

# SECURITY ASSISTANCE LEGISLATION & POLICY

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## FY 1986 SECURITY ASSISTANCE PROGRAMS

[The following represents an excerpt of pages 1, 4-5 and 15-16 of the Congressional Presentation Document (CPD) for Fiscal Year 1986 Security Assistance Programs. The CPD represents the Administration's request and justification to Congress for authorized and appropriated funding for security assistance activities which are proposed to be conducted during FY86. Formal Executive Branch statements presented to Congress in support of the FY 1986 budget request are provided in the sections which follow this excerpt.]

President Reagan, in his January 25, 1984 State of the Union address, declared "a just and lasting peace" to be "our highest aspiration". Among the measures necessary to advance the agenda for peace, the President highlighted the need to strengthen allied relationships across the board; reinforce our peacemaking efforts in the Middle East, Central America and Southern Africa; assist developing countries, particularly our neighbors in the Western Hemisphere; and assist in the development of democratic institutions throughout the world. He concluded by noting that a growing spirit of unity among our people at home and our allies abroad underlines a fundamental and far-reaching change: "The United States is safer, stronger, and more secure in 1984 than before. We can now move with confidence to seize the opportunities for peace--and we will."

The United States Security Assistance Program, an integral component of a comprehensive foreign aid program, is an important instrument for pursuing a just and lasting peace. Security assistance has been a cornerstone of postwar US foreign policy. Since 1981, considerable progress has been made in the formulation of a coherent, consistent foreign policy in which the entire range of foreign aid programs--bilateral and multilateral, military and economic--are used effectively to help strengthen our friends and allies, further US political, economic and humanitarian interests and enhance US security. The FY 1986 security assistance program is an important instrument of US foreign policy.

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Program Determinants and Directions. The arms transfer policy announced by President Reagan in July 1981 played a significant role in the development of the FY 1986 security assistance program. Each arms transfer request is carefully and thoroughly examined in terms of its net contribution to enhanced deterrence and defense. The Administration also reviews a variety of other factors before proposing a country as a recipient of security assistance. In addition to strategic concerns and military absorption capabilities, these include: policies toward the US, record of support for US objectives in the United Nations and other international organizations, economic

need and development efforts, human rights record, commitment to the development of democratic institutions, and in appropriate cases, actions to impede the flow of illegal narcotics or support for international terrorism.

In the design of the Administration's FY 1986 security assistance request, careful consideration has been given to balancing the need for budgetary restraint against the collateral imperative of meeting fundamental US foreign policy objectives. These goals entail a recognition of the continuing effects of the global recession and the Third World debt crisis which have exacerbated the economic problems of many countries worldwide. Our budget authority request of \$9.531 billion for FY 1986 represents an increase of only \$534 million over our comparable FY 1985 request of \$8.997 billion--excluding ESF for Israel. All of this proposed increase is a result of an increase in Foreign Military Sales (FMS) financing for Egypt and Israel and the ESF request for Egypt. The FY 1986 security assistance request is an increase of \$932.179 million over the \$8.599 billion budget authority (excluding ESF for Israel) provided by the Congress in the FY 1985 Continuing Resolution. The FY 1986 request represents the minimum necessary to assist our friends and allies in resisting external security threats while at the same time permitting mutually beneficial economic growth and development.

There are five major security assistance programs discussed in this document:

The Foreign Military Sales (FMS) Financing Program for FY 1986 will furnish direct credits at both Treasury and concessional interest rates to enable eligible foreign governments to purchase defense articles, services, and training. The FMS request for this fiscal year total \$5.655 billion. Of this amount \$1.904 billion would be loaned at treasury rates of interest for 16 individual country programs and \$650.7 million at concessional rates for 15 programs. For two countries--Egypt and Israel--repayment of \$3.1 billion would be forgiven.

The Economic Support Fund (ESF) provides economic assistance on a grant or loan basis to countries selected for their special political and security interest to the US. For FY 1986 the budget authority request is for \$2.824 billion. As stated earlier, the FY 1986 ESF request for Israel will be submitted to Congress at a later date. Of the \$2.824 billion in ESF now requested, \$1.69 billion or almost 60 percent is proposed for six countries, Costa Rica, Egypt, El Salvador, Pakistan, Sudan and Turkey.

The Military Assistance Program (MAP) provides grant funding for defense articles and services. The provision of MAP grants is another key method by which we can help alleviate the debt burdens of those friends and allies who badly need our military support. We are requesting \$949.35 million in budget authority for 36 country and regional programs.

International Military Education and Training (IMET) provides professional military training on a grant basis to selected foreign military and related civilian personnel both in the US and in overseas facilities. Proposed grants totalling \$65.65 million for FY 1986 represent an increase of \$4.74 million over our FY 1985 request for this highly successful program. This would permit training of personnel from approximately 100 countries.

The Peacekeeping Operations (PKO) account consists of grants for programs for peacekeeping operations and other programs, facilitating continued US support for the Multinational Force and Observers (MFO) in the Sinai and the United Nations Forces in Cyprus (UNFICYP). To fund these efforts in FY 1986, we are requesting \$37 million.

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# FY 1986 SECURITY ASSISTANCE PROGRAMS BUDGET AUTHORITY

(Dollars in Thousands)

	FMS FINANCING PROGRAM		ECONOMIC SUPPORT FUND		MAP (Grants)	IMETP (Grants)	PEACE- KEEPING OPERATIONS	TOTAL
	Treas. Rate	Concess.	Grants	Loans				
<b>EAST ASIA &amp; PACIFIC:</b>								
Burma	0	0	0	0	1,000	300	0	1,300
Fiji	0	0	1,000	0	300	100	0	1,400
Indonesia	0	34,700	0	0	0	2,800	0	37,500
Korea	228,000	0	0	0	0	2,200	0	230,200
Malaysia	5,000	0	0	0	0	1,150	0	6,150
Papua-New Guinea	0	0	0	0	0	75	0	75
Philippines	0	50,000	95,000	0	50,000	2,250	0	197,250
Singapore	0	0	0	0	0	75	0	75
Solomon Islands	0	0	0	0	0	50	0	50
Thailand	57,500	40,000	5,000	0	5,000	2,500	0	110,000
Tonga	0	0	0	0	0	50	0	50
Regional Total	290,500	124,700	101,000	0	56,300	11,550	0	584,050
<b>NEAR EAST &amp; SOUTH ASIA:</b>								
Algeria	0	0	0	0	0	100	0	100
Bangladesh	0	0	0	0	0	300	0	300
Egypt	0	1,300,000 a/	815,000	0	0	2,000	0	2,117,000
India	0	0	0	0	0	350	0	350
Israel	0	1,800,000 a/	b/	b/	0	0	0	1,800,000
Jordan	30,000	65,000	17,000	3,000	0	2,000	0	117,000
Lebanon	10,000	0	10,000	0	0	800	0	20,800
Maldives	0	0	0	0	0	50	0	50
Morocco	0	5,000	10,000	12,500	45,000	1,850	0	74,350
Nepal	0	0	0	0	0	110	0	110
Oman	58,300	0	5,000	15,000	0	150	0	78,450
Pakistan	325,000	0	168,000	82,000	0	1,200	0	576,200
Sri Lanka	0	0	0	0	0	160	0	160
Tunisia	26,000	27,000	22,500	0	16,000	1,700	0	93,200
Yemen	0	0	0	0	6,000	1,550	0	7,550
Middle East Regional	0	0	22,000	0	0	0	0	22,000
Multinat'l Force & Observers	0	0	0	0	0	0	28,000	28,000
Regional Total	449,300	3,197,000	1,069,500	112,500	67,000	12,320	28,000	4,935,620
<b>EUROPE:</b>								
Austria	0	0	0	0	0	75	0	75
Cyprus	0	0	3,000	0	0	0	0	3,000
Finland	0	0	0	0	0	75	0	75
Greece	500,000	0	0	0	0	1,750	0	501,750
Iceland	0	0	0	0	0	50	0	50
Luxembourg	0	0	0	0	0	30	0	30
Portugal	30,000	35,000	80,000	0	70,000	3,000	0	218,000
Spain	400,000	0	12,000	0	0	3,000	0	415,000
Turkey	210,000	345,000	80,000	70,000	230,000	4,000	0	939,000
Yugoslavia	0	0	0	0	0	160	0	160
UN Forces in Cyprus	0	0	0	0	0	0	9,000	9,000
Regional Total	1,140,000	380,000	175,000	70,000	300,000	12,140	9,000	2,086,140
<b>AFRICA:</b>								
Benin	0	0	0	0	0	60	0	60
Botswana	0	6,000	10,000	0	4,000	400	0	20,400
Burkina Faso (Upper Volta)	0	0	0	0	0	150	0	150
Burundi	0	0	0	0	0	100	0	100
Cameroon	7,000	0	0	0	0	225	0	7,225
Cape Verde	0	0	0	0	0	75	0	75
Central African Republic	0	0	0	0	0	150	0	150
Chad	0	0	10,000	0	6,000	150	0	16,150
Comoros	0	0	0	0	0	50	0	50
Congo	0	0	0	0	0	60	0	60
Djibouti	0	0	5,000	0	2,500	125	0	7,625
Equatorial Guinea	0	0	0	0	1,000	100	0	1,100
Gabon	5,000	0	0	0	0	150	0	5,150
Gambia	0	0	0	0	0	75	0	75
Ghana	0	0	0	0	0	325	0	325
Guinea	0	0	0	0	5,000	150	0	5,150
Guinea-Bissau	0	0	0	0	0	75	0	75

# FY 1986 SECURITY ASSISTANCE PROGRAMS (Continued)

## BUDGET AUTHORITY

(Dollars in Thousands)

	FMS FINANCING PROGRAM		ECONOMIC SUPPORT FUND		MAP (Grants)	IMETP (Grants)	PEACE- KEEPING OPERATIONS	TOTAL
	Treas. Rate	Concess.	Grants	Loans				
<b>AFRICA (Continued):</b>								
Ivory Coast	0	0	0	0	0	125	0	125
Kenya	0	0	35,000	0	25,000	1,800	0	61,800
Liberia	0	0	48,000	0	13,000	1,300	0	62,300
Madagascar	0	0	3,000	0	3,000	75	0	6,075
Malawi	0	0	0	0	2,000	200	0	2,200
Mali	0	0	0	0	0	150	0	150
Mauritania	0	0	0	0	0	60	0	60
Mauritius	0	0	4,000	0	0	0	0	4,000
Mozambique	0	0	15,000	0	3,000	150	0	18,150
Niger	0	0	7,000	0	5,000	275	0	12,275
Nigeria	0	0	0	0	0	100	0	100
Rwanda	0	0	0	0	0	75	0	75
Sao Tome	0	0	0	0	0	50	0	50
Senegal	0	0	15,000	0	4,000	500	0	19,500
Seychelles	0	0	2,000	0	0	50	0	2,050
Sierra Leone	0	0	0	0	0	85	0	85
Somalia	0	0	35,000	0	40,000	1,500	0	76,500
Sudan	0	0	115,000	0	58,500	1,750	0	175,250
Swaziland	0	0	0	0	0	60	0	60
Tanzania	0	0	0	0	0	75	0	75
Togo	0	0	0	0	0	75	0	75
Uganda	0	0	0	0	0	200	0	200
Zaire	0	0	15,000	0	10,400	1,400	0	26,800
Zambia	0	0	22,500	0	0	0	0	22,500
Zimbabwe	0	0	15,000	0	0	150	0	15,150
Civic Action	0	0	0	0	7,000	0	0	7,000
Southern Africa Regional	0	0	30,000	0	0	0	0	30,000
Economic Policy Reform Prog.	0	0	75,000	0	0	0	0	75,000
<b>Regional Total</b>	<b>12,000</b>	<b>6,000</b>	<b>461,500</b>	<b>0</b>	<b>189,400</b>	<b>12,625</b>	<b>0</b>	<b>681,525</b>
<b>AMERICAN REPUBLICS:</b>								
Argentina	0	0	0	0	0	100	0	100
Bahamas	0	0	0	0	0	50	0	50
Belize	0	0	0	4,000	1,000	100	0	5,100
Bolivia	0	0	0	10,000	6,000	300	0	16,300
Brazil	0	0	0	0	0	100	0	100
Chile	0	0	0	0	0	100	0	100
Colombia	10,000	10,000	0	0	0	950	0	20,950
Costa Rica	0	0	150,000	0	2,500	225	0	152,725
Dominican Republic	0	4,000	0	50,000	6,000	800	0	60,800
Eastern Caribbean c/	0	0	35,000	0	10,000	400	0	45,400
Ecuador	0	5,000	0	15,000	0	800	0	20,800
El Salvador	0	0	210,000	0	131,000	1,600	0	342,600
Guatemala	0	10,000	0	25,000	0	300	0	35,300
Guyana	0	0	0	0	0	50	0	50
Haiti	0	0	5,300	0	500	475	0	6,275
Honduras	0	0	80,000	0	87,000	1,250	0	168,250
Jamaica	0	0	5,000	65,000	8,000	275	0	78,275
Mexico	0	0	0	0	0	250	0	250
Panama	0	4,000	40,000	0	14,400	650	0	59,050
Paraguay	0	0	0	0	0	125	0	125
Peru	0	10,000	0	45,000	18,350	850	0	74,200
Suriname	0	0	0	0	0	50	0	50
Trinidad-Tobago	0	0	0	0	0	50	0	50
Uruguay	2,500	0	0	0	0	125	0	2,625
Venezuela	0	0	0	0	0	100	0	100
Central America Regional (ROCAP)	0	0	91,500	0	0	0	0	91,500
LAC Regional (AIFLD)	0	0	2,200	0	0	0	0	2,200
Panama Canal Area Military Schools (PACAMS)	0	0	0	0	0	2,500	0	2,500
U.S. Army School of the Americas (USARSA)	0	0	0	0	0	4,000	0	4,000
<b>Regional Total</b>	<b>12,500</b>	<b>43,000</b>	<b>619,000</b>	<b>214,000</b>	<b>284,750</b>	<b>16,575</b>	<b>0</b>	<b>1,189,825</b>
<b>Total Country Programs</b>	<b>1,904,300</b>	<b>3,750,700</b>	<b>2,426,000</b>	<b>396,500</b>	<b>897,450</b>	<b>65,210</b>	<b>37,000</b>	<b>9,477,160</b>
<b>NON-REGIONAL:</b>								
General Costs	0	0	0	0	53,600	440	0	54,040
Financial Adjustment	0	0	0	0	-1,700	0	0	-1,700
Oceanographic Research	0	0	1,500	0	0	0	0	1,500
<b>Total Non-Regional</b>	<b>0</b>	<b>0</b>	<b>1,500</b>	<b>0</b>	<b>51,900</b>	<b>440</b>	<b>0</b>	<b>53,840</b>
<b>Total Budget Authority</b>	<b>1,904,300</b>	<b>3,750,700</b>	<b>2,427,500</b>	<b>396,500</b>	<b>949,350</b>	<b>65,650</b>	<b>37,000</b>	<b>9,531,000</b>

a/ Repayment forgiven.

b/ Request for Israel to be submitted separately.

c/ Countries included in Eastern Caribbean are: Anguilla, Antigua, Barbados, British Virgin Islands, Dominica, Grenada, Montserrat, St. Kitts, St. Lucia and St. Vincent.