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Economic Assistance and Security, Rethinking U.S. Policy

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concern over whether an orderly response strategy would be employed. Will the ideas of crisis management be ignored as political leaders attempt to make their own policy statements through actions that may result in an essentially *ad hoc* response to a highly visible and emotional incident?

William Farrell has written a solid study that should not only be of interest to those concerned with the threat of terrorism but to others who desire a fine case study of the evolution of public policy and bureaucratic behavior on issues of current significance.

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Levi, Werner, *The Coming End of War.* Beverly Hills, Calif.: Sage, 1982. 183pp. $22 paper $10.95

Despite its arresting title, Levi's essay is less a prediction than a commentary on the political and military ramifications of current trends in international economic development. Levi accepts the conventional division of the world into developed and developing states. Developed states, he suggests, have increasingly sought to advance reasonable interests by nonviolent means (multinational corporations and organizations like OECD are among the vehicles easing the way for such transactions). This tendency, and the high cost of nuclear war, combine to make war among the developed states extremely unlikely.

Developing states possess neither nuclear weapons nor a network of transnational relations comparable to that of the developed states. But Levi sees such a network being created, as the developing states reach a level of economic sophistication that will make transnational cooperation work to their advantage. "The internationalization of national interests," he predicts, is likely sharply to reduce the resort to war.

Levi's abstract and hopeful essay rests on the assumption that the leaderships of states will pursue rational goals by rational means—a questionable assumption indeed.

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Hough, Richard L. *Economic Assistance and Security, Rethinking U.S. Policy.* Washington: National Defense University Press, 1982. 139pp. $5

The United States Agency for International Development (AID) provides over $4 billion a year in economic aid to less developed countries. This sum is split between Development Assistance, which is given for basically humanitarian motives and targeted upon the poorer people of the world, and the Economic Support Fund, which provides aid to selected nations because of their immediate importance to US security. The author of this book claims that this distinction and the policies that flow from it are inconsistent with US national security interests.

Based upon many years as an AID Foreign Service Officer in Washington and in Third World countries, Hough sees more than humanitarian concerns at stake for the United States in the development of the Third World. However, Development Assistance funding, which is spread over many poor nations, is highly vulnerable to cuts when the United States is retrenching in the face of its own economic difficulties. The budget for Economic Support Funds has been less vulnerable because of the identification of American security interests with the economic stability of countries like Israel and Egypt, its principal recipients in recent years.

If the United States had a better

perception of how Third World problems affect our safety and well-being, we could shape an economic aid policy for the Third World based on our interests, much as we produced the Marshall Plan for Western Europe after World War II. The realities are described on page 6 as a "seamless web" which start "with Soviet exploitation of unrest and disorder in Third World countries. The Soviet threat certainly feeds on the internal conditions of weak governments and economic underdevelopment. These conditions are at least, in part produced, and perpetuated, by the political fragmentation—the explosion of nation-states—of the post-colonial period and the large wealth/poverty gap between rich and poor nations. In turn, this gap is being widened dangerously by the economic deterioration in Third World countries generated by excessive population growth, food scarcity, and environmental degradation. These factors intensify the drives toward authoritarian government in developing countries struggling to cope with the imperatives of nation-building, modernization, and economic development. Authoritarian governments, characterized by weakness and instability, in turn, accentuate the resource vulnerability in petroleum and other strategic minerals of the United States and the other industrial nations which we count as our allies. The oil dependency of Western industrial nations is but one thread of the growing economic interdependence among nations; the interdependence is also manifested in the dramatic emergence of the Third World as a major export market for Western products and services."

El Salvador is one of the Third World nations where several of these threatening realities are at work.

Hough examines several AID programs and program issues in terms of an economic assistance policy that recognizes the security as well as the humanitarian interests of the United States in the Third World. These discussions are brief but, along with his concluding proposals for change, provide bases for changing US policies.

Some of Hough's proposals are likely to be a source of debate. For example, he recommends that the United States channel more of its aid bilaterally and less of it through multilateral channels like the World Bank. Although the multilateral channels have an important role to play and deserve US support they cannot be controlled and targeted on US foreign policy and security objectives the way bilateral assistance can. But many people see the insulation of development assistance from narrow national foreign policy interests as a major advantage of multinational development banks. Both here and abroad, many view bilateral economic assistance as a form of imperialism, and oppose it on those grounds.

Hough recommends that the stake American business has in the development of the less developed countries be highlighted in the justification and planning of the US economic assistance program. This, too, could revive charges of imperialism from those ever ready to question American motives. Still this policy proposal is compatible with the Reagan administration's emphasis on the importance of the private sector. It also reflects the reality that, like it or not, the economic development of the less developed countries like the growth of the industrial nations, cannot help but involve the private sector.

Shifting US economic assistance policy in the direction recommended by Hough makes sense to this reviewer. Actually AID Development Assistance

has never been solely given on purely humanitarian grounds; nations like Pakistan and Indonesia, where the United States has had prominent security interests, have been major recipients of such funds. However, we should not expect too much from the policy reforms proposed by Hough. Economic development is a complex imperfectly understood process. The successes of the Marshall Plan and in nations like South Korea cannot be taken as the norm by which to measure every economic assistance program.

Hough writes well and presents technical development issues clearly. This book is a useful contribution to national security policy considered in the broadest sense.

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Labrie, Roger P., John G. Hutchins, and Edwin W.A. Peura. *U.S. Arms Sales Policy: Background and Issues*. Washington, D.C. and London: American Enterprise Institute for Public Policy Research, 1982. 87pp.

This short monograph is a clearly written overview of US arms sales and of the arguments for and against significantly curtailing arms sales. No new ground is broken here, nor is that intended. The authors' purpose is to bring together and summarize concisely a wide range of political and economic arguments on this complex topic.

The first chapter presents a history of U.S. policy in the area since World War II, focusing particularly on the contrasting approaches of the Carter and Reagan administrations. It also contains a brief discussion of the arms sales policies of the other three major suppliers—the USSR, France, and Great Britain. The second chapter explains the institutional framework in the United States. It includes discussion of both the executive and legislative review processes, and lists the existing legal restrictions. The third and fourth chapters present, respectively, the case for and the case against curtailing arms sales. The cases are presented point by point, with statistics and examples to support each as appropriate. No important arguments are omitted. No attempt is made to weigh the relative merits of the two cases. The book also contains an extensive, up-to-date bibliography of more than 100 items, in large measure drawn from the professional political science literature. Few references predate 1977 and almost none are from before 1970. Many were published within the past year.

The approach taken by the authors might be described as aggressively neutral. Readers learn little about their viewpoint. We do read that "few participants in the debate would argue that the sale of American weapons overseas should be unregulated, and few would argue that all sales should be prohibited" (p. 35) and we can safely assume that the authors are not among the few at either extreme. Otherwise, however, we not only do not know which case the authors believe is stronger overall, but we don't know whether they believe, for example, that the economic case is stronger on one side, balanced perhaps by defense policy considerations on the other side, nor how they believe that economic, foreign policy, and defense policy arguments should be weighted. We don't know whether they prefer the Reagan administration policy to the policy of the Carter administration, nor whether they think that the Carter policy in any sense was successful.

This neutral approach is appropriate, particularly because the book is in part written to be a sourcebook for students