

NATO's Southern Flank

By

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[The following represents a statement provided by former Assistant Secretary Perle in testimony before the House Appropriations Subcommittee on Foreign Operations on 1 April 1987.]

Mr. Chairman, I am delighted to have the opportunity to appear before your committee today. I will focus my testimony on those European countries of interest to the committee.

By way of overview, the four relevant European countries--Spain, Portugal, Turkey, and Greece--are also formally allied with us as members of the North Atlantic Alliance. Let me stress at the outset that any security assistance we provide these countries is to promote our total security relationship, and U.S. military use of certain defense installations is only a part of that total relationship. Such assistance is designed to help these countries modernize their armed forces so that they can fulfill roles and missions in the defense of the NATO alliance.

U.S. ROLES AND MISSIONS

The military facilities we use in these countries contribute directly to our own ability to perform the U.S. roles and missions in that common defense. On the one hand, we are helping allies trying to do their fair share in the common defense, and on the other, the allies are allowing us to use certain of their facilities so that we can perform our own role in a more effective manner.

As I testified before the House Foreign Affairs Committee, the fundamental reasons why we continue to place such importance on security assistance remain constant. The continuing Soviet military buildup and adventurism underscore the importance of U.S. security assistance to NATO's southern flank. Each of the four European countries have specific needs and NATO missions and differing capabilities of fulfilling these missions. More importantly, in the context of this hearing, these NATO allies cannot modernize their forces or fulfill the full range of defense responsibilities with national resources alone. These allies look to the United States and other allies for assistance to augment their own contributions to Western security.

ADDITIONAL SUPPORT

The ability of the U.S. to provide needed additional support to enhance the military capabilities of these countries to meet their NATO-assigned missions is directly tied in the minds of their officials and people to the validity of their participation in the alliance. At the same time, the U.S. is limited in its ability to allocate resources; therefore, we are encouraging greater efforts on the part of our allies.

The Federal Republic of Germany, for example, provides assistance to three of the four European countries we are discussing. We are also encouraging greater efforts to include these countries in various NATO codevelopment and coproduction programs. We believe that security assistance is one of the most prudent--and most efficient--forms of national defense expenditures.

It contributes substantially to U.S. national security interests and to world peace. Base rights are one of many important issues threatened by the budget which affect our world wide commitments.

In the past several years, we have concluded some form of defense-installation agreement with each of the nations we will discuss here. Each of these agreements is different. But, there are some common elements. All produce a valuable addition to the capabilities of U.S. forces, and were forged in the context of increased defense cooperation to meet modernization needs to fulfill alliance commitments.

CHANGES

Conditions change, and the needs of our forces have changed as technology has advanced the capabilities of our assets. However, there is no direct correlation between military facilities made available to the U.S. and the size of assistance programs to host nations. The latter is a function of the threat from Soviet/Warsaw Pact forces, the amount of support needed to strengthen the armed forces of the host nation, and the host country's economic capability to meet its required contribution to the collective defense. For example, in addition to the base agreements we have with Spain, Portugal, Turkey, and Greece, we also have arrangements with other NATO allies to whom we no longer provide security assistance because of the strength of their economies.

Although we focus on factors other than U.S. base rights when we formulate our requests for security assistance to these countries, it is undeniable that such assistance is associated with our use of the military facilities in the minds of the public in these countries. There is no precise explanation as to how this came about, partially because the linkage is indirect, as I have indicated. It is also due to the evolutionary nature of our bilateral and multilateral security relationship with these countries. Turkey and Greece are good examples. Both were directly threatened by the communists--in the case of Greece, civil war was being waged between Soviet-bloc-supported communist guerrilla forces and the legally constituted democratic government. The security assistance initiated by the Truman Doctrine just 40 years ago provided both the tangible means and the psychological support they needed.

Subsequently, both countries contributed troops to support the effort in Korea, particularly because of the United States response when they were threatened. Both countries joined NATO after the Korean Conflict, and we established a military presence and began using military installations in both countries. U.S. assistance continued, not because of the availability of those facilities, but rather because of the continued threat and economic needs of Greece and Turkey.

Let me now discuss each of the Four European countries in which we have U.S. military forces and to which we provide military assistance.

PORTUGAL

We concluded a renewal of the Azores Agreement in 1984 that provides for our use of Lajes Air Base for conducting essential military missions from the Azores, including rapid, long-range airlift from the United States to Europe and beyond. We are currently negotiating for the construction of a satellite tracking site on the mainland of Portugal.

Portugal's balance of payments has fallen into deficit in recent years, and the government has taken tough austerity measures. We believe it is essential that we maintain a helpful posture toward Portugal, as we have since the 1974 revolution. Grant assistance must continue to constitute an important part of our assistance.

Our security assistance request for Portugal was \$110 million for FY87, of which \$80 million, all MAP, was granted. For 1988, we are asking for \$125 million. FMS credits to

Portugal finance a wide range of military programs including a shipbuilding project of three frigates and modernization of an army brigade earmarked for NATO.

SPAIN

The major U.S. facilities in Spain are the Rota Naval Base and the Torrejon, Zaragoza, and Moron air bases. There are several smaller facilities of importance to the U.S. and NATO. These sites are covered by a 1982 agreement on friendship, defense, and cooperation. We are presently negotiating with Spain for a successor agreement to the present one, which expires in May 1988.

With Spain's increasing level of modernization and its determination to continue improvements, one area of a future agreement that we expect to be substantially changed would be security assistance. We expect that Spain's need for security assistance will diminish within the framework of a new agreement. To that degree, we may be able to count Spain in the "success" column as regards security assistance.

In FY87, the administration proposed \$400 million in credits to Spain, the same amount authorized for Spain in FY86. As you know, only \$105 million was authorized. For FY88, we have asked for \$265 million. In this coming fiscal year, Spain will use these funds for F/A-18 fighter-attack aircraft as well as equipment for FFG-7 frigates, missiles, and AV-8 aircraft. These credits are also important in promoting the overall U.S.-Spanish security relationship, of which the agreement of friendship, defense, and cooperation of July 1982 providing for our military presence there, is also part. In the course of arranging for our continued use of the valuable facilities in Spain, the United States government pledged its "best efforts" to help Spain modernize its military.

GREECE

Greece provides the U.S. and NATO with valuable military facilities, both on the Greek mainland and on the island of Crete. These strengthen the capabilities of Western forces operating in the area. Major U.S. installations are Hellenikon Air Base and Nea Makri Communication Station on the mainland and Iraklion Air Base and the Souda Bay complex on Crete. There are also a number of smaller facilities, as well as sites available for NATO use.

Base rights are currently granted under the U.S.-Greece Defense and Economic Cooperation Agreement (DECA) of 1984, subject to termination by either party after five years; that is, in December 1988. Prime Minister Papandreou has publicly stated that U.S. forces will not be permitted to remain after 1988. We are hopeful that as circumstances evolve, we will be able to reach a mutually satisfactory solution, as we have done in resolving a number of minor irritants in our overall defense relations. A step-by-step process is under way to improve relations. Nonetheless, we have begun to explore possible contingency relocation plans.

Although it is one of the poorest NATO allies, Greece still spends a relatively large amount of its GNP on defense, and it has the highest ratio of active duty personnel to total population of all the allies. Greece is working actively to modernize its forces to meet NATO-force goals, but its ability to accomplish this program has been, and will continue to be, severely hampered by economic problems. We have requested \$435 million for Greece in FMS credits for fiscal year 1988. These will be used to finance essential modernization programs, including the purchase of jet fighter aircraft, and sea communications and radar systems, portable and guided-missile systems, anti-submarine warfare, helicopter, tank, and armored-personnel-carrier conversion kits, combat-support vehicles, ammunition and spare parts.

Speaking frankly, the Greek government needs our help, for the Greek economy has been deteriorating since 1980. A seven-year period of zero growth was interrupted only by a single year

of weak recovery in 1984. The Papandreou government announced a two-year austerity program in October 1985 to cut inflation and reduce the public-sector and current-account deficits.

Despite this stabilization effort, the Greeks still have a long way to go to meet their defense spending commitments. Their 1987 defense budget proposal calls for a 7 percent increase in real terms in military spending in 1987 over 1986. Considering the fiscal austerity, this increase is significant. We are obligated to help those who are doing all they can to help themselves, and Greece is such an example.

TURKEY

Turkey plays an exceptional and critical role as the anchor of NATO's southeastern front in Europe, facing the longest border with the Warsaw Pact of any alliance member. In addition, Turkey secures the Turkish Straits and also deters any attempted Soviet movement into Southwest Asia through the Transcaucasus Region. In the Middle East, Turkey also plays a critical role in helping to defend the vital sea and land lanes of communication which cross the region, as well as providing a potent barrier to the region's enormous oil reserves.

It is worth just studying the map of the Eastern Mediterranean and observing Turkey's position, both in the East and West relationship and in the Middle East. It is crucial to U.S. interests and NATO's defensive posture.

Turkey's key location also allows it to provide invaluable sites for the use of U.S. and NATO forces. The U.S. has intelligence-collection sites in Turkey. There are also air bases for U.S. and NATO use in Incirlik and Izmir and important naval supply sites near Adana. There are several other smaller U.S. facilities and some sites available to NATO. Turkey and the U.S. have just signed a new defense and economic cooperation agreement (DECA), which will govern our defense relations and facilities at least to 1991.

The Turkish military is saddled with much increasingly obsolete hardware, some of which is rapidly becoming unsupportable. More important, this obsolete equipment, even if it were supportable, would simply not do the job on the modern battlefield. Unless modernization occurs, funds will be spent on maintaining obsolete weapons systems that over time return less and less in defense capabilities. Current programs have now reached a level at which the badly needed modernization of the Turkish armed forces may proceed, albeit slowly. Nonetheless, to reverse the obsolescence of Turkey's military establishment will require years of greater expenditure and effort. Moreover, from now to the early 1990s, Turkey's defense-debt service burden alone will hover above \$300 million annually.

We are proposing \$235 million in FMS credits for Turkey and \$550 million in MAP, even though we estimated Turkey's armed forces need well over a billion dollars in annual security assistance to modernize effectively. This is well above this year's aid levels, but in extending the DECA, we agreed to pursue with the Congress, with vigor and determination, to match security assistance levels with Turkish needs in modernization.

Moreover, recent examples of successful defense-industrial cooperation programs show great promise, including F-16C/D aircraft manufacture, M-48A5 tank modernization, frigate construction, UH-1H helicopter coassembly, Shorad gun production, and the building of a tank ammunition facility. Turkey hopes to develop its technical and manufacturing capability toward the goal of domestic arms self-sufficiency, and possible arms exports. To this end, the Turkish government in late 1985 created a defense industrial fund to stimulate coproduction joint ventures. Turkish determination to work toward the day when security assistance may no longer be needed deserves U.S. support.

CONCLUSION

In conclusion, I should make it clear that the programs we have proposed will not solve all the security problems on NATO's southern flank. Our programs will, however, assist these strategically situated allies to acquire the equipment and training that will help lessen some of their more urgent and serious deficiencies and contribute to the stability of the area.

Again, it is worth stressing that our presence at military facilities in NATO Europe is driven by U.S. national interests and our forward-defense strategy. The form and content of that presence is conditioned by the Warsaw Pact threat, as is the level of our assistance to our allies, which is designed to help them to meet their responsibilities in the defense of the Western Alliance.

In the final analysis, it is in our national interest to assist allies in strengthening their defenses. In return, as allies, we also gain access to facilities and overflight rights which improve our forward defense capabilities and support our own contributions to NATO, thus furthering achievement of our national security objectives and overall defense strategy. As these U.S. base rights contribute to the strength of NATO, they are also in the national interests of the host countries.