

U.S. Foreign Aid and Base Rights

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I am pleased to have the opportunity to testify on the subject of "foreign aid and base rights." In my testimony I intend to describe for you the different categories of countries where we have base rights or access to certain facilities, the nature of the linkage between these facilities and our security assistance request for each country, and the historical and current policy rationale for such assistance.

I would like to start with a truism--the United States cannot protect the free world alone, nor would it be in our allies' interest or desire for us to do so. We and our allies share a common objective, to provide a credible deterrence and defense against aggression. This basic, very simple principle has served as the foundation of our security assistance policy and programs since the end of World War II.

HISTORICAL BACKGROUND

The Truman Doctrine, the Marshall Plan, our postwar assistance to Korea, Japan, and the Philippines were based entirely or in part on this principle. Working together with our friends and allies we accomplished more--much more--than we would have accomplished alone. The economic and security assistance we provided to Western Europe and East Asia after World War II was clearly in our mutual best interest. Our economic assistance helped our friends and allies rebuild their institutions and strengthen their will to resist aggression and subversion. Our military assistance helped them preserve and protect their institutions, values, way of life, and economic growth. In Europe, we strengthened ourselves, and in so doing laid the basis of our postwar alliance system which has helped preserve the peace for the last 40 years.

During the postwar period we also negotiated a series of agreements with our European and East Asian allies which provided us with bases and facilities overseas. There is no question that our network of overseas bases helps promote global stability; the forward presence they provide makes our deterrence policy more credible and enables us to react more quickly and efficiently in case of an emergency. U.S. bases and troops overseas demonstrate better than any words the seriousness of our commitment to come to our allies' defense in case of attack. Maintaining our overseas bases and access rights also saves the United States considerable money. The additional costs of funding alternatives to these bases, if alternatives could in fact be found, would be astronomical.

Despite all the changes which have occurred over that past 40 years, this basic rationale for having overseas bases and access rights is as valid today as ever. Our allies also recognize the

mutual benefit of these bases and support their retention. We would not impose bases on an ally or friend which did not welcome them.

RELATIONSHIP TO SECURITY ASSISTANCE

As noted earlier, security assistance has been associated with base rights agreements since the end of World War II. The rationale for providing security assistance is similar to the rationale for having bases overseas. Security assistance contributes to the common defense. Many of our friends and allies simply could not adequately defend themselves without such help; and when we help them, we help ourselves. Security assistance not only provides for America's defense more effectively and economically than if we had to do it alone, it also helps strengthen our relations with our allies and creates markets for American products and jobs for thousands of Americans.

Security assistance is not "rent" for bases, facilities, or access rights, but there is undeniably a linkage between our base and access rights in certain countries and the amount of security assistance we are requesting. The interdependency, of course, varies. In some instances no security assistance is provided since the countries involved no longer--or never--require it. In other instances, host countries could not keep up their obligations under base rights agreements without the training and equipment purchased with security assistance. We ourselves view security assistance to these countries together with bases and access agreements as part of an overall package to provide the most effective defense of U.S. interests. Sometimes the security assistance needs are included as part of the base/access agreements. In such agreements we pledge our "best efforts" to secure an agreed amount of security assistance for host countries. The use of "best efforts" pledges rather than legal agreements recognize the role of Congress in authorizing and appropriating security assistance funds.

We take these "best efforts" pledges very seriously and always give them the highest priority in our annual security assistance requests and in allocations of funds following appropriations. The terms of these agreements were concluded based on a detailed assessment of our security needs; they were carefully reviewed by the U.S. Congress. The honor and integrity of the United States is at stake under a "best efforts" commitment. If we were to disregard our best efforts commitments, we would undermine our ability to maintain bases and access rights essential to our security and call into question the credibility of the United States as a reliable ally.

In this connection I should note that the congressional decision to "frontload" ESF [economic support funds] to the Philippines at the expense of military aid in FY 1985 carries the risk of failure to fulfill the "best efforts" pledge, which provides for a specific breakdown between military and economic aid over the five-year period beginning in FY 1985. If Congress again rejects the Administration's request for FY 1986, we will find it difficult to achieve the promised level of military aid during the five-year period of our current commitment to the Philippines. [Editor's Note: Congress did indeed again frontload the FY 1986 appropriation for the Philippines. \$125 million was earmarked for ESF, with \$40 million earmarked for MAP, and no more than \$15 million for Foreign Military Sales (FMS) credits. The Administration had requested \$95 million for ESF, \$50 million for MAP, and \$50 million for FMS credits.]

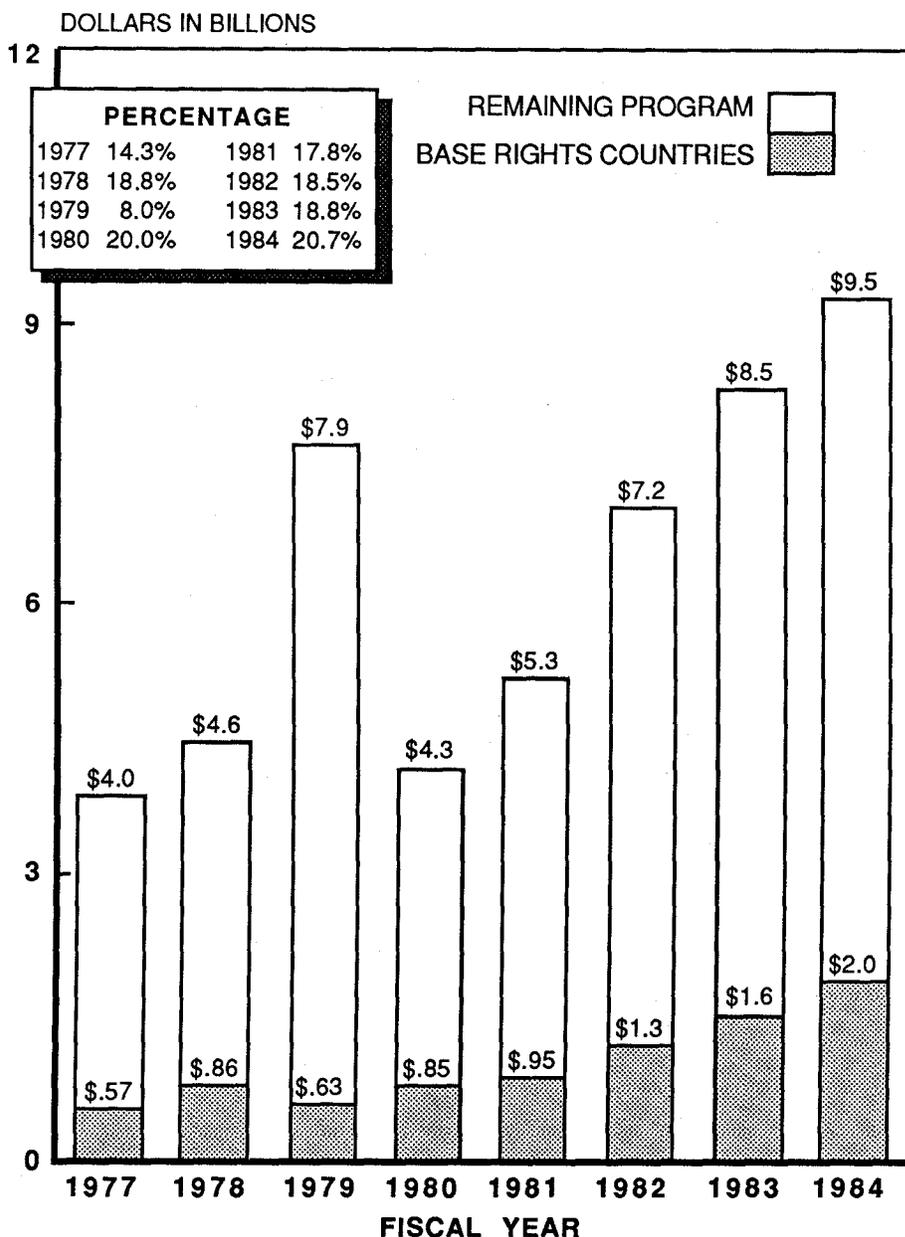
CATEGORIES OF BASE RIGHTS COUNTRIES

There are four major categories of base rights and/or access countries. In the first group are countries like the United Kingdom, West Germany, Italy, Japan, and Australia, some of which are successful graduates of U.S. security assistance programs.

The second category consists of six countries: Spain, Portugal, Turkey, Greece, Panama, and the Philippines. In these countries we have bases and/or access rights agreements which contain "best efforts" pledges either for specific amounts (Panama, Spain, Greece, and the

Philippines) or "rising trends" (Turkey and Portugal). The following chart shows the amount of security assistance which has been going to these countries since 1977.

**BASE/ACCESS RIGHTS AGREEMENTS
FY 1977-84**



Since 1980 the percentage of our total security assistance going to these countries has been around 20%. We expect this percentage to remain fairly constant for the next few years.

The third category consists of Oman, Somalia, Kenya, and Morocco. In these countries we have agreements providing for military facilities or military access; we also provide security assistance. There is no direct linkage between the two and no "best efforts" pledges, but there is clearly a relationship between our access to and use of facilities and our willingness to provide security assistance. We therefore give our security assistance requests for these countries a high priority.

In the fourth category are countries such as Liberia, the Sudan, Thailand, Pakistan, Honduras, Korea, and Egypt. These countries have a special status for a variety of reasons. Some are frontline states or have a treaty relationship with the United States. Some may have promised us access to facilities on a contingency basis. In all these countries we have security assistance programs, but there is no direct link between the amount of funding we request and the other arrangements we may have made with a particular government. We give high priority to these countries as well and believe it is in the best interests of our national security to provide them with assistance at the levels we have requested.

LOOKING AHEAD

The U.S.-Turkish DECA [Defense Economic Cooperation Agreement] was negotiated in 1980 for a five-year period and it is renewable on an annual basis thereafter. Before the end of the decade we will need to negotiate new agreements with Spain, Portugal, Greece, and the Philippines. Each of these negotiations promises to be difficult and complex. In entering the negotiations we recognize that we live in a dynamic security and economic environment. The needs of the United States and the host country are constantly changing and these changes will be reflected in whatever agreements are transmitted to Congress. We are making a conscientious effort with all countries as part of the integrated budget process to tailor carefully the assistance we provide to their long-range economic and security needs.