistance before and during that conflict is ambiguous.

Security assistance to Vietnam in fact began a month before the outbreak of hostilities in Korea. On 8 May 1950, the U.S. Government agreed to provide \$10 million in military and economic aid to the French in Indochina. This aid was designed to assist the Indochinese countries in restoring stability and permitting them to pursue their peaceful and democratic development. Twenty-five years, and billions of dollars later, when the last U.S. helicopter lifted from the roof of the embassy in Saigon, it was apparent that U.S. security assistance to Vietnam had been unsuccessful. The failure of security assistance in this case was not due to deficiencies in the program itself but to U.S. failure to honor its commitments under the Paris accords. This, again, illustrates the lesson that premature curtailment of aid to a recipient nation in need, whether by design or due to lack of resources, can be disastrous.

The U.S. experience in Vietnam has been more than adequately analyzed, discussed, and debated, and any further treatment is beyond the scope of this paper. The question of the contribution of SA to success or failure is a moot point. Certainly, the tons of weaponry left behind by retreating U.S. forces constituted an unplanned and undesired form of security assistance.

Finally, if viewed as a projection of the aid provided to Indochina during the Korean War, security assistance to Vietnam was a obvious failure. On the other hand, SA to certain other nations (e.g., Thailand) during the Vietnam War was predominantly successful. The record of security assistance in the Middle East during that [same] period is ambiguous. It is not clear whether the high level of turmoil in that region was because of, or in spite of, U.S. security assistance.

The lessons to be learned from this brief survey of the recent history of U.S security assistance may be summarized as follows:

Lesson One: Direct Support of U.S. War Effort. Security assistance has been used successfully both before and during periods of U.S. involvement in conflict. These successes, as well as some noteworthy failures, can help to guide us in the preparation for the future implementation of SA in wartime. To summarize the lessons of history, we need only to look at the three major examples discussed above, World War II, Korea, and Vietnam. In all three case, security assistance was used outside the immediate war zone with some success, the primary purpose being to stabilize regions that were not directly involved and to protect important choke-points and sea lines of communication.

During World War II, assistance to Latin American nations served useful purposes, as did SA to Europe and the Middle East during the Korean War, and to Thailand during the conflict in Vietnam. The lesson here is that

appropriately chosen SA recipient nations can materially assist the U.S. war effort while helping to prevent a horizontal escalation of the conflict. In some cases, SA thus acts as a force multiplier, with recipient nations undertaking certain tasks that the United States would otherwise itself have to accomplish.

Lesson Two: Planning, Preparation and the Industrial Base. Another lesson to be learned from the wartime history of SA is the need for adequate prior planning and preparation of the U.S. industrial base to meet increased production demands. The effectiveness of aid to our cobelligerent allies was in all cases strongly dependent on the condition of the U.S. industrial base, and on the degree of cooperation and understanding between the executive and legislative branches of the government.

During the World War II period, prewar lend-lease (i.e., security assistance) helped to increase U.S. industrial capacity and our ability to meet the sudden expansion of demands on industry after Pearl Harbor. Even more important were the almost \$2.7 billion worth of British cash defense contracts negotiated before lend-lease, which permitted a major expansion of the U.S. munitions industry. Between World War II and the Korean conflict, U.S. interests were focused primarily on Europe and, with attempts to rebuild the Allies' economies on many fronts, U.S. productive capacity was sorely strained. No military equipment deliveries of any consequence were made to the ROK under the Mutual Defense Assistance Program during FY 1950. During the Korean conflict, the rehabilitation of abandoned World War II materiel and the rebuilding and modernization of Japanese industry provided valuable assistance in equipping and maintaining both Korean and U.S. combat forces. The South Vietnam military buildup was much more gradual, and consequently less of a strain on U.S. industry. Even so, levies of materiel from continental U.S. units were at times required to support the Vietnam effort.

Lesson Three: Termination of SA Programs. Security assistance history also teaches us that it is not only the way on which SA is administered, but also the circumstances of its termination, which can influence subsequent international relations. The abrupt cut-back of lend-lease shipments to the USSR following World War II has been cited by some historians as a provocative act which contributed to the ensuing cold war. A reduction in assistance to South Korea in 1948 and 1949, coupled with completely inadequate contingency planning, was certainly a factor in the North Korean decision to invade on 25 June 1950. Security assistance to Vietnam began before the outbreak of hostilities in Korea. The complete failure of this 25-year SA program was not due to deficiencies in the program itself, but due to the sudden aid cut-off resulting from U.S. failure to honor its commitments under the Paris accords. It is clear, in all three cases, that better planning and coordination of the termination of security assistance program could have had a positive influence on subsequent events.

RECENT DEVELOPMENTS IN SECURITY ASSISTANCE POLICY

The Changing Scene. At the beginning of the 1970's, growing disillusionment concerning U.S. involvement in Southeast Asia created sharp disagreement and widespread discomfort among the American people. No longer

would the general public support continued U.S. military involvement in Vietnam and Cambodia under conditions as they existed. Accordingly, U.S. foreign and defense policies began to change. The study of security assistance during the 1970's can be divided into three episodes which reflect public mood and changing national administrations.

The Nixon Doctrine. The Nixon years saw a change in where and how the various SA programs were administered. President Nixon, speaking in 1969 during a visit to Guam, set forth his policy of refraining from the direct use of U.S. military forces in support of Asian states, while continuing to assist friendly regional governments in the strengthening of their national security. In Asia this meant SA would be stressed, but the introduction of U.S. combat units was precluded. As a result of the Mideast crisis and accompanying arms race, emphasis on SA to Israel, Iran and Saudi Arabia predominated in that region. A strong U.S. commitment to NATO continued, whereas Africa, Latin America, and the Caribbean fell to a very low priority as recipients of U.S. assistance. Congressional concern and public outcry regarding U.S. participation in foreign conflicts began to pressure the administration for a reduction in the transfer of arms.

The Ford Administration. President Ford entered office during one of the more turbulent periods in American history. Watergate, the energy crisis, growing inflation coupled with recession, and an expanding Soviet threat greeted the new President. These factors plus general resentment against Nixon's "imperial presidency" brought about a confrontational attitude in the U.S. Congress. As one result, legislation designed to increase the role of Congress in arms transfer activities and improve the management of SA programs was enacted. Congress now had the right to block certain sales.

Concurrently, U.S. foreign policy was seeking a relaxation of tensions with the Soviet Union. Detente was beginning to bloom. Ford also continued the Nixon effort of improved relations with Red China. Detente and the Vietnam experience mitigated against publicly using SA as a means of countering Communist expansion. Nevertheless, demands for American made arms were growing. As the president tried to fill the foreign purchaser requests, he encountered congressional and public concern about massive armament sales. The media cited human rights violations by governments who were recipients of American aid. The conflict between administration policy and congressional mood culminated in passage of the International Security Assistance and Arms Export Control Act (AECA) of 1976, which ended MAP aid and MAAG's unless specifically authorized by Congress in subsequent legislation. Closer congressional control of conventional arms transfers was also established.

The Carter Policy. The Carter Administration resented the original AECA and its 1977 amendments for the restrictions they placed on executive foreign policy prerogatives. President Carter, however, expressed his concern about the rise in world arms sales and that the United States sold more armaments than all other nations combined. He was also greatly concerned about human rights violations. Pronounced changes in SA policy were made by Carter. Arms transfer was a foreign policy tool to be used only when the benefits of the actions unmistakably advanced U.S. interests in the area. The President set forth six controls which applied to all transfers except to

those nations which were bound to the United States by major defense treaties. These controls, as described by the Defense Institute of Security Assistance Management:[6]

- Reduced new commitments under the foreign military sales (FMS) and military assistance program (MAP) for weapons and weapons related items, in terms of the dollar volume (constant FY 76 dollars) in the FY 1978 program to FY 1977 totals.
- Restrain the United States from being the first supplier to introduce newly produced, advanced weapon systems into a region thereby creating a substantial new capability and threatening the regional balance. Further, the sale or coproduction of such weaponry would be prohibited until it was operationally deployed with the U.S. forces.
- Prohibit development or significant modification of advanced systems solely for export.
- Prohibit, with minor exceptions, coproduction agreements for significant weapons, equipment, and major components.
- Stipulated that the United States, as a condition for the sale of certain weapons, equipment or major components, would not entertain requests for retransfers of that equipment to third countries.
- Suggested amendment to the International Traffic in Arms Regulation (ITAR) requiring policy level authorization by the Department of State for actions by agents of the United States or private manufacturers which might promote arms sales abroad.

Additionally, embassies and military representatives were restricted from the promotion of sales abroad. Thus, President Carter changed both the philosophy underpinning SA programs and the mechanics by which they were administered. The 1970's ended with U.S. security assistance playing a much less significant role in the promotion of internal security and collective defense arrangements than it did when the decade began.

Evolving SA Policies. The more recent history of SA, subsequent to the collapse of South Vietnam, reflects variations in the U.S. public mood and in changing national administrations. The Reagan Administration's policies and guidelines, by viewing the world in a more realistic manner than was generally done earlier, helps facilitate peacetime preparation for the wartime use of security assistance.

SECURITY ASSISTANCE TODAY

The Current Policy. The principal categories of security assistance and some of the organizational aspects of SA are discussed in the following paragraphs together with issues involved in the transition of peacetime security assistance to a wartime posture.

Guidelines. Current guidance, provided by President Reagan in a July 8, 1981 policy directive, specifies that decisions will be based on a broad range of factors including:

-- The degree to which the transfer responds appropriately to the military threats confronting the recipient;

-- Whether the transfer will enhance the recipient's capability to participate in collective security efforts with the United States;

-- Whether the transfer will promote mutual interests in countering externally supported aggression;

-- Whether the transfer is consistent with U.S. interests in maintaining stability within regions where friends of the United States may have differing objectives;

-- Whether the transfer is compatible with the needs of U.S. forces -- recognizing that occasions will arise when other nations may require scarce items on an emergency basis;

-- Whether the proposed equipment transfer can be absorbed by the recipient without overburdening its military support system for financial resources; and

-- Whether any detrimental effects of the transfer are more than counter-balanced by positive contributions to U.S. interests and objectives. [7]

The President emphasized that the new policy should not be seen as the beginning of unrestrained military arms transfer. All requests were to be carefully considered, case-by-case, and those involving advanced technology exchange or transfer were to receive special scrutiny.

Security Assistance Categories. Security assistance is an elusive term, often misunderstood by the public and used synonymously with arms transfer and military assistance. Yet, in reality, security assistance is broader than the above categories. It includes economic support, peacekeeping operations, and military and related civilian training as well. The Department of Defense "Dictionary of Military and Associated Terms" (JCS Pub. 1) defines security assistance as a:

group of programs authorized by the Foreign Assistance Act of 1961, as amended, and the Arms Export Control Act of 1976, as amended or other related statutes by which the United States provides defense articles, military training, and other defense related services, by grant, credit or cash sales, in furtherance of national policies and objectives.

Five major security assistance programs are described in the Congressional Presentation Document, Security Assistance Programs FY 1982:

- The Foreign Military Sales (FMS) Financing Program.
- The Economic Support Fund (ESF) Program.
- The Military Assistance Program (MAP).
- The International Military Education and Training (IMET) Program.
- The Peacekeeping Operations (PKO) Program.

The document also provides information on other related SA activities, including Foreign Military (FMS) Cash Sales.[8]

The Foreign Military Sales (FMS) Financing Program furnishes U.S. credit and loan repayment guarantees to eligible governments to purchase arms, services, and training if cash sales are not appropriate.

The Economic Support Fund (ESF) Program enables the United States to provide economic assistance on a loan and grant basis to selected countries around the world, particularly to countries in which the United States has special interests, such as Egypt and Israel. These two countries received the bulk of the ESF in 1981 and 1982.

The Military Assistance Program (MAP) has enabled the U.S. Government to provide arms and services to selected governments on a grant basis. Recently, grant MAP has been provided only under exceptional circumstances, and was originally intended to be completely phased out by the end of FY 1983. At the outset of FY 1982, the U.S. Army had four residual Military Assistance Programs (Grant Aid) in Portugal, Spain, Sudan and the Philippines, with El Salvador added on the basis of a presidential determination. Congress, however, provided additional MAP funds on an unrestricted basis for FY 82 and 83; FY 84 Presidential proposals have provided for increasing amounts in view of the crushing debt burdens of many countries.

The International Military Education and Training (IMET) Program provides training for selected, eligible foreign military and related civilian personnel in U.S. schools in CONUS, in Panama, in U.S. military facilities abroad, or [occasionally] through the use of mobile training teams. The relatively low-cost IMET program is an important element of security assistance, providing the United States with a major avenue for communication with military leaders of other nations.

The Peacekeeping Operations (PKO) Program provides grant assistance for worldwide peacekeeping operations such as the Multinational Force and Observers (MFO) in the Sinai and the U.S. contribution to the United Nations Forces in Cyprus (UNFICYP).

LEGAL AND ORGANIZATIONAL ASPECTS AND PROCEDURES

Background. The United States has provided billions of dollars in military assistance to friendly and allied nations since World War II on the premise that the security and economic well-being of friendly countries is essential to U.S. security. This principle was inherent in the Marshall Plan and in both the Truman and Nixon Doctrines. The Congress, over the years, has enacted more than 30 pieces of military assistance legislation. The Mutual Defense Assistance Act of 1949, the Mutual Security Act of 1951, the Mutual Security Act of 1954, the Foreign Assistance Act of 1961, the Foreign Military Sales Act of 1968, and the Arms Export Control Act of 1976 are legislative milestones in the evolution of today's security assistance programs.

The Foreign Military Sales Act of 1968 consolidated and revised provisions of the Foreign Assistance Act on reimbursable military exports and

consolidated all legislation dealing with military sales by the U.S. Government. Such consolidation provided both the administrative mechanism and the general legislative authority to meet the growing demands of the expanding FMS program. The Arms Export Control Act also increased congressional oversight and sought to eliminate grant aid as an element of security assistance activities.

Under the Foreign Assistance Act, the Secretary of State is responsible for determining whether there shall be a military assistance or foreign military sales program in a particular country, the size of that program, and its content. The Secretary of Defense is primarily responsible for the determination of military end-item requirements; procurement of military equipment in a manner which permits its integration with Service programs' supervision of end-item use by the recipient countries; supervision of the training of foreign military personnel, movement and delivery of military end-items; and the establishment of priorities in the procurement, delivery, and allocation of military equipment.

Formal Department of State/Department of Defense Interactions. Detailed planning for U.S. financed security assistance (MAP, IMET, and FMS Credit) begins with the submission of the Annual Integrated Assessment of Security Assistance (AIASA) by the country team to the Department of State, OSD, JCS, and the Unified Commanders. The AIASA provides the country team recommendations and priorities for security assistance programs (MAP, IMET, and FMS Credit) for the planning year, which will become the next budget submission to Congress, plus four out-years. The country team recommends and justifies alternate levels of funding for each type of program proposed. The AIASA includes a five-year projection by priority of defense articles, services, and training that the country is anticipated to acquire from the United States.

The Unified Commanders provide comments on the AIASAs and recommendations on the security assistance programs to the JCS -- regional security assistance objectives, priorities, and the proposed alternate funding levels (ranked by program) are included.

The Joint Chiefs of Staff views and recommendations are published annually in the Joint Security Assistance Memorandum (JSAM). The JSAM is part of the JCS Joint Strategic Planning System (JSPS) and addresses security assistance objectives and programs on a worldwide, regional, and individual country basis. The assessment is based on an analysis of U.S. military interest; security assistance objectives; desired force levels for allied and friendly nations established in the Joint Strategic Planning Document Supporting Analysis (JSPDSA), Part II, Book IV (Allied and Friendly Forces); the AIASA; and the Unified Commanders' comments and recommendations. The JSAM, together with the JSPDSA, Part II, Book IV, provide the initial integration of security assistance planning with U.S. national security interests and military planning. The JSAM organization is structured to facilitate its use during interagency budget development and deliberations in the summer and fall -- but rarely is it on time to be useful.

An interagency group [the Security Assistance Program Review Working Group -- SAPRWG] chaired by the Department of State uses the AIASA to

develop alternate country packages for consideration by the Arms Transfer Management Group (ATMG).

The ATMG, an interagency advisory body, makes recommendations on all security assistance plans, programs, budget and legislative proposals. It is chaired by the Under Secretary of State for Security Assistance, Science and Technology, and its membership includes representatives from OSD and JCS. Using the packages developed by the SAPRWG, the ATMG develops a recommended security assistance budget for submission to the Secretary of State. The ATMG budget recommendation includes priority ranked, worldwide alternate funding levels for all proposed security assistance programs.

The Secretary of State considers the ATMG recommendations, makes a decision, and forwards a recommended International Security Assistance Program budget to the Office of Management and Budget (OMB). OMB reviews the recommended budget and makes a tentative budget decision. This decision is passed back to State, which requests OSD and JCS comments. The President's budget decision follows OMB review and issues cycle. If the Secretary of Defense or the JCS do not agree with the recommendations or decisions of the ATMG, Secretary of State, or OMB, they may reclamation to the President or the Budget Review Board.

Based on the President's decision, which is disseminated by State, the country team updates the previous AIASA submission for use in preparing the Congressional Presentation Document (CPD). The CPD is jointly prepared by the Defense Security Assistance Agency (DSAA) and the Department of State and supports the budget request submitted to Congress as part of the President's budget. After congressional authorization and appropriation are enacted, the approved security assistance programs are executed by the Department of Defense using implementing procedures in the Security Assistance Management Manual (SAMM).

Changes to the approved annual security assistance program can be accomplished in two ways. The President can submit a request to Congress for supplemental funds to cover new programs, e.g., Egypt and Israel, or funds appropriated for the program can be redistributed to cover new or deleted programs.

Within DOD, the Office of the Under Secretary of Defense for Policy (OUSD/P) and DSAA handle security assistance matters. OUSD/P is organized on a regional basis. DSAA assists the Secretary of Defense in directing, supervising, and implementing security assistance programs.

After Department of State approval, OSD sends requests for the sale of military goods and services to the appropriate service. The request can go to USAF, Directorate of International Programs (AF/PRI); U.S. Army, Directorate of International Logistics; or U.S. Navy, Security Assistance Division (OP-63). The responsibilities of each of the services are basically the same, but their procedures for handling security assistance may differ. The Department of State and DSAA defend the military parts of the security assistance projection of the budget before various congressional committees.

Department of the Army. Security assistance policy guidance is provided by DSAA and the Department of the Army's Assistant Deputy Chief of

Staff for Logistics (Security Assistance). Under the provisions of AR 12-1 (1 March 1980), the Army Security Assistance Coordinating Group (ASACG), chaired by the Assistant Deputy Chief of Staff for Logistics (Security Assistance), is assigned the following tasks:

-- To provide recommended courses of action to the Security Assistance Steering Group (SASG) for approval of significant security assistance actions.*

-- To provide a continuous assessment of current and long-range, worldwide security assistance trends to the Army Staff as required.

-- To act as focal point for timely Army Staff interface during processing of security assistance actions.

-- To assess Army Staff positions on short and long-range impacts of specific security assistance proposals.

-- To assure the consideration of security assistance in developing all Army long-range plans and programs.

-- To expedite security assistance actions approved by higher authority.

-- To assure integration of security assistance transactions into the mainstream of Army activities.

-- To review the financial status of FMS programs.

The U.S. Army Security Assistance Center (USASAC) is the central organization for implementing worldwide Army security assistance programs. The mission of USASAC is to manage the operational aspects of approved DA security assistance programs (FMS, MAP, and IMET) in providing military articles, services, and training to eligible foreign governments. The commander of USASAC serves as the Director of Security Assistance, HQ U.S. Army Materiel Command (USAMC), and acts for the DA executive agent (Commander of USAMC) for operational aspects of approved FMS cases and MAP/IMET programs. To accomplish its mission, USASAC is organized into two elements, the Directorate for Plans and Management in Alexandria, Virginia, and the Directorate for Operations in the New Cumberland Army Depot, Pennsylvania. The role of USASAC is one of exercising direction, management, supervision, and control of security assistance.

The Commanders-in-Chief (CINCs) of the Unified Commands also participate in security assistance programs. They provide a regional overview of security assistance, evaluate the effectiveness of SA, and support U.S. SA personnel in recipient countries.

*The SASG is the senior advisory body to the Secretary of the Army and the Chief of Staff on matters having security assistance implications.

CURRENT SECURITY ASSISTANCE PROGRAMS

Objectives. The Reagan Administration has specified six objectives which form the basis for the current SA programs. These are to:

-- Help deter aggression by enhancing the states of preparedness of allies and friends;

-- Increase our own armed forces effectiveness by improving the ability of the United States, in concert with its friends and allies, to project power in response to threats posed by mutual adversaries;

-- Support efforts to foster the ability of our forces to deploy and operate with those of our friends and allies, thereby strengthening and revitalizing our mutual security relationships;

-- Demonstrate that the United States has an enduring interest in the security of its friends and partners, and that it will not allow them to be at a military disadvantage;

-- Foster regional and internal stability, thus encouraging peaceful resolution of disputes and evolutionary change; and

-- Help to enhance U.S. defense production capabilities and efficiency.[9]

Pragmatic Approach. In his July 8, 1981 message, President Reagan clearly enunciated that the United States will pragmatically examine any proposed arms transfer in light of its impact on U.S. security interests. The moral considerations of the Carter Administration will no longer be the chief determinant in developing SA programs. President Reagan made that point by his statement:

The realities of today's world demand that we pursue a sober, responsible, and balanced arms transfer policy, a policy that will advance our national security interests and those of the free world. Both in addressing decisions as to specific transfers and opportunities for restraint among producers, we will be guided by principle as well as practical necessity. We will deal with the world as it is, rather than as we would like it to be.[10]

Regional Emphasis. The request to Congress for the authorization of funds for the FY 82 SA programs reveals the regions of the world which receive priority in the allocation of dollars. The Near East and South Asia region leads the list, but a vast majority of the benefits go to two nations, Israel (\$2.185 billion) and Egypt (\$1.652 billion). Europe is next in priority, followed by Africa and then the American Republics.

Transition from Peace to War. The possible need for continuing security assistance programs during wartime has long been recognized. As Admiral Thomas H. Moorer, former Chairman of the Joint Chiefs of Staff, stated with regard to the readiness of the United States and its allies to meet the Soviet threat:

The total force concept is implemented by capitalizing on the potential of our available resources and assets, to include the military forces of our allies. It follows, of course, that reliance upon our allies requires that their forces be manned, trained, equipped, and combat ready. Otherwise, such reliance would detract from our own security. The alternative, as unpalatable as this may be today, is larger U.S. general purpose forces. The Total Force Concept will acquire purpose and credibility only if we assist those nations with whom we have mutual security interests. An inadequate Security Assistance Program could, therefore, jeopardize our existing commitments, both in a regional and a bilateral sense, and thereby increase the risks of our own vital interests.[11]

The U.S. Army recognized the need for continuing military aid to SA recipients during wartime when it published AR 700-7, "Wartime Standard Support System for Foreign Armed Forces (WSSSAF)." This document prescribes policies, responsibilities, and procedures under which the U.S. Army will furnish items of materiel to foreign armed forces when they become involved in a military conflict for which U.S. support is authorized. Under the provisions of the regulation, materiel support will be provided to foreign armed forces only upon receipt of authority from the Congress or the President. Support will be provided "to meet authorized emergency or wartime requirements that cannot be satisfied by the foreign nation from its own internal resources or be expediting delivery of existing stocks provided through . . . agreements completed and funded during peacetime with foreign assistance appropriations." [12]

A 1980 study by the Logistics Studies Office of the U.S. Army Logistics Management Center examined existing peacetime and wartime support procedures and transition support procedures for foreign armed forces. Among the recommendations of this study were that:

- Army contingency plans for wartime support of foreign forces be amended to include WSSSAF requirements determination procedures and data, as negotiations and agreements with foreign countries are concluded.

- USASAC more closely coordinate with ODCSLOG and USAMC planners to resolve questions pertaining to:

- The role of USASAC as a transition vehicle from peacetime to wartime support when only support of foreign forces is involved.

- The role of USASAC during wartime, especially when U.S. troops are involved in the conflict.

- WSSSAF negotiations include the development of prepositioned requisitions based upon most probable contingencies; that these requisitions be revalidated on a scheduled basis (e.g., annually), and that they be maintained at the servicing materiel management center (MMC).[13]

- Although the WSSSAF system is directed primarily toward support in situations where U.S. armed forces are not directly involved in

the conflict, the organization and procedures could be adapted for use when the United States is so involved. Under WSSSAF, allied nations are permitted to place orders at the U.S. Army Materiel Management Center (MMC) in theater and to receive materiel from theater inventories on the same basis as U.S. units. With appropriate decisions and priorities established above theater level, similar procedures could be used to furnish security assistance to nonbelligerents, or neutrals, if desirable to stabilize the situation or to support the U.S. military strategy.

-- The negotiation and conclusion of agreements in advance, as a part of contingency planning, and the preparation of prepositioned requisitions, would be especially important to expedite this type of wartime security assistance when needed.

-- "War Reserve" Stockpiles. Section 514(b) of the Foreign Assistance Act of 1961, as amended, sets a ceiling on the value of additions to stockpiles of defense articles that "may be set aside, earmarked, reserved, or otherwise intended for use as war reserve stocks" for countries other than NATO. These stockpiles remain under the ownership of the U.S. military, and are intended for use in emergencies. The transfer of these defense articles to other countries can take place under FMS procedures, provided the United States is fully reimbursed for the equipment and its associated costs.

-- A smooth and effective transition of security assistance from peacetime to wartime requires coordination, guidance, funding authorization, transportation, and theater implementation. These complex substantive and procedural issues will involve not only the U.S. armed forces, their security assistance programs, and the U.S. national mechanism to provide security assistance, but also similarly those of the recipient nations. The process is complicated in peacetime but may not be as complicated in wartime if sufficient planning is done and proper prior agreements reached between the nations involved.

Current Issues. The present system for selecting security assistance recipients lacks coherence. Currently, it is too easy to "short-circuit" procedures and to reorder priorities which may steer the SA program away from relevance and potential support of important long-range U.S. strategic interests. In the absence of long-range militarily-oriented SA plans and goals, short-term political expediency often guides SA planning and diverts it from the optimum application of resources in support of U.S. foreign policy; that is, the program is quite responsive to the policies and political direction of the administration in office.

Policymakers need the flexibility to change priorities when necessary. However, when long-range plans and priorities are changed in favor of short-range advantages, it should be done with foresight, and with an understanding of possible consequences. Afghanistan is a case in point. When seeking aid from the United States in the 1950's, it was not considered in U.S. short-term interests to provide such aid. It is questionable whether long-range consequences were adequately considered, and obviously they were not correctly evaluated.

A coherent security assistance policy in peacetime that could assist in making a rapid transition to wartime requires the provision of security assistance not only on a case-by-case basis, but also in aggregate regional and global contexts and in terms of ensuring fulfillment of short, mid, and long-range security requirements for the United States and its allies. The provision of security assistance to allied and friendly nations has an impact on U.S. readiness and poses a dilemma for Washington in peacetime and in emergency situations, as well as in time of general war. During the 1973 Mideast War, as an example of an emergency situation, the provision of arms to Israel had a negative effect on U.S. readiness. In a general war, much greater demands would be made on the United States by massive increases in the requirements of our allies and friends.

The issue of arms standardization with our NATO allies, known as Rationalization, Standardization, and Interoperability (RSI), has a definite impact on the provision of security assistance in time of war and peace. RSI can increase the compatibility of U.S. and allied forces and could improve their ability to operate effectively together and use resources more efficiently. As a means of arms standardization and cooperation, RSI can provide a useful avenue for the United States to increase the level of compatibility and cooperation between our forces and those of our allies and friends in the future. Coproduction is a vehicle to enable allies and friends to meet some of their needs and to assist other nations in peace as well as wartime. However, the DOD's concern to insure that critical, high-level technology items not be transferred and that the United States retains its competitive edge are limiting considerations.

Security assistance helps maintain the U.S. defense-industrial base warm by keeping the production lines open and assisting defense contractors in the absence of DOD procurement orders. However, since the October 1973 War, production of some defense articles, such as M-60 tanks, has failed to keep up with the demands of foreign governments. U.S. global interests may require the government to encourage private industry to increase production of certain types of armaments.

Diversion and withdrawal of end-items, spare parts, and repair parts from equipment of U.S. active and reserve component forces or from prepositioned materiel in Europe have been used to provide U.S. friends and allies with security assistance in times of emergency. These methods have their limitations because of the resulting negative impact on U.S. readiness.

The transfer of sophisticated, high technology items will increase U.S. leverage over the recipient in most cases. As a minimum, the recipient becomes dependent on the United States for the resupply of spare parts. This dependency in peacetime will carry over into wartime.

To develop the coherent policy referred to above, security assistance programs must become an integral part of both U.S. foreign policy and defense policy. They must be designed to complement U.S. goals in planning for coalition warfare. Planning scenarios should always reflect the influence of security assistance in peacetime and the demands, problems, and opportunities that wartime security assistance will bring.

Appropriately modified security assistance policies and procedures should enhance the wartime effectiveness of U.S. security assistance, without unnecessarily degrading its peacetime geopolitical advantages.

CONCLUSIONS

Security assistance can be a highly effective tool in support of U.S. national security objectives during both peace and war. Wartime SA can provide a useful and often highly cost-effective means of projecting military power overseas to critical strategic areas. Prudently selected and planned security assistance can support U.S. strategy as well as limit horizontal escalation of future conflicts. Furthermore, security assistance represents the least risk solution to projecting many peripheral strategic objectives. Wartime security assistance performs several critical functions, including stabilizing regions not yet involved and strengthening friendly or neutral nations to resist aggression. Although current security assistance planning and operations are directed principally toward peacetime requirements, the organizational infrastructure appears adequate, with some modification, to handle a wartime role. Both the provision of arms to friends and allies around the world and other peacetime security assistance activities have become essential features of the U.S. global strategy to counter Soviet expansionism. Security assistance can continue to be important in both peace and war if necessary improvements in peacetime production and stocks of contingency materiel are accomplished. Wartime benefits of security assistance can include:

- Strategic flexibility;
- Economy of force;
- Force multipliers;
- Stabilizing influence;
- Deterrent to horizontal escalation;
- Tactical advantages, e.g., blocking force, LOC control, available reserve forces, base of operations; and
- Access to strategic resources.

It must be emphasized that, under quite credible scenarios, many of these options would not be available to the United States without the benefits of security assistance to certain key nations.

The successful use of security assistance during wartime will require a consideration of the following:

-- Large-scale security assistance has limited utility if not adequately planned and coordinated. SA planning for wartime must be closely related to and supported by peacetime security assistance efforts. To date, the U.S. security assistance program has not placed sufficient emphasis on a smooth and efficient transition to wartime use.

-- The United States today has no coherent security assistance strategy for wartime. A critical need for the most efficient wartime use of strategic capabilities and national resources dictates the requirement for such a strategy. The potential for security assistance as a force multiplier and

conflict deterrent makes a comprehensive peacetime security assistance strategy equally indispensable.

-- Some peacetime security assistance administered today would effectively serve wartime purposes, (e.g., AWACS to Saudi Arabia), but security assistance programs are not specifically coordinated for that purpose. Security assistance purposes during peacetime, and as preparation for or deterrent to war, need to be more clearly identified. At present, peacetime and wartime priorities are not clearly labeled, thereby contributing to difficulties in setting overall priorities as well as in justifying some security assistance programs during peacetime.

-- The limited capacity of the U.S. industrial base and the lack of adequate available stockpiles now restrict the military role which security assistance can play during the initial phase of a major conflict.

-- The present security assistance planning system is strongly biased toward near-term priorities, but many potential military contingencies require extensive, long-term preparation and constant readiness. As the vital cornerstone of effective, wartime security assistance, peacetime planning must explicitly address potential wartime security assistance functions and requirements.

-- The level of peacetime security assistance is insufficient to meet the needs of our allies and friends during major wars.

-- Current congressional priorities and policies limit the likelihood of a major increase in peacetime security assistance, solely on the basis of its potential need in wartime.

-- Security assistance in peacetime deemphasizes the stockpiling of weapons and supplies, and thereby forces an excessive reliance on the surge capabilities of the U.S. industrial base in the initial phases of a war.

The final conclusion deserves special emphasis. Only if there is a comprehensive global security assistance strategy, fully integrated into U.S. global political/military strategy, can security assistance make its maximum contribution to national defense. Midrange security assistance planning needs to be integrated more closely with PPBS force planning scenarios reflecting the most serious strategic threats. Successful exploitation of a wartime security assistance role requires increased emphasis on pre-planned responses, and on prepositioning certain stocks of security assistance materiel and supplies for wartime delivery. There is no cheap, easy alternative.

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