
Security Assistance in a Changing World

By

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[The following is a reprint of a statement presented by General Brown in testimony before the Foreign Operations Subcommittee of the Senate Appropriations Committee in Washington, DC, on June 22, 1990.]

Mr. Chairman, it is a pleasure to be here today to testify on security assistance. I look forward to working with you throughout the Congressional consideration of the President's budget request and legislative proposals.

THREAT TO AMERICAN INTERESTS

Mr. Chairman, we have all been hearing a great deal about how much the world has changed in the last six months. I want to tell you how much has not changed. I want to explain why we still need military assistance for our friends and allies—in some cases more so than ever. The welcome trends in the Soviet Union have not transformed the security situation everywhere. The Middle East is as dangerous and unstable as ever. Nor has the situation in Asia changed dramatically. The security situation in the Pacific and elsewhere in Asia is much more complex than in Europe.

We must ask ourselves whether the undeniable changes that are taking shape will necessarily make a safer world, or a world with new and different threats? Unfortunately, despite the progress in Eastern Europe, the Soviet Union, and elsewhere, we see continuing instability and conflict in much of the developing world. There are many regional, ethnic, and national antagonisms around the world for which the Soviets are not responsible. Conflicts like the Iran-Iraq war, or continuing insurgencies in places like El Salvador and the Philippines, are regional in origin.

Furthermore, we are facing new dangers from the proliferation of nuclear, biological and chemical weapons, and ballistic missiles. As Secretary of State James Baker has said: "the spread of missiles and chemical weapons throughout volatile regions [means that] conflicts in the Third World are likely to take on a more dangerous character. Regional conflicts are likely to be more difficult to contain, and more likely to engulf more countries, and more susceptible to escalation."

Just recently, this statement was dramatically illustrated when Iraq's Saddam Hussein boasted of his ability to destroy half of Israel with his newly acquired missiles and chemical weapons.

The possibility of a Soviet threat has not entirely vanished. While the conventional threat to Europe has apparently diminished, large-scale Soviet or allied Communist Party aid continues to flow to North Korea, Cuba, Libya, and Afghanistan. At this point, we cannot afford to assure that change in the Soviet Union will necessarily proceed in linear fashion towards democracy. Ethnic unrest in various constituent republics of the USSR could affect its role as cooperative peacemaker in other areas. This is another element of instability which could have important implications for our friends and allies near to or bordering on the Soviet Union. We should also not ignore the possibility of a Russian nationalist backlash against current policy, or even the breakup of the Soviet Union itself.

The problem is that we really do not know how this new world will take shape, except that it will not be the same old bipolar world of superpower antagonism. In the world now taking shape, the only constant we can assume is uncertainty. The question is, in this new situation, what is the role for security assistance?

OBJECTIVES

The United States cannot return to isolationism. We will always have an interest in actively promoting global economic and political stability. We will always need friends and allies. Therefore, in a time of decreasing military budgets it is even more important that our friends and allies be strong and able to defend themselves and keep regional peace. It is far better for us, and for the world, if we can help friends and allies defend themselves, rather than use American armed force.

We cannot, in this dynamic period, foresee all the potential threats to American interests. The network of bases and access rights we have built up in the post-war era both to contain Soviet power and for other regional concerns should not be thrown away lightly. Even if—for argument's sake—the Soviet Union completely ceases to be a threat, we would still want the flexibility and influence that access to overseas facilities gives us. The utility of power projection capabilities in a world full of states armed with missiles and chemical, and even nuclear weapons is incalculable.

We do not know what instabilities might be unleashed following a rapid withdrawal from world responsibility by the U.S. Many recent world conflicts have been resolved and many countries are better able to defend themselves, thanks to U.S. aid—both military and economic. But continued U.S. participation in many areas is still necessary. Our overseas presence and assistance often are important in calming regional antagonisms. Indeed, many of our friends and allies in the Pacific, Europe, the Middle East, and elsewhere have communicated their fear of the consequences of American withdrawal. U.S. security assistance helps promote stability, by helping countries feel more secure. This is particularly important in regions where one country's acquisition of sophisticated weaponry threatens the military balance, tempting other countries to do the same.

We also believe that we can have a positive influence on the countries we assist. Promoting democracy, human rights, and nation-building is desirable for its own sake. If the United States cuts relations with Third World militaries, we lose all influence with those militaries, which remain strong, if not the strongest, institution in many countries. In many of these countries the military is the only effectively functioning modern institution, often with a disproportionate concentration of technical and engineering skills. They are a critical part of nation building. Security assistance is essential to maintain the ties and influences needed.

Finally, we must remember that our carefully regulated military sales to friends and allies contribute strongly to our export base. As domestic defense procurement diminishes, foreign sales become more important to maintain reasonable unit costs, sustain production lines, and preserve jobs in key high-technology industries—all important contributions to our ability to mobilize should the need arise. As you know, almost all our security assistance monies are spent here at home and, together with sales, contribute directly to the domestic economy. Declining defense budgets and small production runs certainly raise the relative importance of foreign sales. In an era where international trade will become ever more important for U.S. industry, we cannot afford to ignore the part played by a healthy defense industrial base in enabling us to maintain our high-technology base. Here, trade aspects begin to interlink into the defense industrial and defense technology base that are important to our continued national security.

With these considerations in mind, I turn to our request for security assistance in 1991. Recognizing the budgetary and financial realities that limit our abilities to deal with every problem, our total request for [the Foreign Military Financing Program for] FY 1991 is \$5,016.9 million—\$53.5 million less than last year's budget request.

There have been problems over the last several years in managing security assistance programs because of the differences in priorities between the Administration and Congress and the narrowing flexibility available to the Administration. Over the years, as funding for security assistance has declined, the levels of Congressional earmarking have increased. But the world has changed. It does not serve the best interests of U.S. foreign policy to lock all but tiny percentages of security assistance funds in earmarks. In an uncertain world we need more flexibility, not less.

The argument that many of the earmarks essentially duplicate Administration request levels is correct only in the context of the total request. What it overlooks is proportionality. That is, Administration requests for individual countries are not made in a vacuum but are consistent with the overall level of the account. High levels of earmarking within a reduced overall appropriation have forced us to zero out numerous countries while drastically reducing others. This is wasteful and disruptive of carefully nurtured relationships. Often, the affected countries can no longer maintain U.S.-supplied equipment. As a result, our original investment in their defensive sufficiency is effectively wasted. Secretary of State Baker has stated that while no earmarking at all would be the best solution, an agreement to shave earmarks, or to provide a flexibility fund, would also be acceptable. I agree, and urge you to support that new approach to the earmarking problem.

FY 1991 BUDGET

The Administration's request for FY 1991 may appear to be nothing more than a straight line continuation of last year's. It might well be asked, why do the numbers not reflect appreciation of these new realities? Why have priorities not been shifted? There are several reasons:

We have sound programmatic reasons for the vast majority of specific country allocation requests. Ongoing modernization programs and the sustainment of existing equipment is critical, and cannot be reversed at a moment's notice. The U.S. government has substantial on-going and soon-to-be-started contracts and modernization programs with a number of important allies and friends. Some of these programs continue into the mid-1990s.

A military relationship cannot be based on words alone; there must also be programmatic substance. Cooperative military assistance planning cannot be done one year at a time. The nature of military programs requires multi-year contracting. Training and support for major weapons programs, and setting up national infrastructures to integrate new equipment also frequently take several years. As a result, funding requirements are typically phased over several years. Effective planning, on the other hand, has to be done up-front.

Finally, these are, for the most part, minimal programs for minimal conventional deterrence. That is, they provide the recipients with the means to deter against a variety of possible threats to their stability and sovereignty. As previously mentioned, the '90s could see increased regional instability. As we reduce the size of our armed forces and reduce overseas deployments, we will be relying more on our friends' ability to defend themselves. Now is not the time to degrade that ability.

Turkey: We are asking \$545 million for Turkey. Turkey is in the middle of one of the world's most dangerous regions, sharing borders with Saddam Hussein's Iraq, Iran, and Syria, as well as the Soviet Union. Turkey is a pro-Western, non-fundamentalist Moslem state. While the threat of a Soviet assault has decreased, internal nationalistic and ethnic strife in the southeastern

Soviet Union poses the threat of additional regional instability and complications with other powers in the area. Turkey is an anchor of stability in the region and provides bases and facilities that will continue to be critical to U.S. security interests in maintaining the stability we have achieved to date.

However, the Turkish armed forces are seriously under-equipped, and require much more money than we are in a position to provide. Nevertheless, it is important to sustain our level of assistance for Turkish force modernization. The key programs are jointly funded F-16s, M-48 tank upgrades, and the Track II frigate. We are suggesting an increase of \$45 million over FY 1990.

We are requesting \$228 million for Pakistan, \$2 million less than last year. Our assistance program will help Pakistani modernization as well as provide a tangible demonstration of support to Benazir Bhutto's government as it continues the difficult democratization process following years of authoritarian rule. Our assistance also helps to reassure Pakistan's military, lessening the danger that they will be compelled to turn to China or Iran, or even to nuclear weapons to ensure its security. As you are well aware, support to the Afghan resistance would not have been possible without the help of Pakistan. However, conflict in Afghanistan has not ceased with the Soviet withdrawal. The Soviets continue to pump massive quantities of arms to the Najibullah regime, including the Afghan missiles that continue to land inside Pakistani territory.

Philippines. This year, as last year, we are requesting \$200 million for the Philippines. As you know, the U.S. government pledged "best efforts" in 1989 to obtain \$400 million in military assistance [for FY 1990-91] as part of negotiations on our base rights in the Philippines. As a result of earmarking and funding reductions, we were only able to allocate \$140 million for FY 1990. Even our FY91 request of \$200 million will still fall short of the total \$400 million "best efforts" amount by \$60 million. These funds are necessary to purchase support, training, maintenance, and new equipment to combat the anti-democratic insurgency. It is important to the success of Philippine democratic institutions and President Aquino that our "best efforts" pledges not be vitiated. Furthermore, we cannot afford to undercut the negotiations currently underway for renewal of the Military Bases Agreement. These bases, at Subic Bay and Clark Field, along with other valuable facilities in the Philippines, provide unique advantages to U.S. Pacific forces and are a key component of our power projection capability. Alternative facilities would be either cost prohibitive, less politically suitable, or less well-located strategically.

Portugal. Portugal, like Turkey, is another firm ally to whom we have prior commitments to support modernization. Lajes Air Base in the Azores is a critical asset for U.S. force projection. The Portuguese have been very cooperative in the past in allowing U.S. use of Lajes for transit to the Middle East and Southwest Asia, as well as for anti-submarine and sea control operations. It is also a vital staging point for resupplying forces in Europe. The flexibility these facilities give us becomes even more important with anticipated reductions in overseas forces. There is no geographically satisfactory alternative in the Atlantic.

As with the Philippines, we have been forced to come up short in 1990 on "best efforts" pledges made to the Government of Portugal as part of our base-rights renegotiations. It is important that we not do this two years running, or we risk seriously complicating negotiations for a new agreement. Portugal is the second-poorest NATO nation after Turkey, and the \$125 million is needed to establish modern Portuguese air defense and anti-submarine warfare and to support mobility, communications, combat support, anti-armor, and program management capabilities.

We are requesting a total of \$137 million for Andean nations and another \$9 million for other, principally Caribbean countries, with narcotics, and in some cases, related insurgency problems. This total request of \$146 million is a \$15 million increase in military assistance funding for these countries over FY 1990 and reflects the FY 1990 shift in funds from Defense to

Foreign Assistance. We believe that increased funding is absolutely necessary for a number of reasons. The staunch resolve of Colombia's Barco government has begun to turn the tide against the cocaine cartels. Our assistance is needed to help Colombia continue to fight both them and related insurgencies. The proposed \$58 million will provide much-needed helicopters, spare parts, vehicles, weapons, ammunition, and other vital supplies to the Colombian armed forces. We propose \$39 million for Peru, which faces a similar situation. We are requesting \$40 million as well for Bolivia, another Andean nation with extremely limited resources. FY 1990 budget constraints and earmarking did not permit us to fund other states with severe narcotics problems such as Ecuador, or many of the island nations of the Eastern Caribbean. These countries need and deserve our assistance in the joint struggle against the narcotics traffic.

We are also requesting funding to restore other small, but nevertheless valuable programs in Latin America, Africa, and Asia that had to be dropped in FY 1990. Such small programs bear fruit in terms of good will, contacts, and influence that far exceed the dollar amount.

IMET. We propose \$50.5 million for the International Military Education and Training program (IMET), four million less than last year's budget request. The reduction reflects the Administration's efforts to ramp down [i.e., gradually reduce] assistance to certain high-income countries.

IMET has been widely recognized as our most cost effective foreign assistance program. IMET is a people program that establishes valuable personal relationships and communication with foreign military personnel, many of whom rise to prominent positions within their countries. IMET students return to their countries having been exposed to our American military ethos of professionalism and respect for civilian authority, as well as to American democratic institutions and national values. Many retain a respect and admiration for the U.S. which, though difficult to quantify, often proves invaluable for later relations and even in contingencies. Those who criticize the number of countries participating in the program on the grounds that too many are small, poor, and face no discernable military threat miss these key points. Furthermore, in many of these countries the military is one of the only functioning modern institutions. IMET provides technical training and an education in military professionalism that help these militaries play significant, productive roles in nation-building. Finally, these smaller countries represent less than 20 percent of the students and the total annual IMET appropriations. These issues are addressed in detail in studies prepared for this committee by DSAA and the GAO. [Editor's note: see "The United States International Military Education and Training (IMET) Program: A Report to Congress," published in *The DISAM Journal*, Spring 1990, pp. 1-47.]

This committee has in past years expressed concern about [furnishing] IMET for "advanced, industrialized" nations. We agree that countries with the ability to do so should pay travel and living allowances (TLA). In FY 1990 a number of countries did *graduate* from IMET. However, the legislated [funding] threshold was so low that countries such as Gabon and Trinidad and Tobago were included.

Two countries that could legitimately be classified as *high income* now participate in IMET: Austria and Finland. IMET funding—though not TLA—for these countries is important. Austria and Finland are key neutrals with whom it is important to maintain the military professional contacts and influence that IMET can provide. Finland, in addition, is a major participant in UN peacekeeping forces, while Austria provides us free [military training] slots in their peerless alpine training school.

Countries should not be cut indiscriminately, simply on the basis of national income. IMET is not a gift—we reap tremendous benefits in terms of military relationships and access. However, there are some high-income countries that have benefitted considerably from IMET—to the point where the marginal benefit of continuing to train their personnel at the same rate is decreasing.

Therefore, we last year began trimming IMET allocations to Korea, Spain, and Greece. This started to take effect in FY 1990. This year we are proposing an additional trim for these three countries totalling \$650,000 over the FY 1990 allocations. Over half of this sum would go to aid priority narcotics and drug interdiction countries, with the rest going to Third World nations that have been hardest hit by recent funding restrictions.

CONCLUSION

Mr. Chairman, I believe that in these times of historic change we have a responsibility to preserve the stability we have worked for all these years. Our policy was not simply anti-Soviet, but aimed at promoting democracy and prosperity worldwide. Security assistance was then and is today a vital part of U.S. national security policy. It will continue to play a role in managing global peace and stability in years to come. We cannot know the final outcome of events in the Soviet Union and their implications for regional conflict and world peace. But we can prepare ourselves and our friends to manage uncertainty and to deter or combat regional conflict. I recognize that fiscal constraints limit our abilities. We do not ask for increases over last year's request, but we do ask for flexibility. The proposed budget represents adequate levels for Security Assistance in 1991. I urge you to support it. Thank you.