

**Best
Available
Copy**

WORKING DRAFT

0

AD-A048139

MILITARY SECURITY ASSISTANCE
TO
THE PERSIAN GULF STATES

COPY AVAILABLE TO DDC DOES NOT
PERMIT FULLY LEGIBLE PRODUCTION

Conrad C. Gonzales

Project for Theoretical Politics

Research Paper No. 19

August 1973

DDC
RECEIVED
JAN 9 1978
D

Prepared in Connection with the
Advanced Research Projects Agency
ARPA Order No. 2345-3020
and Monitored by
The Office of Naval Research
Contract No. DAHC15 73 C 0197
January 1, 1973 to December 31, 1975
\$292,497

ACCESSION for	
NTIS	White Section <input checked="" type="checkbox"/>
DDC	Buff Section <input type="checkbox"/>
UNANNOUNCED	<input type="checkbox"/>
JUSTIFICATION	
Per: Basic Doc, Semi-	
BY Annual #2 on Contract	
DISTRIBUTION/AVAILABILITY CODES	
Dist.	AVAIL. and/or SPECIAL
A	23 E.K.H.

DISTRIBUTION STATEMENT A
Approved for public release;
Distribution Unlimited

MILITARY SECURITY ASSISTANCE TO THE PERSIAN GULF: AN ANALYSIS OF
DECISION CRITERIA AND RELATIONSHIPS.

Introduction:

The principal purpose of this paper is to present a brief sketch of factors and constraints which bear upon the formation and execution of American foreign policies toward certain countries of the Middle East. In passing, it will present for consideration certain hypotheses about relationships between and among these factors and constraints.

By "factors" is meant those aggregate and integrated conceptualizations held by authorized governmental decision makers, which result in the articulation of:

1. Specific policy goals and objectives,
2. Specific undertakings or courses of action embarked upon to secure these goals and objectives,
3. specific criteria or decision rules which prescribe the desired limits of permissible substantive action, given certain goals and objectives.

A "factor," therefore, is stipulatively defined as the subjective assessment of a decision maker.

A "constraint," on the other hand, is stipulatively defined as a property of the decision-making or policy implementation structure which limits a particular relationship, or range of relationships between factors or groupings of factors.

Methodology:

The rationale behind such a treatment is based upon the assumption of purposive action on the part of foreign policy makers. While action is presumed to be an outgrowth both of consensus and dissensus over maintenance or alteration of status quo, unity and coherence of purpose across levels is not presumed. Although it may be obvious that the extent of consensus and dissensus is a matter of degree, it

may not be obvious that the extent of accord manifest at the level of general goal formulation may neither in degree nor in kind be reflected at lower levels of specific policy selection/implementation. Nor is it obvious whether or how vertical as well as horizontal incongruity may impact upon the outcomes of specific undertakings, thus affecting the probability of goal achievement. Stated somewhat differently, there is no assumption in this study of a perfect ends-means relationship between articulated goals and the specific policies or mechanisms settled upon for their attempted achievement. What is suggested, rather than tacitly precluded, at the offset, is the possibility of interaction between differing multi-level conceptualizations,-- an interaction which admittedly may or may not exist, but which, if it does exist, may result in reciprocal goal-means ambiguity, and output attenuation.

A further assumption in this analysis is that "policy" defined in terms of goal-oriented actions is knowable through what the authors of policy say as well as what they do. While there is little question that one relies at his own risk on a policy maker's assurances, given the time honored foreign policy practice of deception, there seemed little reason (until Watergate) to suspect, much less believe, that one major branch of a given government might consciously lie to another,-- particularly when the funding of policy action proposals might be at stake. Thus it seemed reasonable to assume that examination of Congressional testimony of those executives charged with the formulation, implementation, and in certain circumstances, defense of policy, would reveal most accurately the perceptions of "National Interest" which lay behind their expressed desires to undertake certain kinds of specific policy actions. This is not to ignore the possibility that there may be considerable variance between closed door testimony and the public record, but rather to work under the assumption that such variance is a matter of informational degree and detail, and not of inconsistency or contra-

diction.

As a result, what follows is based largely upon public transcripts of hearings conducted during the 1972-1973 time frame, and is offered as an explication of what policy makers defended as the goal of American foreign policy in the Middle East, and the optimum means of achieving it. If one were to summarize these in a few paragraphs, they might read as follows.

Policy Statement:

The United States government seeks to secure in the Persian Gulf sector of the Middle East, a condition of "relative peace" and "status quo stability" free from direct or indirect major power intervention/confrontation, in order to forestall the formulation of multination realignments which might adversely affect the accessibility of oil to American, West European, and non-communist markets.¹

By "relative peace" is meant the absence of armed conflict in levels sufficient to:

1. "resolve" the Egypt-Israeli conflict on a win-lose absolute basis,²
2. or sufficient to permit the outbreak, progressive growth, and spread of insurgency anywhere in the area.³

By "status quo stability" is meant:

1. the preservation of existing governmental institutions (as à minimum) and their peaceful transformation along popular participative lines as socio-economic modernization proceeds (as a maximum),
2. the preservation of current levels of political alignment/realignment with Communist/Non-communist nations (as a minimum),
3. the encouragement of perceived desires for socio-economic development.

The primary internal determinant of this regional policy goal is the implicit assessment of U.S. capability and interests which give rise to the so-called "Nixon Doctrine." This has been a recurrent point of reference during hearings. Two aspects of State Department interpretations of this doctrine stand out with reference to the Middle East:

1. a rejection of the self-styled role of global policeman in view of domestic socio-economic resource limitations,
2. Sharper emphasis on the priority of domestic "vital interests" over foreign.⁵

As Assistant Secretary of State for Near Eastern and South Asian Affairs, Joseph Sisco, has observed, the Nixon Doctrine "...has been basically a doctrine of disengagement and engagement on a more selective basis."⁶ While asserting that the U.S. stands ready to help those who are willing to help themselves, the doctrine and its subsequent interpretive reiterations also stress reduced involvement, and a distinct preference for material rather than manpower assistance, if the latter is deemed unavoidable.⁷

The primary external determinant has been an anticipated greater dependence on the Middle East as a source of petroleum.⁸ Sisco has commented that

"...the Gulf is an area of strategic importance in itself an important regional waterway, and its importance has increased in recent years economically,⁹ and in particular because of its vast petroleum resources..."

"Obviously, oil is a very, very vital part of this entire area and certainly vital in terms of the economies of our NATO allies and our friends east of Suez..."¹⁰

What circumscribe and shape U.S. options for goal attainment are the uncertainties associated with:

1. disposition of the Arab-Israeli conflict, in terms of levels of Soviet and/or third country arms assistance,¹¹
2. pre-Arab predispositions of certain Riparian states,¹² as well as
3. alleged Chinese Communist material support through Aden for the Dhufar insurrection,¹³
4. Territorial jurisdiction conflicts between Saudi-Arabia, Iran, and certain of the Gulf principalities,¹⁴
5. Organization of Petroleum Export Countries (OPEC) attempts to renegotiate more favorable revenue sharing proportions with European and American oil companies,¹⁵
6. potential for indirect channeling of American arms from Military Assistance Program recipient countries to Egypt, or for funding Palestinian Guerillas,¹⁶
7. potential for use of oil export controls, and threatened expropriation of assets as a bargaining lever on the Arab-Israeli issue,¹⁷
8. Ability of Iran and Saudi-Arabia to purchase arms for cash elsewhere,¹⁸
9. terms of third country competition for oil resources.¹⁹

Necessary Conditions for goal attainment:

The Administration views attainment of these goals as contingent upon achievement of intermediate objectives of:

1. keeping the Arab-Israeli conflict below a threshold which which would encourage increased Soviet involvement in a runaway arms race, or further polarization of regional political alignments in support of Egypt,²⁰
2. finding an indigenous neutral replacement for Britain's former peace-keeping influence "east of Suez," in order to head off expansion of Soviet influence and military presence in the Persian Gulf, and to contain, if not deter the spread of insurgency in the area,²¹

3. preventing the Arab monopoly of Persian Gulf oil from becoming a lever for political blackmail over the status of Israel in the future.²²

These contingencies are interdependent to the extent that one of the two countries identified by the United States as joint inheritors of the British role, Saudi Arabia, has close economic and cultural ties with Egypt, and to the extent that many of the Riparian enclaves display pro-Arab sympathies.²³

Aside from obvious direct economic and military assistance to Jordan and Israel, U.S. policy makers show a preference for the following specific major policy actions to achieve these intermediate objectives, or necessary conditions:

1. Encouragement of negotiated settlement of the Arab-Israeli dispute, in accordance with U.N. Resolution 242, or the so-called "Rogers Plan,"²⁴
2. Large scale arms sales, economic, and technical assistance to Iran and Saudi-Arabia,²⁵
3. maintenance of a token military naval presence in the Persian Gulf,²⁵
4. refusal to intervene in disputes between American Oil Companies and OPEC, coupled with a verbal stress on "mutual advantages of avoiding extremes."²⁷

Implementation of these policies involves problems peculiar both to the State Department, and to the Department of Defense.

Criteria for policy action:

The principal criteria or decision rules governing the latitude of policy implementing actions have also been derived from Department of Defense and Department of State interpretations of the Nixon Doctrine. These were elucidated most clearly perhaps in Undersecretary of State Curtis Tarr's statement before the Senate

Appropriations Committee:

"...Instead of claiming a monopoly of initiative in the world at large, the President's policy declares that we must tailor our efforts abroad to the willingness of others to accept a greater share of the responsibility..."

Tarr goes on to say that American National Security interest, i.e., the self-interest of the American people, is only attainable "if we support efforts to foster a measure of order and stability among nations...Through our Security Assistance programs we seek to create and maintain the conditions needed to protect our national interests."²⁹ In subsequent testimony before the Senate Foreign Relations Committee, Tarr amplified this statement.

"In determining how our military assistance should be allocated, we also must take into consideration treaty relationships, our military posture abroad, U.S. economic interests, and the extent to which our assistance can provide the foundation for political stability and economic progress in the recipient countries. Thus in responding to your request for a rank ordering of importance, you will appreciate that our priorities with respect to the request for FY 73 funds have been based on the situation in Southeast Asia, the need to maintain a balance of force in the Middle East, and to modernize the forces of countries such as Korea, as the U.S. military sales program is shaped by these same considerations, but in addition Foreign Military Sales (FMS) is used to facilitate the transition from grant recipients to increased reliance on their own resources." (Emphasis added) 30

What is distinctive about this line of thinking is that there has been a deliberate attempt to institutionalize it both through changes in American military force structure planning and strategy, and through changes in the bureaucratic structure. Defense Secretary Laird stressed that

"In essence the benefits and aims of security assistance programs correlate directly with the objectives of Total Force Planning as an instrumental component of our Strategy of Realistic Deterrence. It is in this context -- that is, the willingness of our allies to continue improvements in their active and reserve forces, coupled with our efforts to take advantage of our own total force capabilities -- that we should view the merits of our proposed security assistance programs. These assistance programs must allow our allies sufficient time to equip and train adequate deterrent forces. Given sufficient time, our allies can reduce uncertainties as to their capabilities, and simultaneously influence the perception of potential aggressors as to their resolve to use those

capabilities, should deterrence fail.

"Our security assistance programs are designed to help our friends and allies establish these capabilities, to reduce this degree of uncertainty, and thereby enhance prospects for a more stable international environment. The end result of this stabilized international environment is both its contribution to the protection of our own vital national interests, and its contribution to world peace."³¹

These statements have been quoted at length because of the presence and recurrence of a number of phrases and concepts, other than merely "peace, stability, balance, realistic, and National Interest." In Pentagon jargon, "Total Force Planning" has a very specific meaning, and has been shown most recently to involve a domestic restructuring of roles and missions between active duty Federal forces, and Reserve or National Guard units. This has been much more than a paper structural change, and has involved massive transfers of men and materiel from full time to part time involvement. As wave after wave of White House directed force reductions have reduced the Federal establishment, Reserve and National Guard units have been re-equipped and given new roles. Guard and Reserve training has been intensified. Funding responsibilities in Federal and State budgets have shifted. This is perhaps most evident in Continental Air Defense, where nearly 75% of the Air Defense responsibility for the entire United States now rests with units of the Army and Air National Guard.

As perceived by the Department of Defense, Force Structure Planning as instituted by Hitch and Enthoven³² now involves greater reliance upon the "Combat Readiness" of military resources whose proportionate composition of full and part time participation has changed.³³ This is a major change in operational concept. "Force in being" no longer has the same magnitude or potential. The point is that Secretary Laird's extension of this concept to an integration of allied as well as American capability in the determination of credible basis for a "strategy of Realistic Deterrence" suggests more than a mere intent to help others help themselves. It suggests

an implicit heavy reliance on their ability and willingness to do so.³⁴

It's noteworthy also that Secretary Laird used the term "allies." Presumably he refers to nations allied through formal treaties, such as NATO and SEATO. If so, a linkage with Middle Eastern policy becomes evident. If Western Europe is to "pull its weight," its economy must remain economically strong. But Europe's ability to remain economically strong over the next few decades may be a function of access to adequate energy resources such as oil.

Organizational Changes to Maximize Compliance With General Criteria:

Recent events illustrate the extent to which implementation of military assistance aspects of the Nixon Doctrine has involved major formal organizational changes in the Department of State and in the Department of Defense.

During calendar 1971, the Defense Security Assistance Agency (DSAA), headed by a "Deputy Assistant Secretary of Defense (International Security Affairs) for Security Assistance," was created

1. to provide a single point of responsibility within DOD for Military Security Assistance (MSA) programs,
2. to relate the planning for MSA to U.S. Force Planning, and
3. to insure, through coordination with the Department of State (DOS) that security assistance programs are consistent with U.S. Foreign policy.

The DSAA administers the three principal elements of Military Security Assistance:

1. Military Grants, i.e., equipment, services, and training on a "give-away" basis,
2. Military Sales (FMS), i.e., handling negotiations and details,
3. Excess equipment transfers.

The DSAA has been tasked to integrate comprehensive MSA planning with U.S. Force planning. This includes assessment of such items as recipient defense budgets, the mix of U.S. grant, sales, and excess equipment required and provided, third country assistance, and evaluation of the recipient's ability to absorb the operating and maintenance costs of their developing force structures. The emphasis is clearly upon multi-level program management,-- planning, organizing, directing, coordinating, and controlling specific country/region programs which will procure, develop, and maintain an "adequate" self-sustaining force structure in foreign countries, consistent with the Nixon Doctrine's concept of "Realistic Deterrence." The determination of adequacy is a joint endeavor involving the National Security Council, the Treasury Department, DOS, DOD, JCS, and "Country Team" representatives. It attempts ongoing validation of

1. "the relationship of the recipient country's defense capability to U.S. security,
2. the realistic force level which is needed and can be sustained,
3. the kinds and mix of military security assistance that will be required...
4. the scope and phasing of self-sufficiency actions"³⁵

This joint effort is handled through the interdepartmental Security Assistance Program Review Committee, headed by an Undersecretary of State "Coordinator for Security Assistance," (CSA) a post created in March 1972.³⁶ It should be noted that this interdepartmental relationship was a subject for discussion during hearings.

"Senator Proxmire: ...Who, if anyone, has charge of this overall program...Supposing you disagree on this approach, is this something you have to go to the President to reconcile; there is no final authority in either the Department of Defense or the Department of State?

General Seignious: If the Secretary of Defense and the Secretary of State cannot agree on fundamental policy,

it can be referred to the National Security Council for determination by the President...The disagreements that require Presidential determination are very, very few, sir. The working relationship between Mr. Tarr's office, the Coordinator for Security Assistance in the Department of State, and the new structure in the Defense Department is excellent..."⁵⁷

In addition to the Security Assistance Program Review Committee (SAPRC), the State Department organizational structure contains the Office of Munitions Control, and the Office of Military Assistance and Sales, both of which work closely together under the Director of the Bureau of Politico-military Affairs (BPMA) to meet statutory requirements and "executive branch decisions covering the export of strategic materials, munitions, military hardware, and spare parts."⁵⁸

"Under section 2 of the Foreign Military Sales Act, the Secretary of State is responsible for the 'continuous supervision and general direction of' sales under the act, including but not limited to determining whether there shall be a sale to a country and the amount thereof.

"However, section 42 of the act states that the Secretary of Defense shall have primary responsibility for, among other things, 'the procurement of military equipment in a manner which permits its integration with service program' and 'the movement and delivery of military end items.'"⁵⁹

State Department, through BPMA, therefore exercises ultimate control over the flow of materiel.

The expressed intent to formalize Total Force Programming down to the level of advisory participation in a recipient country's local force structure planning and budgeting, seems in part an attempt to exercise some limiting control (however feeble) over the potential employment of weapons systems. American weapons systems, such as the Hawk surface-to-air missile and the F-4 Phantom, are complex, requiring specialized support equipment for fire control/weapons delivery subsystem maintenance and calibration. A decision on the part of a foreign

country, to procure such a systemic family, to some extent ties the buyer to ongoing specialized material support, thus providing some level of ongoing logistic dependence upon the seller. A decision to rely upon a number of foreign suppliers for different systems offsets this dependence, but may come at a cost. One expense is the overhead of maintaining non-standardized support subsystems. Another is the risk of eliciting a response from the American seller of reduced aid funding in non-military sectors. Presumably, this is what DOS and DOD envision. Congressional testimony has, however, indicated the administration's desire to expand the attractiveness of American Foreign Military Sales through credit terms which will make their pricing competitive on the world market.⁴⁰ This could have significant implications for sales to Saudi-Arabia and Iran. It should be noted, however, that for the most part, the State Department has emphasized that American Foreign Policy toward the Persian Gulf principalities is aimed at keeping the area free from major power confrontation so that it can pursue local interests. Joseph Sisco comments:

"...From the point of view of U.S. policy, we believe that two countries in particular have the most direct interest and can make the most positive contribution toward stability in the Persian Gulf, namely Iran and Saudi Arabia. So the kind of policy we are pursuing, Mr. Whalley, is simply this: we are encouraging these two countries to cooperate to the maximum.

Mr. Whalley: This particular area is pretty much able to take care of itself, is that right?

Mr. Sisco: No, I would not put it that way, because while it has very considerable resources, these are very much less developed countries and less developed societies. What we are concerned about, quite frankly, is that a number of these small entities are now expected to stand on their own two feet without the treaty relationships and assistance which came with those treaty relationships, and the protection, if I can put it that way, that came with those treaty relationships from Great Britain in particular. That is why I say one has to rely on these two larger countries..."⁴¹

In the same set of hearings, however, Secretary Rogers

responded to a query on guidelines for Military Assistance Program eligibility with the following statement:

"...We have a criteria we apply. The principal one is what do they propose to use the equipment for. Are we satisfied it is for internal security. Or do we think they have something else in mind. It's true you rely to some extent on past relationships...It's true that there is a certain continuity that exists in foreign affairs. As far as the U.S. is concerned, we aren't fixed in our position; we change our policies from time to time."

In view of the volume of transfers to Iran and Saudi Arabia, it would appear that the above criteria were at least nominally satisfied.

Structural Constraints:

If one conceives of MSA as a type of policy action geared to the achievement of specific goals and objectives, then the fact that both the Pentagon planning process and the DCS-DOD bureaucratic structure have been modified to implement execution of the MSA program within the context of military aspects of the Nixon Doctrine suggests a number of things.

First of all, it suggests a potentially problematic role differentiation between the Department of State and the Department of Defense which charges the former with determination of how the MSA program in a given country is to be fitted at any given time into U.S. regional and global policies. DOD, however, tailors the specifics of in-country operations to on-going DOS requirements, at the same time tailoring U.S. Force structures for the expected contribution of the ally. DOD is concerned with the probable effectiveness of joint foreign and domestic military employment. State is concerned with the deterrent credibility index of joint military capability as a policy tool. The longitudinal continuity characteristic of in-country force development signals that fluctuations of policy toward a given country or area in response to external events may impact severely upon programs in progress. The possibility of adverse impact may at best act as a constraint on overall policy flexibility, at worst offsetting both deterrent credibility and

defense capability by reducing the capability of the "Total Force" structure.

In either case, the success of policy is predicated upon DOD's ability to elicit the desired response. This of itself may be problematic from a strictly technical standpoint. A "slow down" capacity exists. A "speed up" capacity may not. To the extent that DOD is able to respond, no problem will exist. But the potential for chronic frustration is there, which itself may be dysfunctional in the total force context. Stated differently: while DOS addresses the "whether" questions, DOD addresses the "how" questions. Answers to each involve different kinds of concerns and problems, whose solutions may subtract from each other in toto or in part.⁴³

The DOD-DOS modification also suggests that the broadest criteria for determining who gets what by way of military assistance turns upon the estimated potential of the prospective recipient to finance and field a defensive force adequate for what in the U.S. view are its own local needs, and directly or indirectly supportive of U.S. policies which are themselves both shaped and circumscribed by the Nixon doctrine.

Factors and Constraints:

On the basis of the foregoing analysis, it is hypothesized that the following major factors shape MSA policy formulation and implementation in the Persian Gulf sector of the Middle East:

1. Internal: U.S. government judgments regarding:
 - a. the limits imposed by the Nixon Doctrine on the nature of assistance and its on-going administration,
 - b. Current area policy goals, objectives, and actions, in relation to global policies,
 - c. extent of the requirement for integrated force structure planning,
 - d. domestic energy needs,⁴⁴
 - e. Congressional funding support.

2. External: U.S. government judgments regarding:
 - a. level of Arab-Israeli hostilities,
 - b. level of third country arms assistance to Egypt,
 - c. level of externally supported armed insurrection in the Gulf principalities,
 - d. level of third country petroleum resource needs,
 - e. level of Soviet naval activity in the Persian Gulf and Indian Ocean,
 - f. level and nature of local conflict among Gulf principalities, including Saudi-Arabia and Iran,
 - g. absorption capacity of recipient nations vis a vis employment of modern armaments,⁴⁵
 - h. Regional political alignment and extent of support for Palestinian guerillas.

It is further hypothesized that the following major internal constraints will attenuate or facilitate the successful implementation of MSA policy actions:

1. level of conflicting judgments within the role differentiated structure of executive decision making mechanisms associated with formulation/administration of specific policy actions within the MSA program,
2. level of funding continuity as a function of Congressional support,
3. extent of effective control over "defense systems" disposition in the recipient country.

It should be noted that the above constraints are conceptually limited to properties of the structure of the U.S. decision process. This follows from the decision to limit the focus of this analysis to how U.S. policy makers view the task.

Relationships:

The following propositions reflect the hypothesized relationships among factors, suggested by the foregoing analysis.

1. The degree of regional peace and stability in the Persian Gulf area is viewed as a function of
 - a. level of local area conflicts,
 - b. level of local area insurgency,
 - c. level of Sino-Soviet presence and support for a and b,
 - d. the military capacities of Iran and Saudi-Arabia.

2. The extent of the military capacities of Saudi-Arabia and Iran is viewed as a function of
 - a. levels of technological absorption capacity,⁴⁷
 - b. levels of externally provided armaments.

3. The volume of armaments and technical assistance provided to Iran and Saudi-Arabia are viewed as a function of
 - a. U.S. decisions made interdepartmentally in the executive branch related to estimates of all of the above,
 - b. consistency with tenets of the Nixon Doctrine,
 - c. estimates of third country (ally-non-ally, competitor-non-competitor) need for petroleum resources,
 - d. functional integration of U.S. policy toward the Persian Gulf with other regional U.S. policies,
 - e. extent of support from Persian Gulf countries for Egypt and/or Palestinian Guerillas,
 - f. level of Arab-Israeli conflict,
 - g. extent of success of previous policy of military assistance to Iran and Saudi-Arabia,
 - h. extent of Congressional concurrence.

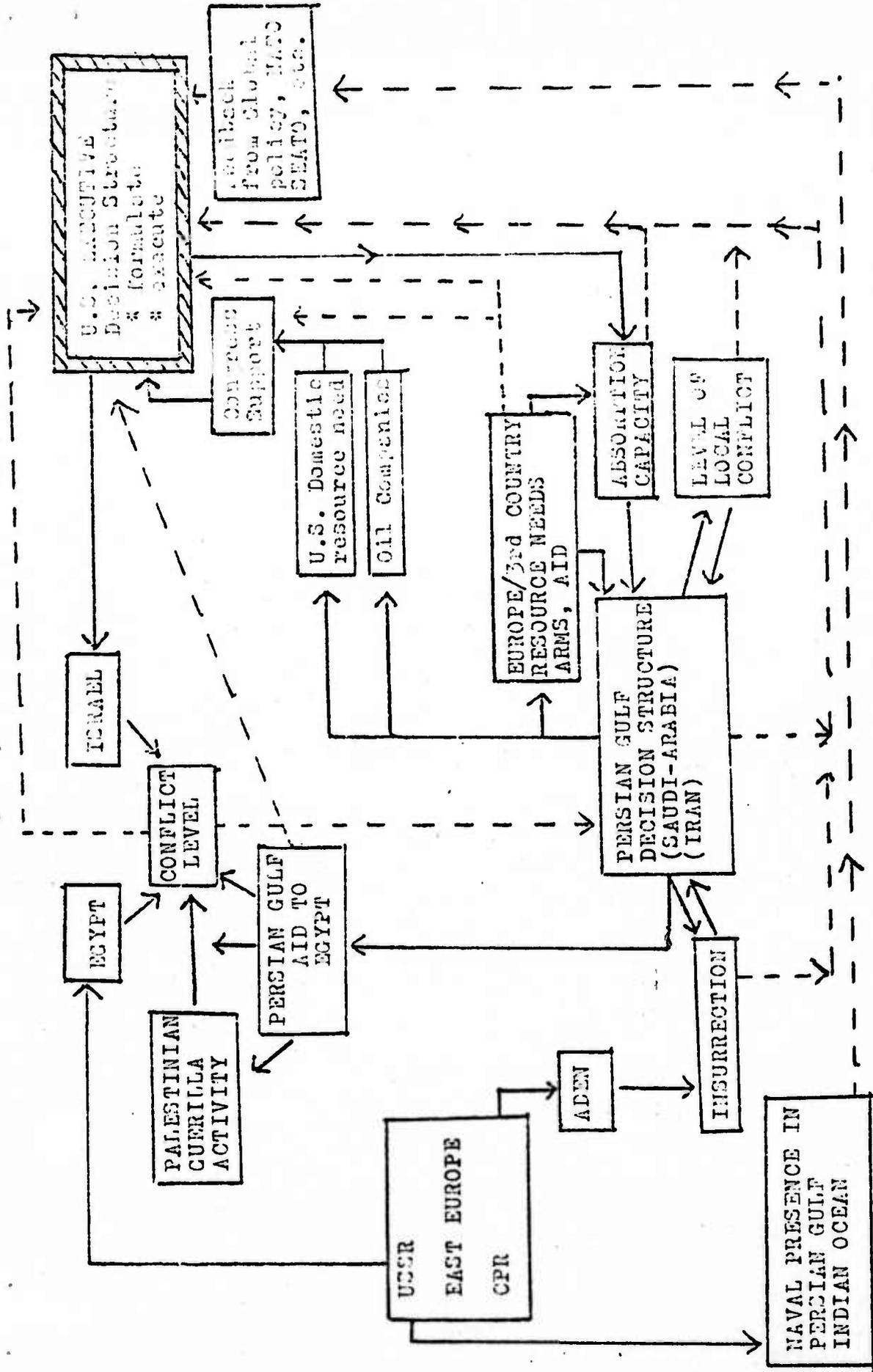
4. Extent of Congressional concurrence is viewed as a function of
 - a. levels of oil company satisfaction with Persian Gulf policies toward them,
 - b. levels of U.S. domestic energy needs,
 - c. extent of success of previous military assistance and policies toward the Persian Gulf region,
 - d. general level of satisfaction with the administration's performance.

5. Extent of Persian Gulf country support of Egypt and/or Palestinian Guerillas is viewed as a function of
 - a. level of Iranian/Saudi-Arabian military economic capability,
 - b. level and balance of Arab-Israeli conflict,

6. Level of Arab Israeli conflict is viewed as a function of
 - a. Volume of Palestinian Guerilla activity,
 - b. Egyptian-Israeli arms balance.

7. Level of Oil Company satisfaction with Persian Gulf policies is viewed as a function of
 - a. OPEC negotiations,
 - b. area policies toward expropriation.

8. Egyptian Israeli arms balance is viewed as a function of
 - a. level of American aid to Israel,
 - b. level of Soviet aid to Egypt,
 - c. level of third country assistance to Egypt.



LEGEND: Solid lines: flows of arms aid, support, positive policy actions
 Dotted lines: Information Feedback
 Crosshatch: Constraints (dissensus, lack of funds, inability to control)

OIL, ARMS, AND POLITICS IN THE PERSIAN GULF: A RELATIONAL ANALYSIS

It should be noted that the three constraints have been integrated into the above schematic model in different ways. Congressional funding support and control of recipient use of resources are treated as variables,-- the latter as a function of direct feedback from recipient nation policy actions. Bureaucratic dissensus is treated as a single function, or "efficiency ratio."

The principal dynamic patterns which the schematic reflects suggest that:

1. An Arab-Israeli arms imbalance may raise the level of conflict. To the extent that it does, pressure will be placed on Saudi-Arabia to assist covertly or overtly.
2. If Saudi-Arabia does assist, U.S. security assistance may or may not be cut off depending upon the U.S. requirement for oil. Sisco was confronted with the question whether the U.S. might ever be faced with a situation wherein it could be blackmailed over oil. His response was that he felt certain that the Arab nations of the Gulf considered their need for technical and marketing knowledge a more pressing requirement than settlement of the Israeli question, and considered cooperation on matters of oil essential to this access. His built in assumption is that awareness of commonality of profit interests would override irresponsible use of oil as a political weapon.⁴⁸
3. The limiting factor on Saudi-Arabia is absorption capacity, but only in terms of improving its military establishment and general level of development. The potential for local area conflict between Saudi-Arabia and Iran, may deter Saudi covert assistance to Egypt, unless cultural sympathies cause oil to be used as a lever to induce U.S. pressures on Iran to cease and desist. This might involve an aid "slow down" the effectiveness of which would turn on Iran's ability to receive aid elsewhere, or real need of it, for that matter.

4. Adec-based covert support of insurgency would lessen the probability of extensive covert or overt active support of Egypt and increase dependence upon U.S. military assistance in the Gulf area.
5. Third country activity may have a profound impact upon the policies of the Persian Gulf countries, vis a vis their need for markets and armaments, and their policies toward Egypt, on a "quid pro quo" basis.

Conclusion:

This brief analysis of conceptual relationships should be considered no more than an exploratory "ranging shot" at delineating the way U.S. national objectives are specified vis a vis the Persian Gulf, on the part of the Departments of State and Defense. It is couched in an American value perspective, and based entirely on what Departmental representatives have said in unclassified Congressional testimony. It employs a rather simple-minded methodology of "eyeball scan" rather than more sophisticated content analysis and propositional inventory. A more scientifically based approach might yield more reliable results. As such, the factors, constraints, and relationships have been derived, and quasi-translated into potentially quantifiable terms. Obviously, the translation needs much refinement. Single or composite indicators need to be developed which will reflect degrees and/or rates of change in the variables. Given the substantive nature of the variables, I feel that this is within the range of possibility, at least to an ordinal level of measurement.

As far as substance is concerned, there are a number of spinoff issues which might bear fruitfull examination on their own merit. The first of these relates to the style and content of Committee testimony:

1. The more powerful the committee, the more nebulous and general the answers and arguments, even in response to specific questions. Curtis Tarr's 1972 performance before the Senate Appropriations Committee differed considerably from his performance before the Senate Foreign Relations Committee in 1973 vis a vis the

level of glittering generality. In 1973, this seemed inversely related to the precision of Senator Fulbright's questions. Joseph Sisco's testimony to the House Foreign Affairs Committee's Near Eastern Affairs Subcommittee was much more rich in detail than his deliveries before the major Senate and House Units. This may in part be attributable to the scope of the hearing topic, i.e., foreign aid in general, rather than specific regional operations. But it may be a function of other significant perceptions as well.

2. Military testimony for the most part is non-policy evaluative, dealing exclusively with estimates of efficiency and effectiveness of specific actions embarked upon in support of specific policy programs. Such misgivings as may be voiced are generally linked with problems generated by the uncertainties of annual funding, and the requirements of total force planning.

This area, the interface between Congressional support, DCS policy objectives, and DOD operations in support of these objectives warrants further study because of its longitudinal impact upon MSA actions, and therefore the likelihood of goal attainment. There are conflicting and overlapping interests here. The net impact of the dissonance might be worth investigation, given the tendency toward increased lateral and vertical interdependence.

In a more abstract context, the schematic relationships depicted above, if in fact they do obtain, may be considered one subsystemic component of a larger conceptual system depicting a six-fold set of relationships governing the dynamics of U.S. Foreign Assistance decisions:

1. An actor
2. A recipient
3. A competitor
4. Third Parties whose action/inaction makes a difference
5. A fluctuating level of external conflict
6. A set of value criteria for determining the actor's action vis a vis a given policy.

As such, it might be useful as a heuristic device for the generation of hypotheses about systemic behavior. The conditions necessary to raise the model to this conceptual level involve validation or assumption

1. that the dynamics described in the model of the subsystem can be applied universally to U.S. Foreign Aid operations,
2. that the dynamics described in the model of the subsystem suggest a category or class of behaviors vis a vis a class of policy actions by a certain kind of government with a given configuration of resources, and a given perception of role, in the context of a given perception of the global political system.

This might prove a springboard for fruitfull comparative examination of how differently organized national actors might pursue similar actions.

Footnotes:

¹"U.S. Interests in and Policy Toward the Persian Gulf," Hearings Before the Subcommittee of the Near East of the Committee on Foreign Affairs, House of Representatives, 92nd Congress, 2nd Session (Washington: Government Printing Office, 1972), pp. 80-85, 88-95. Hereafter, this document will be referred to as "Persian Gulf Hearings."

²"Foreign Assistance and Related Programs Appropriation, Fiscal Year 1973," Hearings Before the Committee on Appropriations, U.S. Senate, 92nd Congress, 2nd Session (Washington: Government Printing Office, 1972), pp. 248-249. Hereafter, this document will be referred to as "FY 73 Appropriations Hearings."

³"Persian Gulf Hearings," Op. Cit.

⁴Ibid., p. 80.

⁵"FY 73 Appropriations Hearings," Op. Cit., pp. 567-568.

⁶"Persian Gulf Hearings," Op. Cit., p. 95.

⁷Richard M. Nixon, U.S. Foreign Policy for the 1970s: Shaping a Durable Peace, A Report to the Congress (Washington: Government Printing Office, 1973), pp. 190-191.

⁸"Persian Gulf Hearings," Op. Cit., pp. 93-97.

⁹Ibid., p. 76.

¹⁰Ibid., p. 80. Joseph Sisco subsequently identified Saudi Arabia as the anticipated source of oil against future U.S. requirements. In a direct reference to Saudi Arabia, he comments, "...I think basically in this country we have all of the resources that we are ever going to need for our energy in the long run. And I stress 'the long run.'" cf. "Department of State Authorization for FY 1974," Hearings Before the Subcommittee on State Department Organization and Foreign Operations of the Committee on Foreign Affairs, House of Representatives, 93rd Congress, 1st Session (Washington: Government Printing Office, 1973), p. 24. Hereafter, "DSA 74."

¹¹"FY 73 Appropriations Hearings," Op. Cit., pp. 248-250.

¹²"Persian Gulf Hearings," Op. Cit., p. 90.

¹³Ibid., p. 106.

¹⁴Ibid., pp. 15 and 86.

¹⁵Ibid., pp. 33-74, and 96-98.

¹⁶"FY 73 Appropriations Hearings," Op. Cit., p. 944.

¹⁷"Persian Gulf Hearings," Op. Cit., p. 111.

¹⁸Ibid., pp. 14-16.

¹⁹Ibid., p. 94.

²⁰Ibid., p. 95.

²¹Ibid., pp. 95-97.

²²Ibid., p. 101.

²³Ibid., pp. 14, 15, 26, and 27.

²⁴"Foreign Assistance Act of 1972," Hearings Before the Committee on Foreign Affairs, House of Representatives, 92nd Congress, 2nd Session, Part 1 (Washington: Government Printing Office, 1972) pp. 36-37. Hereafter, this document will be referred to as "FAA 72 Hearings."

²⁵"Persian Gulf Hearings," Op. Cit., p. 15.

²⁶Ibid., pp. 9-31 and 95. See also "Executive Agreements With Portugal and Bahrain," Hearings before the Committee on Foreign Relations, United States Senate, 92nd Congress, 2nd Session, on S. Res 214 (Washington: Government Printing Office, 1972).

²⁷Ibid., pp. 96-98. See also "Foreign Policy Implications Of The Energy Crisis," Hearings Before the Subcommittee on Foreign Economic Policy of the Committee on Foreign Affairs, House of Representatives, 92nd Congress, 2nd Session, (Washington: Government Printing Office, 1972), hereafter called "Energy Crisis Hearings."

²⁸"FY 73 Appropriations Hearings," Op. Cit., p. 568.

²⁹Ibid.

³⁰"Foreign Military Sales and Assistance Act," Hearings Before the Committee on Foreign Relations of the United States Senate, 93rd Congress, 1st Session, (Washington: Government Printing Office, 1973), hereafter called "FMS Act Hearings."

³¹"FY 73 Hearings," Op. Cit., p. 830.

³²Charles J. Hitch and Roland N. McKean, The Economics of Defense in the Nuclear Age (New York: Atheneum, 1965).

³³See also Nixon, Op. Cit., pp. 178-193.

³⁴Ibid., p. 189.

³⁵"FY 73 Hearings," Op. Cit., pp. 916-918.

³⁶Ibid., p. 566.

³⁷Ibid., p. 922. This may or may not be the case. See Mr. Tarr's responses in "DSA 74," Op. Cit., pp. 10-11; also Congressional Quarterly Weekly, 28 April 1973, p. 1045, which alleges that DOD recently tried to get control away from DOS.

³⁸Ibid., p. 200.

³⁹Ibid., p. 201.

⁴⁰See Mr. Tarr's statement in "FMS Act Hearings," Op. Cit., p. 4. "... We can easily reduce credit sales by telling our friends that we don't have funds available. This usually encourages the leaders of these nations to purchase military equipment provided by another nation... We would prefer to increase sales while at the same time reducing our military assistance grants..."

⁴¹"FAA 72 Hearings," Op. Cit., p. 94.

⁴²Ibid., p. 16.

⁴³"FY 73 Hearings," Op. Cit., pp. 831, 932-956. It's interesting to note the Lt. General Tsignious's successor, Vice Admiral Ray Pest elected to soften the funding discontinuity argument, but not abandon it in his testimony before the Fulbright Committee (FMS Act Hearings, Op. Cit.).

⁴⁴See footnote 18 above.

⁴⁵"Persian Gulf Hearings," 22. Sit., pp. 102-106. This has not been dealt upon extensively in the hearings, other than in the context of the appropriateness of USA material assistance. It seems relevant, however, to any assessment of what one would do with expropriated resources, or a complex mix of sophisticated weaponry. The value of the factor on local recipient foreign policy must be assessed from other sources, particularly in view of an a priori assumption of disparity between Iran and Saudi-Arabia.

⁴⁶For purposes of this study, "Palestinian Guerilla Activity" is treated as and attributed to "Egypt."

⁴⁷In interpreting this, one must furnish his own value, since one could not be directly derived from testimony. See footnote 45 above.

⁴⁸See footnotes 27 and 44 above.

**MILITARY SECURITY ASSISTANCE
TO THE PERSIAN GULF STATES
(Appendix 1)**

Conrad C. Gonzales

APPENDIX 1

This appendix outlines one approach at transforming the preceding conceptual factors and relationships into a decision simulation network which will "control" the flow of military assistance to a would-be Persian Gulf recipient. As such, it is an attempt to "model" the dynamic interrelationships among DOS, DOD, and Congressional concerns made explicit in the hearings.

These concerns have been categorized at the first level according to an "office of prime responsibility" conceptual design consideration, which calls for three separate networks according to role. The Department of State network reflects its role as policy action "Originator." The Department of Defense's role is as policy action "executor." The role of Congress is that of "Funding source and Critic." The output of the DOD and Congressional networks is linked to the DOS network as one of a series of essential concerns, all of which have to be satisfied for military assistance to be initiated or sustained.

Within each of the three networks, a series of substantive essential concerns have been stipulated. Joint concerns appear in more than one network, in order to display the effects of differing perspectives vis a vis the same concern. At this second level of OPR concerns, there has been a crude effort to specify concrete conditions under which military assistance will be granted or denied. "Concerns" are treated as major criteria, whose satisfaction requires hard-evidence satisfaction of sub-criteria, or "conditions." The "conditions" may be simple or complex to be sufficient to affirm a concern. Some concerns consist of arrays of mutually exclusive conditions, any one of which, in being affirmed, is sufficient to affirm the concern. "Unknowns" will neither affirm a condition, nor negate the affirmation of another condition within a concern, as long as that other condition is sufficient of itself. Both the major criteria (concerns) and their component subcriteria (conditions) have been specified in a manner which calls for the explicit presence or absence of a specific behavioral property in the external environment, for its affirmation or denial.

In addition, subcriterial conditions have been weighted, in the sense that they have been assigned an index of relative importance, or "priority code," based upon their immediately apparent relevance to the three-fold rank ordering of National Goals elucidated in Curtis Tarr's testimony.¹ Tarr, emphasized that American National Interests took precedence over all International concerns, and that among International American Interests, responsibilities to allies constituted the next order of business. Finally, he placed the affairs of non-allied nations, and the rest of the world, as a tertiary level concern. This suggests that the preservation or enhancement of American Society, with its political, social, economic, and cultural institutions and values, and those "conditions" most directly relatable to them are priority one considerations. Those conditions most directly relatable to the welfare of allies and alliances are priority two considerations. Those conditions most directly relatable to neither of these are priority three considerations. The same conceptual ordering has been employed in weighting the "conditions" specified in the three networks.

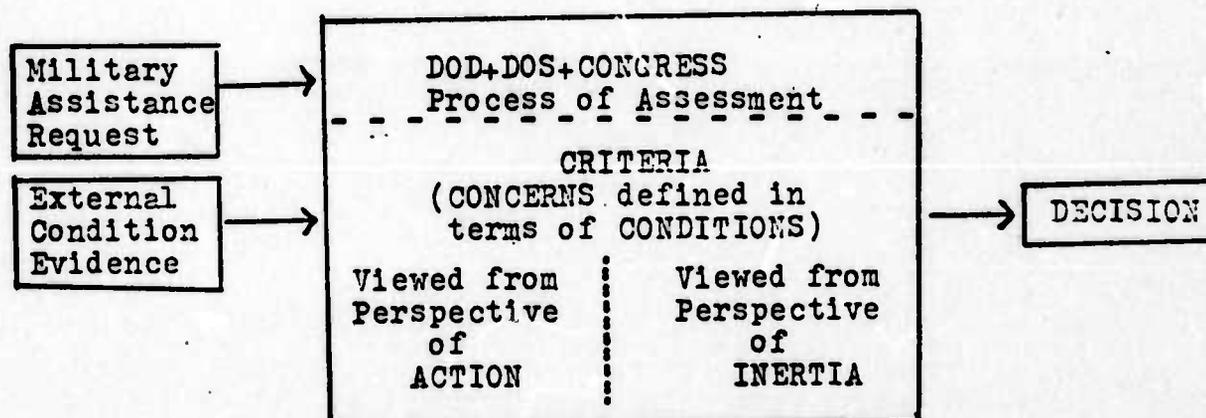
It must be emphasized that nowhere in the testimony could there be found concrete rank orderings of "concerns" or "conditions." As a result, their weighting had to be accomplished on the basis of "face value," or direct obvious relationships to one of the more general three fold rankings. Subcriteria, or concrete "conditions," were assigned "priorities" of one, two, or three, on this basis. What emerged from this preliminary approach was the notion that each essential concern in a network could have a range of priority values, depending upon the value of the condition which affirmed it. This permitted some to override others under differing objective "conditions." The specific value of a concern depended upon the value of the condition which affected it. This allowed Tarr's basic hierarchy of abstract values to remain constant while essential concerns could take on different degrees of comparative importance under differing conditions. Thus, the resultant decision network could cope with environmental fluctuation and "logically" resolve internal "action/inertia" criterial conflict through suboptimization.

What constitutes "action" and "inertia" requires explanation. Both terms are stipulatively defined in this study. "Action"

simply means the granting of aid. "Inertia" simply means the withholding of aid. Both are distinct perspectives for addressing "conditions," and relating them to concerns. While the substantive context of concerns and their supporting conditions has its roots in the testimony, their formulation in the decision networks is based upon a simplified conceptualization of decision making. They have been stated in a manner which allows one to address the known consequences both of action and of a failure to act, with respect to the same objective condition. That this actually takes place is an assumption. Nevertheless, it was necessary to build such a feature into the networks in order to sensitize them to both aspects of decision. As it turns out, the ^{automatic}responsiveness of the control network to internal conflict and external environmental change hinges upon this capacity. A scenario example of how this works is included later in the text.

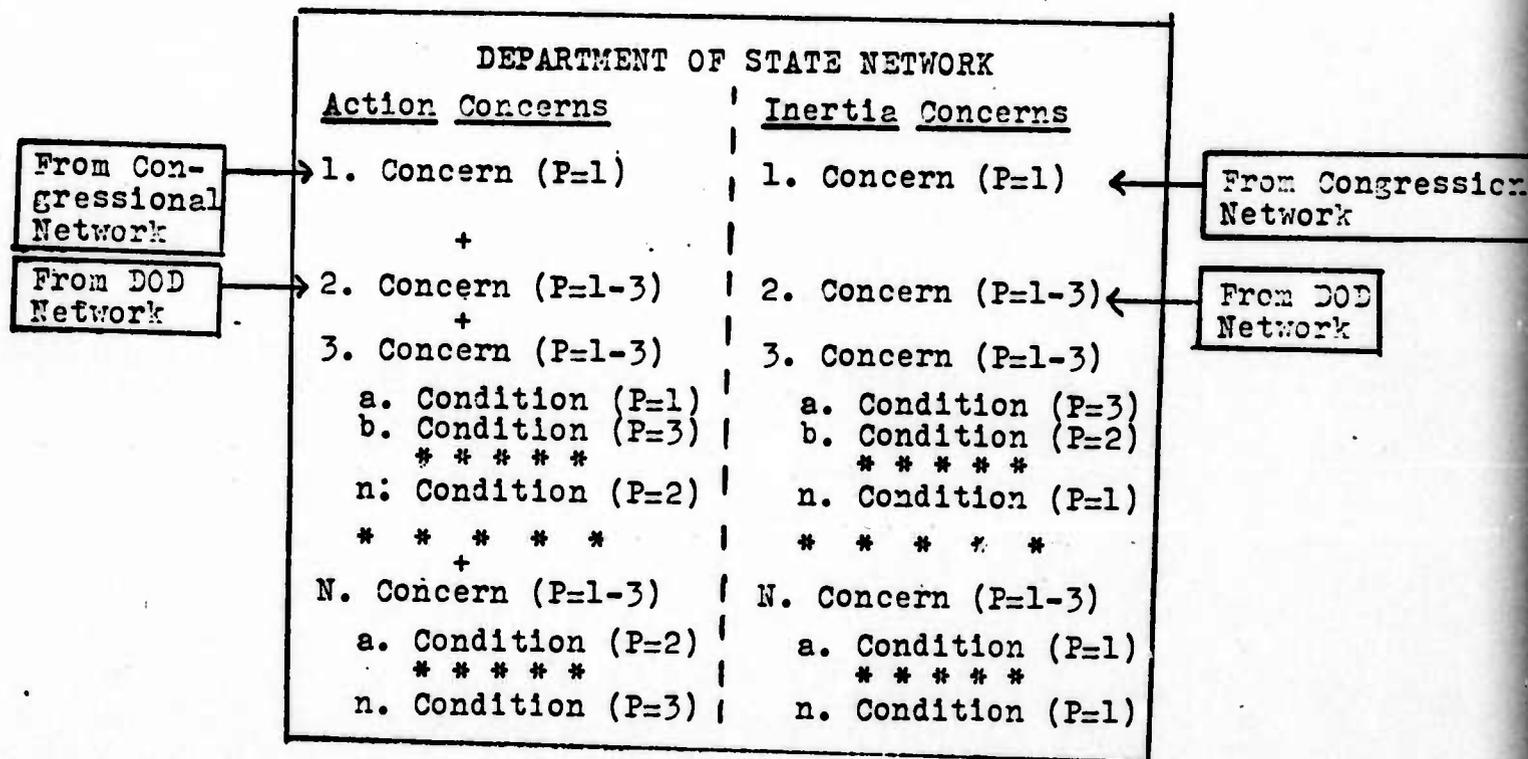
In summary, then,

1. The aid request comes out of the environment, as do the inputs which affirm or negate the conditions associated with each concern.



2. The negation or affirmation of a condition leads to the negation or affirmation of its associated concern.
3. Affirmation of all "action" concerns results in an interim decision to provide the aid.

4. Negation of one action concern results in an interim decision NOT to provide the aid.
5. Interim "denial" decisions (not to provide aid) are reviewed against "Inertia" criteria.
6. Affirmation of a single inertia concern will reverse an action based interim denial decision IF AND ONLY IF the inertia concern is of higher priority.
7. Priority one overrides priorities two and three; priority two overrides priority three.
8. The inputs from the separate Congressional and DOD networks are integrated into the DOS network as special concerns. Functionally they behave as any other essential concern, and can negate or override or support an interim decision.



Where "P" equals priority. Note that the inertia priority value of the same condition may differ from the action priority value.

9. If an override results, the interim denial is reversed and aid will be granted. National Security Council will be advised.
10. If a deadlock results over priority three differences, the denial decision will stand.
11. If a dealock results over priority two or priority one differences, the decision will be deferred, and the matter will be

referred to the National Security Council for major policy priority reconciliation.

The Congressional and DOD networks are still on the drawing board. The action-inertia network for the Department of State is shown below. Note that it incorporates the inputs from Congress and DOD:

DEPARTMENT OF STATE NETWORK: ACTION CRITERIA CONCERNS AND CONDITIONS:

"ASSUMING THE WOULD-BE RECIPIENT REQUESTS IT, DOS AS POLICY ORIGINATOR WILL INITIATE OR SUSTAIN MILITARY ASSISTANCE IF IT PERCEIVES THAT:"

1. CONCERN: Congress acquiesces. (Linkage with Congressional Net) (P=1) Sufficient to kill; necessary to pass.
2. CONCERN: DOD says it is workable. (Linkage with DOD Net) (P=1-3) Necessary.
3. CONCERN: Military aid is required? (P=3) Necessary
 - (a) Yes, if insurgency is present, OR (P=3; sufficient)
 - (b) Yes, if other external threat which could be thwarted by stronger indigenous military establishment is present. (P=3; sufficient)
4. CONCERN: It's consistent with the "Nixon Doctrine" (P=2; Necessary)
 - (a) Yes, if it won't precipitate a major power confrontation, AND (P=2; necessary)
 - (b) it involves only materiel/training support, AND (P=3; necessary)
 - (c) it does not conflict with U.S. "self-help" alliance policy toward NATO (P=2; necessary; a+b+c=sufficient)

OR

 - (d) Yes, if it won't precipitate a major power confrontation, AND (P=2; necessary)
 - (e) it involves only materiel/training support, AND (P=3; necessary)
 - (f) it supports U.S. "self-help" policy toward NATO insofar as (P=2; necessary) (d+e+f= sufficient)
 - (1) Yes, if the European economy requires oil, AND (P=2; N)
 - (2) the European NATO contribution turns on economy. (P=2; N)

1+2= Sufficient for f; a+b+c, or d+e+f = sufficient for 4)
5. CONCERN: It doesn't conflict with other U.S. foreign policies in the region? (P=3; N)

- (a) Yes, if recipient is not in conflict with other states in the Persian Gulf region similarly supported by the U.S., AND (P=3;N)
- (b) if recipient does not materially support Egypt/Palestinian Guerillas (P=3;N) (a+b=S)
 - (1) if overt monetary, materiel, manpower resource assistance is in fact denied, AND (P=3,N)
 - (2) if covert monetary, materiel, manpower resource assistance is provided in volume insufficient to affect level of Arab-Israeli hostilities. (P=3;N) (1+2=sufficient for b)

OR

- (c) Yes, if recipient is in conflict with other states in the Persian Gulf region similarly supported by the U.S., AND (P=3;N)
 - (d) U.S. Military assistance will reduce the conflict, AND (P=3;N)
 - (e) if recipient does not materially support Egypt/Palestinian Guerillas (P=3;N) (c+d+e=S)
 - (1) if overt monetary, materiel, manpower resource assistance is in fact denied, AND (P=3,N)
 - (2) if covert monetary, materiel, manpower resource assistance is provided in volume insufficient to affect level of Arab-Israeli hostilities. (P=3;N) (1+2=Sufficient for e) (a+b, or c+d+e = sufficient for 5)
6. CONCERN: If alternative (third country) military aid sources are (P=1-3;N)

- (a) not available (P=2;S)
 - (1) Yes, if recipient can't pay, OR (P=2;S)
 - (2) Yes, if no one will sell to recipient. (P=2;S)

OR

- (b) undesirable from U.S. standpoint (P=1-3;S)
 - (1) If expenditure is counterproductive to recipient's fiscal policy, OR (P=3;S)
 - (2) Yes, if it will cause discord in region, OR (P=3;S)
 - (3) Yes, if it would reduce U.S. ability to influence (P=3, S)
 - a. recipient's foreign policy toward U.S. and region, OR (P=3,S)
 - b. recipient's oil policy toward U.S., OR (P=1;S)
 - c. Alternate source's foreign policy toward U.S. (P=3;S)
 - (4) Yes, if alternate source is hostile toward U.S. (P=1;S)

7. CONCERN: If recipient's current policies have been at least non-disruptive (if not supportive) of current U.S. policies (P=1-3N)
- (a) Yes, if availability of regional oil resources to U.S. buyers is not thereby endangered, OR (P=1;S)
 - (b) Yes, if availability of recipient's oil resources to U.S. buyers is assured, OR (P=1;S)
 - (c) Yes, if U.S. oil companies are satisfied with recipient's treatment, either through (P=3;S)
 - (1) acceptable outcomes of OPEC negotiations, OR (P=3;S)
 - (2) acceptable remuneration for expropriated assets are received, either (P=3,S)
 - a. from recipient country, OR (P=3,S)
 - b. from U.S. Government guarantees (P=3,S)

INERTIA CRITERIA CONCERNS AND CONDITIONS:

-- "ASSUMING THE WOULD-BE RECIPIENT REQUESTS IT, DOS AS POLICY ORIGINATOR MAY REVERSE AN INTERIM DENIAL OF MILITARY ASSISTANCE IF IT PERCEIVES THAT A PRIORITY CONCERN BELOW EXCEEDS THAT OF THE DENIAL CONCERN.

1. CONCERN: Congress acquiesces. (Linkage with Congressional Net) (P=1; Sufficient to kill; necessary to pass)
2. CONCERN: DOD says it is workable (Linkage with DOD Net) (P=1-3)
3. CONCERN: Military aid is required, (P=3,S)
 - (a) if failure to give aid will aggravate the insurgency present, OR (P=3;S)
 - (b) if failure to give aid will increase the presence of external threats which could be thwarted by a stronger indigenous military establishment. (P=3;S)
4. CONCERN: It's consistent with the Nixon doctrine, (P=2-3;S)
 - (a) if failure to give aid will precipitate a major power confrontation, OR (P=3;S)
 - (b) if a failure to give aid will call for troop as well as materiel/training support, OR (P=3;S)
 - (c) if a failure to give aid conflicts with U.S. "self-help" alliance policy toward NATO (P=2;S)
 - (1) If it will inhibit Europe's access to oil, AND (P=2;N)
 - (2) If European economic basis for its NATO contribution is based on oil (P=2;N) (1+2=Sufficient for C)
5. CONCERN: It doesn't conflict with other U.S. foreign policies in the region (P=3;S)
 - (a) if a failure to give aid will precipitate conflict between

the recipient and other states in the region similarly supported by the U.S., OR (P=3;S)

(b) if a failure to give aid increases already existing conflict between the recipient and other states similarly supported by the U.S. in the region, OR (P=3;S)

(c) if a failure to give aid will cause the recipient to materially support Egypt/Palestinian Guerillas, (P=3;S)

(1) by precipitating overt monetary, materiel, manpower, resource assistance from the recipient, OR (P=3;S)

(2) by increasing the volume of covert monetary, materiel, manpower resource assistance beyond a level sufficient to affect the intensity of Arab-Israeli hostilities. (P=3;S) (1 or 2 = Sufficient for c)

6. CONCERN: If alternative (Third country) military aid sources are not available or undesirable from U.S. standpoint (P=1-3;S)

(a) Yes, if failure to give aid results in overtures to third country

(1) whose required payments decrease funds available for socio-economic development, OR (P=3;S)

(2) whose ties to the recipient are perceived as discordant in the region, (P=3;S)

OR

(b) Yes, if failure to give aid results in third country reduction of U.S. ability to influence

(1) recipient's foreign policy toward U.S. and region, OR (P=3;S)

(2) recipient's oil policy toward U.S., OR (P=1-3;S)

(3) third country foreign policy toward U.S. (P=3;S)

OR

(c) Yes, if third country is hostile to U.S. (P=1;S)

7. CONCERN: If recipient's current policies have been at least non-disruptive (if not supportive) of current U.S. policies

(a) if failure to give aid threatens availability of area oil resources to U.S., OR (P=1;S)

(b) if failure to give aid threatens availability of recipient's oil resources to U.S., OR (P=1;S)

(c) if a failure to give aid causes U.S. Oil Company dissatisfaction

(1) if it worsens outcomes of OPEC negotiations, OR (P=1-3;S)

(2) if it threatens acceptable remuneration for expropriated assets, (P=1;S)

a. from host country, OR (P=3;S)

b. from U.S. Government guarantees. (P=1;S)

AN EXAMPLE OF HOW THE NETWORKS OPERATE:

At T_0 , the environment yields a request for military assistance from a wealthy Persian Gulf country. Congress acquiesces, and DOD says it is workable. All other action concerns are affirmed in virtue of one or more of their specified sufficient conditions having been met. An affirmative interim aid decision results. No inertia review is initiated since the interim decision is affirmative. Military assistance begins to flow.

At T_1 , the American Embassy in the recipient country reports increased contacts between known agents of the Palestinian Guerillas and members of the recipient's foreign ministry. CIA reports conclusion of a funding agreement. American Embassy in Israel reports no significant alteration of Arab-Israeli hostilities. The assistance decision is reassessed in light of the changed environment. The action criteria essential concern for "conflict with other regional U.S. policies" remains unchanged since the level of guerilla support is "not sufficient" to alter Arab-Israeli hostilities.

At T_2 , Arab terrorist activity increases in frequency, triggering Israeli commando raid responses. CIA confirms that payments for guerilla arms purchases in Czechoslovakia are being made out of feeder accounts in Switzerland, replenished by recipient country funds. The assistance decision is reassessed in light of the changed environment. The action criteria concern for "conflict with other U.S. regional policies" is no longer met. An interim denial decision results, which activates a "review" against inertia criteria. Since the recipient's behavior has provided no hard evidence to warrant a change in the original assessment of the inertia criteria, the "denial" decision stands. Diplomatic discussions with the recipient fail to alter the recipient's behavior toward guerillas. The military assistance stops.

At T_3 , the recipient requests that the U.S. reconsider its action, and alludes to the possibility of more favorable oil concessions to who ever will help it resolve its internal security

needs. At the same time, it advises U.S. oil companies that it desires new negotiations to adjust royalty rates in view of fluctuations of the U.S. dollar value. U.S. Embassy Moscow reports visit by recipient country's defense minister. CIA Moscow station reports negotiations underway involving port facilities on Persian Gulf. U.S. Embassy in recipient country reports arrival of Soviet Geological Survey Team including naval officers formerly assigned to submarine service. CIA reports no change in funding to Palestinian Guerillas. Arab-Israeli hostilities remain at increased level.

The assistance denial decision is reassessed in light of the changed environment. Since the guerillas are still being aided "significantly," negation of the priority three action condition and concern sustains an interim decision of denial. A review against the inertia criteria reveals that the concern over aid from this particular/^{alternate source} is now affirmed at a priority one level. The concern with the disruptive effect of the recipient's action upon U.S. policies in terms of oil is also affirmed at a priority one level. The oil action-affected conditions under both concerns. The priority one inertia concern over the consequences of a failure to act, overrides the priority three action concern, and the final decision is to resume military assistance. Since an override was involved, the National Security Council is advised. The override cancels the negative signal from the action concern, and the decision network now recognizes the increased level of aid to the Palestinian Guerillas from the recipient country as below the threshold of significance.

LIMITATIONS:

The most obvious drawback to the model is that it provides no "increase/decrease" option on aid. This is in part a property of the design. "Mix" and "Volume" of military assistance has tentatively been relegated to the DOD network, since logically it is primarily dependent upon technical needs. It's not clear from the hearings what the precise impact of purely political (DOS) considerations are upon mix and volume. In any case, the "conditions and concerns" affecting mix and volume have not yet been worked out in detail. They are presently addressed in the DOD net within the conceptual

context of the defensive character of the indigenous force.

A second drawback to the model is its narrow range of concern, i.e., starting and stopping military assistance, which in a sense over-emphasizes the implication that the only policy response to a priority one "threat" is through the media of military assistance related policy action. Obviously, it's not. But it can be, and such a limitation is built into the model.

A third drawback is the heterogeneous character of conditions and concerns, which had to be "laid out" and connected artificially. They are discrete products of the hearings, and defied initial scaling, chiefly because there was initially no clear picture of the orientation of the scaling axis, or the range to be covered. A theoretic framework had to be hypothesized in which conditions and concerns could be placed in proper relationship. Whether the resultant relationship is, or is not, proper is a problem still to be addressed. The tentative assumption has been made that it does, inasmuch as it "hangs together" conceptually vis a vis other DOS and Congressional concerns, yet still remains fairly close to its empirical referent, the substantive content of the hearings.

The problem thus became one of aligning constructs, and finding empirical indicators for ranges of value within them. This involved analytical separation of "concerns" and specification within "concerns" according to "conditions," or peculiarities of behavior. Certain "conditions" obviously were related to certain concerns, but not necessarily to each other. Some are mutually exclusive. Others are complex or contingent composites. Still others show up in more than one concern or network. Some suggest scalable properties whose values may be predicated on other values in the environment to which the decision network is relatively insensitive.

For example, except for override conditions, determination of the threshold for the "sufficient to alter the level of Arab-Israeli hostilities" property of recipient aid to Palestinian

guerillas, require recognition of an alteration in level of Arab-Israeli hostilities before it can be addressed. Similarly, a simplifying assumption has been made that access to oil is a first priority concern. But here time may make a difference. If the proportionate dependency on a particular country increases as domestic oil needs increase, oil company interests (also first priority by definition, according to Tarr's rank ordering) may at some point have to be sacrificed, or subsidized. The networks make no provision for this, or for recognition of that point beyond a priority one deadlock.

A fourth drawback is the judgmental basis of "sufficiency" built into the network design. Why do all action "concerns" have to be satisfied for aid to flow? The basis for this is inference from the testimony, i.e., that a failure on any "concern" issue is sufficient to deny aid ALL OTHER THINGS BEING EQUAL, INCLUDING TESTIMONIAL EXPLICATIONS OF CURRENT U.S. POLICY AS A GUIDE FOR ACTION. All other things are rarely equal. The environment constitutes a part of them, and the environment constantly changes. One way to take into account the impact of environmental change is to address the impact of inertia vis a vis a given condition. To build this in, required a transformation of the action "conditions" into forms which would allow "Concerns" to be affirmed on the basis of hard behavioral evidence, yet retain the original conceptual substance of both concerns and conditions. What resulted was a kind of "consequence ranging" of action and inertia vis a vis the condition, with the range limitation those points where a policy-action change was clearly indicated. This does not address the exact location of thresholds. Yet it may be a start, provided that the relationships are not merely a result of unconscious design bias.

Although the DOD and Congressional networks are by no means finished, or even well under way, some preliminary conceptual sketches have been attached below. Am toying with the notion that the DOS network is sufficiently refined verbally to allow an experimental translation into computer language, despite the fact that approximately three dozen separate yes/no statements about an "event" are required as entering arguments to activate it. It might be

interesting to set it up as a simulation to see if it does in fact behave as a decision making network in the way that the scenario suggests.

1 FY 73 Appropriations Hearings, Op. Cit., pp. 568-569.

THE FOLLOWING NETWORK STATES RESULT FROM THE DATA PROVIDED IN THE EXAMPLE, AND MAY BE USED IN CONJUNCTION WITH THE ACTION-INERTIA CRITERIA LISTINGS TO REPLICATE THE RESULTS OF THE SCENARIO.

(Y=Affirmation, N= Positive denial based on evidence, N-UNK =denial by default, or lack of positive content basis for an assessment)

At T ₀ and at T ₁ :		At T ₂ :	
<u>ACTION</u>	<u>INERTIA</u>	<u>ACTION</u>	<u>INERTIA</u>
1.Y	1.Y	1.Y	1.Y
2.Y	2.Y	2.Y	2.Y
3.Y	3.Y	3.Y	3.Y
(a)Y	(a)Y	(a)Y	(a)Y
(b)N	(b)N	(b)N	(b)N
4.Y	4.N-UNK	4.Y	4.N-UNK
(a)Y	(a)N-UNK	(a)Y	(a)N-UNK
(b)Y	(b)N-UNK	(b)Y	(b)N-UNK
(c)Y	(c)N-UNK	(c)Y	(c)N-UNK
(d)Y	(1)N-UNK	(d)Y	(1)N-UNK
(e)Y	(2)N-UNK	(e)Y	(2)N-UNK
(f)N-UNK	5.N-UNK	(f)N-UNK	5.N-UNK
(1)N-UNK	(a)N-UNK	(1)N-UNK	(a)N-UNK
(2)N-UNK	(b)N-UNK	(2)N-UNK	(b)N-UNK
5.Y	(c)N-UNK	*5.N (P=3)	(c)N-UNK
(a)Y	(1)N-UNK	(a)Y	(1)N-UNK
(b)Y	(2)N-UNK	* (b)N (P=3)	(2)N-UNK
(1)Y	6.N-UNK	(1)Y	6.N-UNK
(2)Y	(a)N-UNK	* (2)N (P=3)	(a)N-UNK
(c)N	(1)N-UNK	(c)N	(1)N-UNK
(d)N	(2)N-UNK	(d)N	(2)N-UNK
(e)Y	(b)N-UNK	* (e)N (P=3)	(b)N-UNK
(1)Y	(1)N-UNK	(1)Y	(1)N-UNK
(2)Y	(2)N-UNK	* (2)N (P=3)	(2)N-UNK
6.Y	(3)N-UNK	6.Y	(3)N-UNK
(a)N	(c)N-UNK	(a)N	(c)N-UNK
(1)N	7.N-UNK	(1)N	7.N-UNK
(2)N-UNK	(a)N-UNK	(2)N-UNK	(a)N-UNK
(b)Y	(b)N-UNK	(b)Y	(b)N-UNK
(1)Y	(c)N-UNK	(1)Y	(c)N-UNK
(2)N-UNK	(1)N-UNK	(2)N-UNK	(1)N-UNK
(3)N-UNK	(2)N-UNK	(3)N-UNK	(2)N-UNK
a.N-UNK	a.N-UNK	a.N-UNK	a.N-UNK
b.N-UNK	b.N-UNK	b.N-UNK	b.N-UNK
c.N-UNK		c.N-UNK	
(4)N-UNK		(4)N-UNK	
7.Y		7.Y	
(a)Y		(a)Y	
(b)N-UNK		(b)N-UNK	
(c)N-UNK		(c)N-UNK	
(1)N-UNK		(1)N-UNK	
(2)N-UNK		(2)N-UNK	
a.N-UNK		a.N-UNK	
b.N-UNK		b.N-UNK	

At T_3 :

<u>ACTION</u>	<u>INERTIA</u>
1.Y	1.Y
2.Y	2.Y
3.Y	3.Y
(a)Y	(a)Y
(b)N	(b)N
4.Y	4.N-UNK
(a)Y	(a)N-UNK
(b)Y	(b)N-UNK
(c)Y	(c)N-UNK
(d)Y	(1)N-UNK
(e)Y	(2)N-UNK
(f)N-UNK	5.N-UNK
(1)N-UNK	(a)N-UNK
(2)N-UNK	(b)N-UNK
*5.N (p=3)	(c)N-UNK
(a)Y	(1)N-UNK
* (b)N (P=3)	(2)N-UNK
(1)Y	*6.Y (P=1,3)
* (2)N (P=3)	* (a)Y (P=3)
(c)N	* (1)Y (P=3)
(d)N	* (2)Y (P=3)
* (e)N (P=3)	(b)N-UNK
(1)Y	(1)N-UNK
* (2)N (P=3)	(2)N-UNK
6.Y	(3)N-UNK
(a)N	* (c)Y (P=1)
(1)N	*7.Y (P=1)
(2)N-UNK	(a)N-UNK
(b)Y	* (b)Y (P=1)
(1)Y	* (c)Y (P=1)
(2)N-UNK	* (1)Y (P=1)
(3)N-UNK	(2)N-UNK
a.N-UNK	a.N-UNK
b.N-UNK	b.N-UNK
c.N-UNK	
(4)N-UNK	
7.Y	
(a)Y	
(b)N-UNK	
(c)N-UNK	
(1)N-UNK	
(2)N-UNK	
a.N-UNK	
b.N-UNK	

(*) flags a change from T_0

(P=__) Priority level of condition

The priority of the condition becomes the priority of its associated concern.