



The Reagan Budget: Money is Policy

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Foreign Military and Economic Assistance Budget Request, FY 1983

Rest of world
\$3.759 m (34.7%)

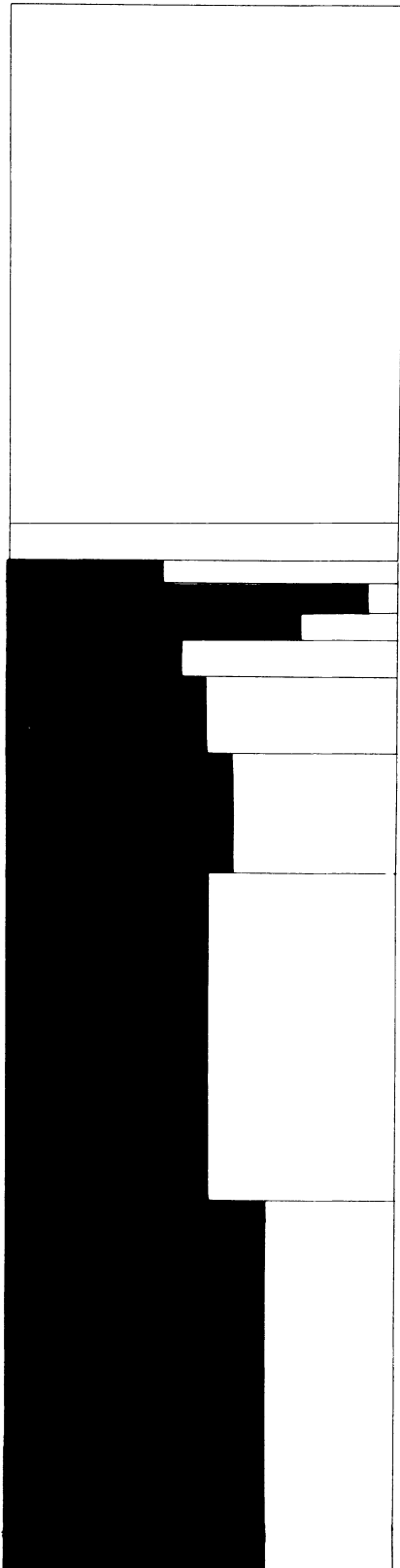
Other* \$273 m (2.4%)
Jordan \$98 m (0.9%)
Tunisia \$155 m (1.4%)
Morocco \$157 m (1.5%)
Sudan \$230 m (2.1%)
Pakistan
\$523 m (4.8%)

Turkey
\$820 m (7.6%)

Egypt
\$2,323 m (21.5%)

Israel
\$2,485 m (23%)

■ Military
□ Economic



*Somalia \$91 m (0.8%)
Oman \$56 m (0.5%)
Middle East Region \$47 m (0.4%)
N. Yemen \$46 m (0.4%)
Lebanon \$24 m (0.2%)
West Bank - Gaza \$ 9 m (neg.)

The Reagan Budget: Money is Policy

Sheila Ryan

The administration's budget request for fiscal year 1983 reasserts the preoccupation of the US government with the Middle East and the growing tendency to rely on military means to pursue official American aims in the region. The Reagan administration is asking Congress for a total of \$14.378 billion for foreign military and economic assistance programs around the world.* When the \$3.555 billion which was proposed for "central and interregional programs" is subtracted from the overall aid figure in the budget request, \$10.823 billion is left for specific states and regions. The Middle East/North Africa share of these foreign assistance funds is \$7.074 billion, a hefty 65 percent.

The more than \$7 billion which the Reagan administration is asking for the Middle East dwarfs the amounts requested for other crisis areas. The whole of Central America is allocated under \$500 million. El Salvador, the largest recipient in Reagan's Central American budget, is scheduled for \$226 million, an entirely different order of magnitude from the \$2.485 billion proposed for Israel.

Israel is again this year the largest projected recipient of US aid in the world. Israel's economic portion remains at last year's level of \$785 million. The military part is to be increased by \$300 million to \$1.7 billion. The administration is asking that \$500 million of this military assistance be in the form of credits, which do not have to be repaid. As a practical matter, legislative action in succeeding years tends to shift a greater part of Israeli military assistance from the "loan guarantee" column to "credits."

The preference of the Reagan administration for military rather than economic assistance is manifest in the budget requests for Egypt: its economic assistance actually decreases by almost \$66 million, sliced from the PL 480 food program. Military loan guarantees jump from \$500 million in FY 1982 to \$900 million in FY 1983. Together

*All figures are from official statistics of the US Department of State, except where otherwise credited.

with the \$400 million in military credits, this brings Egypt's military aid to \$1.3 billion. Egypt thus becomes the second largest recipient of US aid in the region and in the world.

Increases in military assistance are planned for other states in the region as well. Of the \$1.4 billion increase in this year's foreign assistance budget request over that for FY 1982, almost \$1.2 billion can be traced to increases in military aid to governments in the Middle East and North Africa. Pakistan, which received no military aid last year, is allocated \$275 million; Morocco's military aid is to rise from \$30 million to \$100 million, Jordan's from \$50 million to \$75 million and Turkey's from \$400 million to \$465 million. Two African states are to receive military assistance to defend themselves against the purported "Libyan threat": Senegal, which received \$2 million in military aid last year, is budgeted for \$5 million this year in Reagan's proposal, while Niger, which received no military assistance in FY 1982, is slated for \$5 million this year.¹

In addition to military assistance, a substantial portion of the assistance classified as economic is under the category known as Economic Support Funds (ESF), officially defined as aid "based on consideration of special economic, political or security needs and US interests." These amounts, together with the assistance formally categorized as military, provide a more comprehensive indicator of US strategic priorities. Table I lists the "top 10" recipients of military and ESF loans and grants: of the 10, only South Korea and El Salvador do not figure in US strategic plans for military intervention in the Middle East.

One of the items in the foreign assistance budget, \$34.374 million for the US participation in the multinational force charged with policing the Sinai against violations of the Egypt-Israel-US Treaty, is scarcely a hair's breadth away from actually belonging in the military budget. The US troops stationed in the Sinai will include a battalion of the 82nd Airborne, one of the units assigned to the Rapid Deployment Force. "Pentagon sources" told Drew Middleton, military correspondent for the *New York Times*, that "they assumed that any American forces serving with the multinational force would be available in an emergency outside Sinai."²

Under the terms of the multinational force agreement, participating units will be rotated every 179 days, or twice a year. It is thus possible, and perhaps likely, that many of the troops earmarked for the Rapid Deployment Force will be rotated through the Sinai force for a tour of duty under desert conditions.

The administration's foreign assistance budget request for the current year (FY 1982) was closely reflected in the Congressional appropriation, and there is a reasonable prospect that Congress will accede to most of this year's requests as well.

More difficult to ascertain is the part of the gargantuan \$258 billion military budget targeted towards the Middle East, known in Pentagon parlance as SWA (for Southwest

Asia). Table II lists those items which the Pentagon itself relates directly to improving the US capability to intervene militarily in the region. This total of \$4.3 billion vastly understates the real costs. The operations and maintenance costs of deploying two carrier battle groups in the Indian Ocean, for instance, is approximately \$1.2 billion per year.³ This does not include procurement costs for the carriers themselves (\$3.5 billion apiece for the two Nimitz-class carriers that Reagan wants to fund in FY 1983), for the approximately 86 warplanes and support aircraft detailed to each carrier, or for the destroyers, tenders, and other support craft attached to each battle group.

Determination to secure US hegemony in the eastern Mediterranean and Indian Ocean is clearly a major factor behind the administration's extraordinarily expensive goal of a 600-ship navy by 1990. Procurement of amphibious assault ships is earmarked for \$542.2 million in FY 1983, and the Pentagon anticipates spending nearly \$2 billion on these items in FY 1984. The administration is also reactivating several World War II battleships, at a cost of nearly a billion dollars over the next two years, with the Middle East in mind. "In Third World situations, a battle ship can form the core of a new kind of battle group," says Navy Secretary John Lehman. "Many targets in the Persian Gulf, for example, are well within range of those 16-inch guns alone—not to mention cruise missiles. You don't have to worry about the lucky shot from, say, a small gunboat or torpedo boat. If you get hit, it won't stop you."⁴

None of the items noted so far cover the operations of the newly established Rapid Deployment Joint Task Force (RDJTF) Command which, according to Secretary Weinberger, "is now assigned operational planning responsibility for SWA only."⁵ None of the procurement, operations or maintenance costs of the various divisions, brigades and air wings earmarked for the RDJTF are broken out by the Pentagon. Advanced command, control, communications and intelligence equipment which the Pentagon says are

**Table I:
Ten Largest Recipients of US Military
and Related Assistance
(\$ millions)**

	FY 1982	FY 1983
1. Israel	\$2,206.0	\$2,485.0 (+12.6%)
2. Egypt	\$1,673.0	\$2,052.0 (+22.7%)
3. Turkey	\$702.5	\$819.0 (+16.6%)
4. Pakistan	\$100.6	\$450.8 (+348%)
5. Spain	\$144.0	\$500.0 (+188.2%)
6. Greece	\$281.2	\$282.6 (+0.5%)
7. South Korea	\$167.4	\$211.9 (+26.6%)
8. Sudan	\$201.2	\$171.7 (-14.6%)
9. El Salvador	\$156.0	\$166.3 (+6.6%)
10. Tunisia	\$ 91.0	\$141.7 (+55.7%)

Source: Chicago Sun-Times

¹According to the *Jerusalem Post* (February 16, 1982), the commander of the US unit for the Sinai force wanted to underscore the "rapid deployment" character of his troops by having them parachute in to their peacekeeping assignment, as gesture which was rejected by his superiors as imprudent.

**Table II:
Selected Military Expenditures
Related to SWA "Power Projection"
(\$ millions)**

Airlift	2,675.5
C-5 aircraft procurement*	860.0
C-5 and C-141 aircraft modification	387.0
KC-10 air tanker procurement	829.1
CH-47 helicopters procurement	288.4
CH-53 helicopters procurement	311.0
Sealift	389.6
SL-7 repositioning ship conversions	325.6
Sealift discharge ships	64.0
Prepositioned Equipment	789.7
Air Force (Europe & SWA)	195.0
Marines	35.7
Preposition ship program	559.0
Military Construction	440.6
Diego Garcia	88.2
Egypt	178.6
Kenya	8.3
Lajes (Portugal)	56.5
Oman	60.4
Somalia	30.0
Turkey	18.6
Military and military-related aid**	7,229.5

* All figures are proposed FY 1983 amounts only. In the case of the C-5 Galaxy procurement alone, the administration intends to seek \$2.2 billion for FY 1984.

**All countries from Table I (FY 1983) except South Korea and El Salvador, and including Morocco (\$101.6 million), Jordan (\$97.9 million), Somalia (\$55.6 million), Oman (\$55.1 million) and the Yemen Arab Republic (\$16.5 million).

Sources: Annual Report of the Secretary of Defense, February 1982; Mideast Observer, March 15, 1982.

critical to the RDJTF are buried in the more general budget rubrics. In particular, the considerable costs of "war games" and military exercises like Bright Star, Gallant Eagle and Red Flag are not identified.* Not least, funds earmarked for the Selective Service and potential reactivation of the military draft can be fairly regarded as a cost of preparing for military intervention in the Middle East. ■

*The Gallant Eagle exercise of April 1982 cost in the range of \$45 million, according to press reports. The Bright Star exercise of November 1981 had been budgeted at \$81 million, but it was subsequently expanded after the assassination of President Sadat. A minimal listing of RDJTF-related exercises for FY 1982 totaled \$231.3 million. (See House of Representatives, Committee on Appropriations, *Hearings on the Department of Defense Appropriations for 1982*, Part IV, pp. 390-91, for desert war games.) The reactivation of the National Training Center at Fort Irwin, California will cost an estimated \$295 million, and an additional \$110 million per year to operate. (*Los Angeles Times*, February 3, 1982)

FOOTNOTES

¹ *New York Times*, February 17, 1982.

² *New York Times*, February 28, 1982.

³ Center for Defense Information, Washington, D.C.

⁴ *US News & World Report*, May 4, 1981.

⁵ *Annual Report FY 1983*, p. III-103.

Document

ANNUAL REPORT TO THE CONGRESS

(Excerpts)

Caspar W. Weinberger
Secretary of Defense

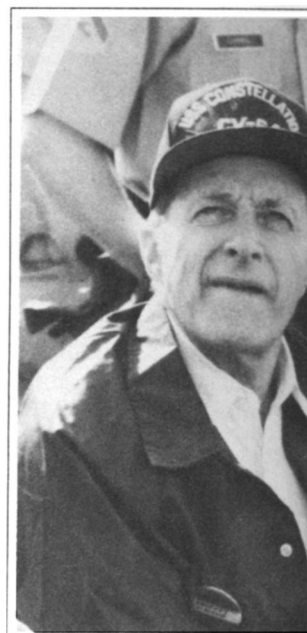
Fiscal Year 1983

Conventional Warfare

For many years, it has been US policy to let the investment and planning for our conventional forces be determined primarily by the requirement for fighting a war centered in Europe, and in which NATO forces would be attacked by the Warsaw Pact. This emphasis recognized that Soviet military forces were concentrated in Central Europe. Preoccupation with the need to be strong in the center led to the mistaken assumption that if the Alliance could meet this largest threat, it could meet lesser ones.

In recent years, however, it has become increasingly clear that the members of the Alliance in the northern, center, and southern regions are bound together as one and critically depend on each other and even outside the NATO treaty boundaries—notably the Persian Gulf. At the same time, the Soviet Union has been greatly increasing its ability to exploit political instability and to project military power into precisely such areas.

The strategy we have been developing seeks to defend Alliance interests in such other regions. For the region of the Persian Gulf, in particular, our strategy is based on the concept that the prospect of combat with the US and other friendly forces, coupled with the prospect that we might carry the war to other arenas, is the most effective deterrent to Soviet aggression. This strategy, thus, has two dimensions. First, we must have a capability rapidly to deploy enough force to hold key positions, and we must be able to interdict and blunt a Soviet attack. It is the purpose of this capability to convince enemy planners that they



Weinberger (left) watching flight instructor, the ship's commanding officer, Ca

cannot count on seizing control of the area before our forces are in place, that they cannot therefore count on an accomplished fact which would deter our intervention. Our strategy recognizes that we have a long way to go for fighting on other fronts, and building up allied strength will lead to consequences unacceptable to the Soviet Union.

... .
If we had to deal with the threat without the complementary support of allied and other nations' forces and facilities, we could only do so, if at all, at much greater cost. Security assistance, therefore, plays a large role in our evolving strategy. It is more important today because our interests are threatened now in areas that were less critical a few years ago, and that were less protected in times past.

This Administration has sought to strengthen our security through assistance to allied and friendly nations. We see such assistance as serving to support the complementary and allied forces and to ensure the availability of overseas facilities to meet the increasingly diverse threats. Some of the essential facilities are owned by allies who cannot fund the developments on their own.

A necessary step for the reform of our policy regarding conventional warfare is to disca