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# Carter, Reagan, and Congress: The Changing Dynamics of Security Assistance and Arms Sales

By

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## THE ROLE OF SECURITY ASSISTANCE

With the exception of the battle over the defense budget, few government-funded programs evoke as much emotion as the U. S. investment in international affairs. Despite the fact that foreign aid consumes less than 2% of the federal budget each year, acrimonious debate ensues annually over the “free ride” given to other countries in spite of our own pressing economic and budgetary difficulties. Yet, proponents argue that foreign aid, and in particular security assistance and the closely related activity of arms sales, provide a return on investment far beyond the nominal dollars spent.

U.S. security assistance and arms sales policies can be examined in terms of their political, military, and economic contributions to U.S. national security policy. The analysis herein reviews Legislative and Executive Branch influence on security assistance and arms sales over the last twenty years and argues that while the economic and military benefits of these policies are debatable, important positive effects on our bilateral foreign relations can be observed. In addition, an argument will be made that the process has become far too politicized for any significant reforms to be instituted.

The international affairs budget consists of many different components. Security assistance, the largest element of the international affairs budget, can be defined as the transfer of military and economic aid through the sale, grant, lease, or loan to friendly governments for our own security related purposes. Transfers are carried out under the principle that if they are essential to the security and economic well being of such governments and international organizations, they are equally vital to the security and economic well being of the United States.<sup>1</sup> An important distinction to be made therefore, is that security in this case is defined in both economic and military terms. Such a distinction is not often well understood even by U.S. policy makers.

## SECURITY ASSISTANCE ELEMENTS AND OBJECTIVES

The financial support for security assistance may be found in two different sections of the international affairs budget. The first is International Security Assistance.<sup>2</sup> Five major programs are accounted for here:

- **Foreign Military Financing (FMF)**—a largely grant aid military assistance program which enables U.S. friends and allies to acquire American military equipment, related services, and training. This account combines two older programs: Foreign Military Sales Financing (FMSF) and Foreign Military Sales Credits (FMSCR) as well as the Military Assistance Program (MAP);

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<sup>1</sup>*Security Assistance Management Manual*, October 1988, p. 101-1.

<sup>2</sup>*Budget of the United States Government, Fiscal Year 1991*, pp. A-402 thru A-407.

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- **Guaranty Reserve Fund (GRF)**—a reserve fund created by Congress to make guarantee payments for delinquent or rescheduled Foreign Military Financing (FMF) loans extended by the Federal Financing Bank (FFB) and commercial lending institutions. [Editor's note. Beginning in FY 1992, the GRF will be replaced by the Foreign Military Loan Liquidating Account which will be used as the liquidating account for all FMS loans, direct or guaranteed, which were issued prior to FY 1992.]
  - **Economic Support Fund (ESF)**—an all grant program meant to encourage economic reform and development in recipient nations;
  - **International Military Education and Training (IMET)**—a program which provides professional military education as well as technical skills to members of the military forces of allied and other friendly nations; and
  - **Peacekeeping Operations (PKO)**—a fund which currently finances U.S. contributions to the United Nations Force in Cyprus (UNICYP) and the Multinational Force and Observers in the Sinai (MFO).

Military aid (all the above programs save ESF) totalled some 35 percent of all foreign aid in Fiscal Year 1990; economic aid accounted for an additional 26 percent of the foreign aid budget.<sup>3</sup>

The second area of the budget where security assistance funding can be found is called International Financial Programs. This section includes International Monetary Programs (which provides support for the International Monetary Fund).<sup>4</sup> Two other funds in this account are of interest:

- **Special Defense Acquisition Fund (SDAF)**—a non-appropriated revolving account that finances the acquisition of defense articles and defense services in anticipation of their transfer to foreign countries and international organizations. The fund enhances the ability of the United States to respond to urgent requirements of allied and friendly governments for military equipment while minimizing the adverse impact on U.S. forces due to diversions from production or U.S. military stocks.
- **Foreign Military Sales Trust Fund (FMSTF)**—an account which facilitates government-to-government sales of defense articles, defense services, and design and construction services. The FMSTF acts as a holding account for national funds or U.S. financial aid in anticipation of purchases. Orders placed through the fund can be combined with procurements for U.S. military departments. The savings are shared by the U.S. and foreign governments.

The State Department, in the person of the Secretary of State, retains control over all security assistance programs. Day-to-day responsibility for these programs has been delegated to the Under Secretary of State for International Security Affairs. Some programs such as the FMF, IMET, SDAF, and FMSTF are administered by DOD through the Defense Security Assistance Agency. Others, such as ESF and PKO are administered directly by the State Department.

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<sup>3</sup>Duncan L. Clarke and Steven Woehrel, "The U.S. Security Assistance Program: A Need for Change," prepared for the International Studies Association Convention, (Washington DC, April 10, 1990), p. 3.

<sup>4</sup>*Budget of the United States Government, Fiscal Year 1991*, pp. A-425 thru A-428.

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In addition, the State Department has responsibility for approving all government-to-government and commercial arms sales licensed under the Arms Export Control Act (i.e., those contracts signed directly between a foreign country and a U.S. contractor upon the receipt of U.S. government approval). This licensing responsibility is exercised through the Office of Defense Trade Controls (formerly the Office of Munitions Control) which coordinates all interagency approvals/ disapprovals of sales/transfers of items on the U.S. Munitions List.

An important difference exists between these two areas of security assistance. That portion of the budget known as International Security Affairs deals primarily with non-repayable grants while International Financial Programs and commercial arms transactions are done on a sales basis. These sales arrangements have been the cause of much discussion between the U.S. and debtor nations, since many contracts were signed in the early 1980s when interest rates hovered around 16 percent. As time went on, these loans became increasingly onerous to our foreign allies, prompting calls for debt reform.

U.S. objectives for the security assistance program, and in particular military aid, tend to be all encompassing in their scope. One former Secretary of Defense declared:

Military Assistance supports some of the most basic and enduring elements of our national security strategy: collective security and self defense. Military assistance enhances our allies' ability to deter and combat aggression without the direct involvement of U.S. forces. In addition, security assistance promotes the interoperability of U.S. and allied forces, thereby increasing their effectiveness. Security assistance also forms a vital part of the cooperative arrangements through which our forces gain access to critical military facilities throughout the world, a fundamental for forward defense against aggression.<sup>5</sup>

These foreign policy objectives have remained fairly constant over time as far as the Executive Branch has been concerned; however, they have been strongly influenced over the last twenty years by the actions of an increasingly interventionist Congress.

## LEGISLATIVE INFLUENCES IN NATIONAL SECURITY POLICY

As Americans watch the events in the Persian Gulf unfold on television news each night, they are bombarded with the latest policy pronouncements from the President, Secretary of Defense, National Security Advisor, and Chairman of the Joint Chiefs of Staff. It might come as a surprise, therefore, that the founding fathers reserved the majority of powers relating to national security policy to the Legislative Branch. The only enumerated power given to the President in the Constitution is the title of Commander-in-Chief of the armed forces. As part of the separation of powers, Congress was given the constitutional authority to raise and support armies and navies as well as declare war.<sup>6</sup> While the Legislative Branch has remained deeply involved in foreign policy in general, that subset of foreign policy known as national security affairs has been the domain of the President and his national security advisors.

Four major reasons have been cited as evidence of the lack of Congressional effectiveness in helping determine national security policy:

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<sup>5</sup>Frank C. Carlucci, "Security Assistance and International Armaments Cooperation," *The Annual Report of the Secretary of Defense to the Congress on the FY 1990/1991 Biennial Budget and FY 1990-1994 Defense Programs*, (Washington DC, January 17, 1989): pp. 63-72.

<sup>6</sup>*The Constitution of the United States of America*, Article 1, Section 8.

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- The lack of speed inherent in the Congressional deliberation process does not lend itself to dealing with the rapid change associated with national security issues. Therefore, both Congress and the public expect the Executive Branch to take the lead in times of crisis.
  - The division of responsibilities in the oversight of national security affairs amongst various committees has fractionalized Congress' ability to influence Administration policy. Some twenty-nine committees and fifty-five subcommittees claim, to varying degrees, some jurisdiction over national security issues. Each committee and subcommittee tends to view defense policy from different directions. This breakdown of responsibility has resulted in the lack of a focal point to bring these divergent interests together in any sort of consensus.
  - Members are most concerned with those subjects that directly affect their reelection. Any issues that impact bases or defense plants in their district or state automatically become important for that Representative or Senator. As a result, while questions of structure (base closing, program terminations, etc.) are often heatedly debated in both houses, questions of strategy are not.
  - The number of different policy issues facing the Congress prevents any member from becoming a subject matter expert in more than a few areas. Even those on the Armed Services and Appropriations defense subcommittees developed a narrower focus on defense policy than their counterparts in the Executive Branch. Congress tended to take at face value the judgements of Executive Branch subject matter experts.<sup>7</sup>

Security assistance originally developed out of the containment policy of successive U.S. Administrations following the end of the Second World War. Initially, some 80 percent of security aid went to Europe.<sup>8</sup> As time went on and the shattered economies of Western Europe began to rebuild, the flow of assistance was redirected towards the Third World where the real struggle with Soviet ideology was perceived to be taking place. Although aid was then directed toward the less developed areas of the world, the amounts spent never reached the levels of earlier assistance to Europe and indeed have declined to this day. In addition, the assistance packages of the late 1950s and early to mid-1960s consisted primarily of economic aid, a dramatic shift from the use of military aid.

With the advent of the Vietnam War, the ratio of assistance shifted back toward a preponderance of military aid. Military assistance to Southeast Asia during this period was funded out of the Defense Department budget, as opposed to the foreign aid budget, as had been the case in the past. The impact of this change was that control over the authorizations necessary to prosecute the war were exercised by the Armed Services Committees instead of the Foreign Relations and Foreign Affairs Committees. The Armed Services Committees were generally seen as more sympathetic to Executive Branch desires to expand the role of U.S. forces in Southeast Asia than were Foreign Relations and Foreign Affairs. In any case, Congress strongly supported Administration security assistance requests throughout the period from the end of World War II to the height of the Vietnam War.<sup>9</sup>

The advent of the 1970s, however, saw Congress begin to take a much more activist role in national security policy. This change in emphasis came about as a result of a dual revolution in

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<sup>7</sup>Amos A. Jordan, William Taylor, Jr., Lawrence J. Korb, *American National Security: Policy and Process*, 3d ed., (Baltimore, MD: The Johns Hopkins University Press, 1989), pp. 111-129.

<sup>8</sup>Duncan L. Clarke and Steven Woehrel, "The U.S. Security Assistance Program: A Need for Change," prepared for the International Studies Association Convention, (Washington DC, April 10, 1990), p. 8.

<sup>9</sup>Ibid, p. 12.

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Washington. The first factor was the continuing U.S. presence in Vietnam. The announcement of the Nixon Doctrine in 1969 in response to U.S. involvement in Southeast Asia, and in particular the reliance the Administration intended to place on security assistance, sparked renewed Congressional interest in this area. Under the new doctrine, the U.S. would continue to honor its treaty commitments and security assistance obligations; however, the U.S. would look to the country in question to assume responsibility for the manpower needed to defend itself.<sup>10</sup> This reluctance to commit American troops to sustained combat on foreign soil has continued to today as a policy of both Republican and Democratic Administrations. As a result, the security assistance program took on new importance to the Administration and Congress as the U.S. withdrew from its Southeast Asian commitment.

The second major factor affecting Congressional interest in national security affairs was the drive to reform the legislative process in order that Congress could more directly affect U.S. foreign policy. In particular, the 1974 Budget Act helped strengthen Congress in the battle with the Administration over the annual disposition of funds in support of domestic and foreign programs.

The Congress always had the power over the purse through the authorization and appropriation process. The authorization committees act as the policy making centers on Capitol Hill; in effect, these committees gave federal agencies the permission to have programs. Two appropriations committees and their thirteen subcommittees have the job of deciding how much funding federal agencies and programs will receive in relation to available fiscal resources and economic conditions. Appropriations actions, if approved by the President, permit government agencies to effect contracts involving the disbursement of federal funds held in the Treasury. In theory, all appropriations are preceded by an accompanying authorization; however, in practice, this is frequently not the case.

The Budget Act of 1974 added a third layer to the process. The Act created the House and Senate Budget Committees as well as the Congressional Budget Office (CBO). Through the use of a concurrent resolution, the two budget committees produce a binding fiscal blueprint for the authorization, appropriation, and tax revenue committees.<sup>11</sup> Budget reform has increased the delays associated with the authorization and appropriation of funds. With only a short time between each phase, less time is now devoted to assessing important programs such as security assistance. In addition, the use of earmarking, or legislating the use of funds for particular countries, has hampered the Administration in trying to establish an equitable and effective security assistance policy.

The establishment of the CBO, the increase in personal and committee staff, and the allocation of additional resources to the Congressional Research Service have all provided Congress with its own group of subject matter experts who can challenge cost estimates and strategic assumptions. While this was no doubt of benefit to the important debates on national security policy, the resultant increase in delays associated with more people being involved with the policy process has tended, at least in the eyes of successive Administrations, to effectively tie the hands of the Executive Branch. Nowhere has the effect of these changes been more marked than on the debate over arms sales policies.

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<sup>10</sup>Walter J. Oleszek, *Congressional Procedures and the Policy Process*, 3d ed., (Washington DC: The Congressional Quarterly, 1989), p. 61.

<sup>11</sup>Peter Woll and Robert Binstock, *America's Political System*, 4th ed. (New York: Random House, 1984), xviii, quoted by Dr. Larry A. Mortsoff "Revisiting the Legislative Veto Issue: A Recent Amendment to the Arms Export Control Act" (*The DISAM Journal*, 1987), p. 11.

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## CONGRESSIONAL OPPOSITION TO ARMS SALES

Arms sales draw both the most support and the most condemnation within Congress. The objectives of security assistance have been listed already. However, many critics including those on Capitol Hill contend that arms sales are not always in the best interests of the United States for the following reasons:

- Sophisticated U.S. technology could fall into the wrong hands and compromise weapons currently deployed by U.S. forces. These weapons might also be used some day against American troops. The supply of these weapons deplete U.S. stocks and delay acquisition of replacements. Perhaps most importantly, such sales undermine the U.S. position as a moderating influence in volatile areas of the world.
- Arms sales do not always provide the U.S. with diplomatic leverage over the recipient country.
- Economic benefits are overstated in that weapons sales do not contribute in a major way to our balance of payments problem, employment benefits are minor, unit cost savings and R&D recoupmets are not great, and U.S. contractors are not dependent on foreign markets to any significant degree.
- Arms sales exacerbate existing tensions among neighbors, thereby increasing the risk of war.
- Such sales can adversely affect the internal stability of countries friendly to the U.S., such as was the case in Iran.

Many of the same points touched upon by critics are used in turn by those who support such sales. Advocates argue that regional instability is caused by an imbalance between potential adversaries. The U.S. can and does provide arms under these circumstances but not in all cases. Since a foreign government's most pressing priority is to provide security to its citizens and itself, it will go elsewhere to obtain equipment to correct what it sees as an imbalance if it cannot do so through U.S. channels. The U. S. does not have a monopoly on conventional military hardware; allies and adversaries will step in and provide the arms if we do not .

The U.S., through the luxury of a large internal market, can afford selectivity in arms transactions. Our major competitors in the arms trade are not so fortunate. Unlike the U.S., these countries (primarily the U.K. and France) have fairly small domestic markets. Since the maintenance of a robust defense industrial base is considered of paramount importance to the governments of these countries (for both technological and employment reasons), export sales have become increasingly critical. Therefore, the need to sell overseas is not an option; it is a necessity. To argue a unilateral policy of restriction, such as that initially employed by the Carter administration, flies in the face of reality.

In addition, a new and somewhat more sobering development has taken place over the last ten years. Many third world countries have made the development of a defense industrial base a priority, not only to provide for domestic needs, but for commercial purposes as well. Many of these countries had comprised a significant part of the international arms bazaar. The market contraction due to development of indigenous capacity makes restraint on the part of defense exporters even less likely.

The requirement to balance the desire to limit arms with the need to conduct a coherent foreign policy was to bedevil every Administration since Nixon. It is not surprising, therefore, that arms sales in general have become more controversial. The efforts by Presidents Nixon and

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Ford (at least in the eyes of the Executive Branch ) to evade formal notification of arms purchases by Iran and Israel helped solidify Congressional opposition to such sales.

In response to the Executive Branch, a series of amendments were enacted to forestall any Administration from unilaterally pledging military support without the express permission of the Congress. The legislature had significant influence over foreign aid since the enactment of the Foreign Assistance Act of 1961; however, these new amendments were specifically designed to restrict the Administration through the use of the "legislative veto." The legislative veto has been defined as "a Congressional action, authorized by law, overturning Administration actions."<sup>12</sup> Although utilized in many different areas since its inception during the Hoover Administration, the veto was not used in connection with arms sales until 1974. One observer noted that:

the legislative veto was popular because it provided the Congress with the opportunity to hedge its bet. On the one hand, Congress could delegate certain powers to the Executive Branch, while retaining the ultimate power to override specific Administration decisions with which it disagreed. By its very nature, the legislative veto enabled the Congress to become directly involved in numerous day-to-day affairs of the Executive Branch.<sup>13</sup>

Two major pieces of legislation (the Nelson-Bingham Amendment of 1975 and the International Security Development and Cooperation Act of 1976) increased the reporting requirements of the administration and secured for Congress veto power over major arms sales.

However, the legislative veto was eventually struck down as unconstitutional by the Supreme Court (*INS vs. Chadha*, 1983). The previous language in the law dealt with the use of a "concurrent resolution" to stop arms transfers. A concurrent resolution can be described as: "not being legislative in character but used merely for expressing facts, principles, opinions or other information by the Senate and House. It is not a bill nor is it presented to the President for approval."<sup>14</sup>

In the view of the Court, this type of resolution violated the constitutional separation of powers and the law was struck down on the grounds that this type of resolution fails the test of presentment to the Executive Branch.

In 1985, the Arms Export Control Act was amended to delete the phrase "concurrent resolution" and substitute "joint resolution." A joint resolution becomes law in the same manner as a bill and accordingly is presented to the President for approval; in turn, if the measure is vetoed, Congress can overturn the veto with an extraordinary two thirds majority.<sup>15</sup> While Congress in theory retained the ability to reject arms sales, the reality is much different. Once a President has become committed to an arms sale, it is very difficult for Capitol Hill to muster the necessary two-thirds majority to override a Presidential veto. However, this Executive Branch advantage did not obviate the need to reach a consensus with Congress over controversial arms sales. Both

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<sup>12</sup>Dr. Larry A. Mortsof "Revisiting the Legislative Veto Issue: A Recent Amendment to the Arms Export Control Act," *The DISAM Journal*, 1987, p. 11.

<sup>13</sup>Edward F. Willett, Jr., *How Our Laws are Made*, U.S. Congress, House, 96th Congress., 2nd session House Doc. No., 96-352 (Washington DC: U.S. Government Printing Office), 1980, 7-8, quoted by Dr. Larry A. Mortsof "Revisiting the Legislative Veto Issue: A Recent Amendment to the Arms Export Control Act," *The DISAM Journal*, 1987, p. 15.

<sup>14</sup>Ibid, p. 15

<sup>15</sup>John Judis, "The Carter Doctrine: Henry Kissinger is Alive and Well and Living in the White House," *The Progressive* (March 1980), pp. 35-38.

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Presidents Carter and Reagan, before and after the Chadha case, found it necessary to leverage party loyalty in order to support arms transactions in support of their respective foreign policies.

### **CARTER AND REAGAN: CONTRASTING APPROACHES TO SECURITY ASSISTANCE**

The continuing debate over security assistance and arms sales were most vividly demonstrated during the Carter and Reagan Administrations. However, before discussing in detail the different approaches to security assistance and arms sales employed by these two Administrations, it is necessary to outline the foreign policy objectives of each.

Three different strategies were being debated within the foreign policy establishment as President Carter took office. The first, espoused by academics and former State Department officials, sought to reverse the tendency to subordinate foreign policy to the traditional rivalry of East-West relations. This view, correct though premature by some fifteen years, held that the Soviet bloc was decaying and could not attempt to gain military superiority over the United States. A second school of thought, as personified by Paul Nitze of the Committee on the Present Danger, advocated a massive increase in military spending and the development of a strategic counterforce capability (the ability to attack hardened military as opposed to soft civilian targets). The third line of reasoning was a combination of the first two and its chief spokesman was Zbigniew Brzezinski, who would become Carter's national security adviser.<sup>16</sup>

Carter adopted the Brzezinski view of the world. He slowed or cancelled major strategic programs such as the MX and B-1 bomber, chose to deal with the Soviets in areas such as arms control and the Middle East, and most importantly for the purpose of this analysis, he pledged a reduction in conventional arms sales throughout the world.

The major planks of the Carter arms sales policy were:

- The placement of an annual monetary limit on arms transfers.
- The prohibition of U.S. deployment of newly developed, advanced weapons into a foreign country/region until they had been operationally deployed with U.S. forces.
- The active promotion of respect for human rights in recipient countries.
- Consideration of the economic impact of arms transfers to countries receiving U.S. aid.
- The prohibition of the development or significant modification of advanced weapons solely for export.
- The prohibition of co-production agreements for significant weapons, equipment, and major components.
- The prohibition of the re-transfer of American weapons to third countries.
- Placement of the burden of persuasion for new arms sales on the proponents, not the opponents, of such sales.
- The use of multilateral negotiations to reduce international arms traffic.<sup>17</sup>

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<sup>16</sup>Roger P. Labrie, John G. Hutchins, Edwin W. A. Peura, "U.S. Arms Sales Policy: Background and Issues," (Washington DC: American Enterprise Institute Studies in Defense Policy, 1982), p. 11.

<sup>17</sup>Ibid. p. 15.

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The Reagan Presidency viewed the world and arms sales in particular in much different terms. By the time Ronald Reagan occupied the White House, the Soviets had invaded Afghanistan, had supported liberation movements in Nicaragua and Iran, had increased Warsaw Pact conventional warfare superiority in Central Europe, and had developed the capability (at least in the eyes of U.S. policy makers) of successfully intervening in critical areas such as the Middle East. In order to counter this perceived shift in the power balance, the Reagan Administration embarked on a massive rearming of America and its allies.

Reagan arms sales policies emphasized the following points:

- To help deter aggression by enhancing the preparedness of our friends and allies.
- To increase military effectiveness by improving America's ability, in conjunction with its friends and allies, to project power in response to threats posed by mutual adversaries.
- To support efforts that foster the ability of our forces to deploy and to operate with those of our friends and allies, thereby strengthening our mutual security relationships.
- To demonstrate the enduring interest that the U.S. has in its friends and allies and that it will not allow them to be at a military disadvantage.
- To foster regional and internal stability, thus encouraging the peaceful resolution of disputes and evolutionary change.
- To help enhance U.S. defense production capabilities and efficiency.<sup>18</sup>

Several major differences between the two administrations' approaches are readily evident. Rationalization, Standardization and Interoperability, traditionally a NATO arms cooperation objective, was extended by the Reagan administration to non-NATO countries as well. RSI, in theory, would allow U.S. forces to quickly come to the aid of a threatened ally and quickly integrate the two forces together through common doctrine and equipment. This would imply the sale of advanced systems currently deployed by U.S. forces; such sales were generally forbidden under the Carter Policy.

U.S. defense industrial base considerations also were part of the Reagan policy. Producing weapons for foreign allies was assumed to help strengthen our own production capabilities while reducing unit costs for our own requirements. Coproduction and the development of export oriented versions of U.S. equipment were specifically banned by the Carter Administration. Although this policy was eventually abandoned, the turnabout by Carter on this issue was to have repercussions right on down to today.

In a notable and approved exception to the Carter policy prohibition on the development of advanced weapons solely for export, the Northrop Corporation developed the F-20, a follow-on to the successful F-5. The new aircraft was developed at company expense and was marketed as an inexpensive alternative to the F-16. Under the Carter Administration, the F-16, as a front line U.S. system, was unavailable to most foreign air forces. However, the 1978 decision to allow the sale of the F-16 to Venezuela and the unwillingness of the U.S. Air Force to buy the F-20 for its aggressor squadrons all but doomed the F-20 in the international market place. A unique gamble in

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<sup>18</sup>Foreign Affairs Committee Print, Executive and Legislative Consultation on U.S. Arms Sales, (Washington DC: U.S. Government Printing Office, December, 1982), p. 39.

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defense acquisition history thus failed at an estimated cost to the company of some \$1 billion. Northrop's problems continue today. The company is in deep financial trouble because of write-offs on the F-20 and other major programs such as the B-2. Also, an international arbitration board recently ruled that Northrop paid bribes to senior South Korean officials in a failed effort to secure a foreign sale of the F-20. Some company officials are expected to be indicted in connection with the case.

The establishment of an annual monetary cap on sales and the consideration of human rights issues were major components of the Carter policy; no such limitations were put in place by Reagan.

The fundamental differences between the Carter and Reagan approaches to arms sales can be examined on three levels: policy focus, management style, and the willingness to place the President's personal prestige on the line to force through a sale in support of foreign policy objectives.

Carter showed an attentiveness to foreign policy. His administration was embroiled in arms sales controversies from the beginning, particularly in the Middle East. Reagan, by contrast, made clear his intent to focus on the domestic economic problems he inherited in 1980. Runaway inflation, tax reform, and the rearming of the U.S. defense establishment were given top priority. Although Reagan espoused arms sales as a legitimate tool of U.S. policy, it is interesting to note that the Administration did not hesitate to delay the sale of AWACS and additional F-15s to Saudi Arabia when pursuit of these objectives clashed with the need to establish a coherent domestic policy.

Management style also played a critical role in policy determination. The Carter Administration pursued a single-minded approach to arms sales reflecting the President's own deeply held beliefs that such sales were a threat to peace. The U.S. detente with the Soviet Union that had been developing since the last years of the Nixon Administration was believed to be sufficiently strong so as to permit a unilateral U.S. policy of restraint to prompt the Soviets to follow suit.

The decentralization of the Reagan administration reflected a much more open discussion of the costs and benefits of arms sales. These transfers, in the eyes of Reagan policy makers, were not the root of regional instability, but rather a reaction to the imbalance caused by the massive inflow of Soviet arms. Unilateral restraint of arms sales increased the danger of U.S. forces being committed to areas in defense of allies that could have otherwise defended themselves with the proper amount of aid. Arms sales, in sharp contrast to the previous administration, became an integral part of foreign policy.

The willingness to gamble the personal prestige of the President provides another distinction between Carter and Reagan. As one source explained:

When the President places his personal prestige fully on the line and asserts that the international credibility of the Presidency may be undermined if an arms sale is vetoed, it is very hard for Congress to oppose him through the veto. This is true not only because most in Congress do not wish to risk such a consequence, but also because Congress institutionally finds it difficult to achieve consensus on the proper course to take when confronted with a controversial arms sales case.<sup>19</sup>

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<sup>19</sup>Ibid, pp. 16-20.

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Two examples help illustrate this fact. In 1977, the Carter Administration committed to an F-15 sale for Saudi Arabia. After a difficult time on the proposed Iranian AWACS sale the year before, policy makers anticipated an equally rough time for this sale. As a result, Carter, faced with the unappealing prospect of a legislative veto, chose not to face down the Congress over just the Saudi sale. He attempted to package the Saudi F-15s together with other aircraft purchases by Egypt and Israel in a take it or leave it effort to force through all the sales. The threat of a Congressional veto in response to both these tactics, and the unpopularity of the Saudis vis-a-vis the Israelis in general, forced the administration to back down. Although the Saudis eventually received F-15s, strict limitations were placed on the offensive capabilities of the aircraft.<sup>20</sup>

On the other hand, Reagan possessed an advantage over Carter: a Senate Republican majority in his first term that responded to him in ways the Democrats never responded to Carter. In addition, the Soviet invasion of Afghanistan and the Iranian revolution significantly increased tension in the Persian Gulf. Thus, the task of providing Saudi Arabia with more F-15s and the AWACS became easier. However, a delay of the sale occurred, due to the insistence of key Reagan aides that domestic affairs first be straightened out; this delay allowed opponents to nearly wreck the sale. The use of a letter of certification regarding Saudi intentions and U.S. access together with personal appeals to both Republican and conservative Democratic Senators, helped get this sale through.<sup>21</sup>

## EXECUTIVE BRANCH SUCCESS IN PURSUING ARMS SALES

Both Administrations, as noted above and despite their differences in emphasis, did seek to sell arms in support of foreign policy objectives. In accordance with statutory requirements, these proposed sales were sent to Congress for its review. However, as one study illustrated:

Although Congress has continued since the early 1970s to strengthen its oversight authority in the arms sales area, most recently it has had difficulty in compelling the Executive Branch to make substantive changes in controversial arms sales even though extensive negotiations occurred during the consultative process. Starting with the Middle East aircraft package sales of 1978, there has been a shift of effective authority back to the President and the Executive Branch in determining the outcome of controversial arms sales cases.<sup>22</sup>

The most controversial transactions during both administrations were those related to Saudi Arabia. Sales to South Korea and allied nations in NATO usually evoked little reaction. In both cases, friendly countries were faced with a significant external threat to their security from Communist adversaries. In the Middle East, however, the situation was different. Since the Soviet debacle in Egypt in the late 1970s, the U.S. had largely been the sole diplomatic power in the region. In attempting to play the role of peacemaker, however, the U.S. often found itself caught between the need to provide for Israeli security, while at the same time supplying oil-rich moderate Arab allies with enough military aid to guard against more radical countries in the region, such as Syria, Iraq, and as of 1979, Iran. Although virtually all sales were eventually consummated, Congressional opponents were able to modify the packages through the use of restrictions on where the equipment could be based and what sort of capabilities the equipment could possess.

## CONCLUSIONS

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<sup>20</sup>Ibid, pp. 21-35.

<sup>21</sup>Ibid. p. 4.

<sup>22</sup>Ibid. p. 4.

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Several conclusions may be drawn from the above discussion. They can be summed up by answering the following three questions:

- Will the rationale for security assistance and arms sales change in the near future in light of the relaxation of tensions between East and West?
- What is the prospect that an agreement between East and West will lead to general reductions in conventional arms sales?
- Will the Executive Branch continue to dominate the arms sales process at the expense of Congress?

Security assistance and arms sales will continue to be a critical component of U.S. foreign policy. The national security policy of any country, including the U.S., must be viewed in political, economic, and military terms. Arms sales as an integral part of foreign and therefore national security policy must be evaluated by the same criteria. The value of arms sales is not necessarily in the capabilities provided by the equipment itself. Although the stated U.S. policy of RSI is an admirable goal, our experience in cooperative programs in Europe have shown that political and economic goals such as maintenance of the technology base and full employment are more important to our allies than the interoperability of equipment in the common defense of NATO.

In addition, the claims by critics that economic benefits of arms sales fall short of their goals carry some truth. While the ongoing \$20 billion sale to the Saudis in light of the Iraqi invasion of Kuwait will no doubt extend some production lines for a few more years, other requirements will be filled by the reallocation of equipment from NATO. The recoupment of \$1.6 million per F-15 fighter is obviously not going to make much of a dent in a two hundred billion dollar deficit. In light of this fact, American contractors argue that the inclusion of such recoupments only help to make U.S. equipment more expensive without any payback to the original investments. Such arguments can be persuasive when one realizes that the U.S. aerospace industry is the only large scale manufacturing sector that still runs a surplus with foreign trading partners.

If one accepts the above argument, then to what purpose are we selling arms? To non-NATO friends such as Saudi Arabia and Egypt, the objectives are altogether different again. The sale of arms by the U.S. to a country such as Saudi Arabia implies a political commitment to the security of that country. Some even argue that the sale of U.S. arms, despite the avowed goals of the Nixon doctrine, allows the U.S. the luxury of stockpiling equipment to be utilized by American troops without the political entanglement of alliances and base rights. The question then becomes, is the security of these countries critical to the security of the United States?

Judging from the current situation in the Middle East, it seems obvious that such concerns are indeed valid. To allow a single country with an unstable leadership to control 20 percent of the world's available oil supply is unacceptable to the U.S. It is not hard to visualize other situations involving the curtailment of critical minerals or the right of passage through critical seaways that could similarly impact U.S. interests. These incidents could become even more commonplace despite the dramatic changes we are seeing in Eastern Europe since the Soviets do not appear to be as willing to intervene as they have in the past. As long as the U. S. attempts to play the role of the world's policeman in such areas as the Middle East, controversy will continue to plague the use of arms sales as a legitimate tool of foreign policy. It is also very possible that we will see a reversion to a policy of all grant aid in place of the current loan structure. The fact that economically strapped allies such as Egypt will never repay even the interest of such loans makes the loan program seem

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useless. Grants might very well be the price the U.S. will pay for the type of support we are seeing now in the Middle East.

The answer to the second question is also clear. The need for other arms producers to continue to export in the absence of large internal markets has not diminished due to the relaxation of East-West relations. If anything, pressure has increased. The shrinkage of internal markets, development of a third world defense industrial base, competition from the Soviets and East Bloc exporters in search of hard currency, as well as increased attention to the international market by hard pressed U.S. contractors, insures there will be a plentiful supply of conventional weaponry for the foreseeable future. For the above reasons, the establishment of a forum to discuss conventional arms limitations would in all likelihood be doomed to failure.

As mentioned earlier, whether or not the U.S. chooses to export weaponry to a foreign customer will in all likelihood not stop that country from procuring equipment to satisfy its defense needs. This was made all too clear in 1983 when the Reagan administration under pressure from the Israeli lobby and a legislative veto, refused to sell an additional 48 F-15s to Saudi Arabia. Instead of procuring the primarily defensive F-15, the Saudis bought the offensive strike version of the Tornado from the UK. One could argue that the net effect of the U.S. refusal to sell the F-15s was a lessening of Israeli security if for no other reason than other countries were willing and able to fill Saudi needs with offensively oriented aircraft.

As for the third question, the argument here is that the Executive Branch will continue to dominate the security assistance and arms sales process for the following reasons.

From the institutional standpoint, the speed at which national security crises move prevent Congress from taking the lead in responding. This will not change in the future.

The political makeup of the House and Congress will not significantly affect Executive Branch determination to push through a sale. A majority in both houses did not help Carter in his attempts to sell arms in the Middle East. Part of the reason lies in the fractionalization of Congress. The change from a legislative body tightly controlled by senior committee chairmen to one characterized by temporary alliances of convenience that cross party lines has helped splinter congressional points of resistance. In addition, constituent pressures continue to build. The shrinkage in the U. S. defense budget (forcing U.S. manufacturers to look elsewhere for markets) and the subcontracting of work in many States has had the effect of increasing pressure on lawmakers in all states to support foreign sales. Constituents see such sales as a way of maintaining a defense industrial base and employment levels in a critical national industry. Such a viewpoint is much different from the traditional U.S. view of arms sales as a way of achieving the goals of rationalization, standardization, and interoperability. In this way we have moved much closer to the position taken by our European allies. The massive increase in lobbyists pointing out this fact on a daily basis obviously has and will continue to have a major effect on legislators.

The second major factor why the Executive Branch will continue to dominate this process is related to the repeal of the legislative veto alluded to earlier. While division of responsibility contributed to the lack of a firm Congressional opposition, it remained necessary to develop a hard core of support for the successful passage of any arms deal. Carter was never able to rally all Democrats to his position despite possessing a majority in both houses. The failure to build a strong position within the Administration's own party made the threat of the legislative veto an even more powerful weapon and contributed to the difficulty of passing major arms sales from 1978 to 1983.

By contrast, Reagan understood the critical Congressional weaknesses relating to national security policy. A legislature dominated by the Democrats was not seen as a necessarily

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overwhelming obstacle if he could successfully pursue a strategy calculated to appeal to different factions within the Congress. Through his willingness to personally lobby lawmakers of both parties, plus the benefit of a Republican majority in the Senate, Reagan was able to mobilize support for his arms sales policies. More importantly, after 1983 the Administration was no longer vulnerable to the threat of the legislative veto. Although Reagan reassured the Congress that he still intended to abide by the notification requirements of earlier legislation, the ability of Congress to intervene had been severely circumscribed; this relationship will not change as long as Congress remains deprived of its major weapon, the legislative veto.

#### **ABOUT THE AUTHOR**

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