

April 1995

GREECE AND TURKEY

U.S. Assistance Programs and Other Activities





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The Honorable Benjamin A. Gilman
Chairman
The Honorable Lee H. Hamilton
Ranking Minority Member
Committee on International
Relations
House of Representatives

This letter responds to your request for information on the amount of U.S. assistance provided to Greece and Turkey from all funding sources between years 1992 and 1994 as well as other benefits that the United States may provide to these countries. As requested, we are also including information on the costs and amount of equipment transferred to Greece and Turkey under the Conventional Forces in Europe (CFE) Treaty.¹

Results in Brief

Between fiscal years 1992 and 1994, the United States provided Greece and Turkey benefits through a wide variety of sources. These included about \$2.6 billion worth of defense-related assistance provided by grants and low interest loans under the Foreign Military Financing (FMF) program,² equipment transfers under Excess Defense Articles (EDA), and grants under the International Military Education and Training (IMET) program. The United States also gave defense-related equipment to these countries under the CFE Treaty, which has a value of about \$940 million.³ The U.S. government also provided Greece and Turkey with about \$325.9 million worth of economic-related aid. Economic-related assistance included the Economic Support Fund (ESF), the International Narcotics Control program, disaster relief assistance, and the American Schools and Hospitals Abroad (ASHA) program.⁴

¹On November 19, 1990, member nations of the North Atlantic Treaty Organization and the former Warsaw Pact signed the CFE Treaty. Under the treaty, the United States is allowed to transfer equipment to other nations of the North Atlantic Treaty Organization. We reported on the implementation of the CFE Treaty in Conventional Arms Control: Former Warsaw Pact Nations' Treaty Compliance and U.S. Cost Control (GAO/NSIAD-94-33, Dec. 14, 1993).

²FMF figures used in this report represent the dollar value of contracts actually signed.

³Defense Department officials stated that no decision has been made regarding what equipment, if any, would be provided to Greece and Turkey in the future.

⁴The ASHA program assists a select group of private U.S.-sponsored, non-profit schools and hospitals that demonstrate American ideas and practices to citizens of other countries through the transfer of U.S. technology and values.

In addition to aid, the U.S. government also has other military and economic programs in these countries. About \$337.5 million of loans and loan guarantees were provided through the Export-Import (EXIM) Bank to both countries while Commodity Credit Corporation loans were provided to Turkey.

Although not considered to be assistance, the Department of Defense (DOD) estimates that it incurred about \$1.34 billion in costs associated with the presence of 3,902 U.S. military personnel in both Greece (511 personnel) and Turkey (3,391 personnel) between fiscal years 1992 and 1994. These costs included items such as salaries and benefits for U.S. military, operations and maintenance, family housing operations, and military construction. DOD officials could not provide us with other specific costs normally included in this category, such as leases of U.S. bases, and local national salaries because they were not readily available at DOD headquarters units. DOD officials stated they did not consider costs associated with maintaining the forces to be a benefit to the host country.

The participation of Greece and Turkey in the Fulbright and International Visitors Programs during this period cost the U.S. government about \$6.4 million. These programs are not considered to be economic or related assistance because they benefit both the United States and the foreign governments.

Table 1 provides information on types and costs of various U.S. programs and activities in Greece and Turkey between fiscal years 1992 and 1994.

Table 1: U.S. Military and Economic Assistance and Other Programs and Activities in Greece and Turkey (Fiscal Years 1992-94)

Dollars in millions		
Source	Greece	Turkey
Military and economic assistance		
FMF grants and loans	\$948.5	\$1,355.0
EDA	133.9	187.4
IMET	1.0	7.5
CFE Treaty transfers	373.0	567.0
ESF	0	321.0
International narcotics programs	0	1.1
Disaster aid	0	0.4
ASHA	1.4	2.0
Total	\$1,457.8	\$2,441.4
Other economic programs		
EXIM loans and loan guarantees	2.7	249.5
Commodity Credit Corporation loans	0	85.3
Total	2.7	334.8
Other activities		
Cost of U.S. military presence	280.5	1,056.2
Student exchange programs	1.9	4.5
Total	\$282.4	\$1,060.7

The governments of Greece and Turkey also pay cash to purchase defense-related goods and services from DOD through the Foreign Military Sales (FMS) program or through private contractors under the Commercial Sales program. Also, Greece and Turkey pay cash to lease military equipment from the U.S. government. Between fiscal years 1992 and 1994, DOD and the State Department reported that the potential dollar volume of the cash sales transactions is about \$9.6 billion, about \$2.9 billion for Greece and \$6.7 billion for Turkey.⁵

⁵About \$4.6 billion of the \$9.6 billion represents direct commercial sales. State Department officials stated that the total dollar value of commercial sales represents the value of export licenses approved for U.S. contractors and the governments of Greece and Turkey. In our report *Export Controls: License Screening and Compliance Procedures Need Strengthening* (GAO/NSIAD-94-178, June 14, 1994), we reported that government officials noted that the value of direct commercial sales deliveries as a result of these licenses could be as little as 40 to 60 percent of the value originally reported when the license was approved. Thus, the dollar value of items delivered on these licenses could range from about \$1.8 billion to about \$2.8 billion. The approximately \$5 billion in FMS represents the value of the contracts actually signed.

Between fiscal years 1992 and 1994, Greece and Turkey obtained a variety of weapon systems from the United States under the FMF and FMS programs, commercial sales, EDA, the CFE treaty, and leases. These systems included fixed-wing aircraft, helicopters, missiles, mortars and torpedoes, M-60A3 and M-60A1 tanks, M-113 armored personnel carrier, and M-110 Howitzers.

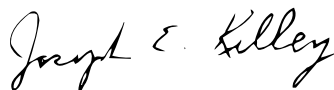
Appendixes I through X provide further details on the various sources of funding and other benefits as well as the types of equipment provided to Greece and Turkey by fiscal year for the period fiscal years 1992 through 1994.

Scope and Methodology

We obtained information for this report from the Department of State and DOD, the U.S. Agency for International Development, EXIM, the Department of Agriculture, and the U.S. Information Agency in Washington, D.C. We conducted our review between December 1994 and February 1995. We did not verify the information provided by the various agencies. We also did not obtain written agency comments on a draft of this report. We presented the data as provided by agency officials.

Unless you release its contents earlier, we plan no further distribution of this report until 10 days after its issuance. At that time, we will send copies of the report to the Secretaries of Agriculture, Defense, and State; and the Administrator, the U.S. Agency for International Development; the Director, U.S. Information Agency; and the President, Export-Import Bank. We will also provide copies to others on request.

If you or your staff have any questions, I can be reached on (202) 512-4128. Major contributors are Andres Ramirez and Ronald D. Hughes.



Joseph E. Kelley
Director-in-Charge
International Affairs Issues

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Abbreviations

ASHA	American Schools and Hospitals Abroad
CFE	Conventional Forces In Europe
DOD	Department of Defense
EDA	Excess Defense Article
ESF	Economic Support Fund
EXIM	Export-Import Bank
FMF	Foreign Military Financing
FMS	Foreign Military Sales
IMET	International Military Education and Training

U.S. Military and Economic Assistance to Greece (FY 1992-94)

Dollars in millions				
Type of AID	Fiscal Year 1992	Fiscal Year 1993	Fiscal Year 1994	Total
FMF grant and loans ^a	\$350.0	\$315.0	\$283.5	\$948.5
EDA ^b	33.1	52.6	48.2	133.9
IMET	0.6	0.3	0.1	1.0
CFE transfers ^c				373.0
ASHA program	0.8	0	0.6	1.4
Total	\$384.5	\$367.9	\$332.4	\$1,457.8

^aIn fiscal year 1992, Greece received \$320 million worth of loans and \$30 million in grants. All FMF funds are loans for fiscal years 1993 and 1994. State and DOD personnel stated that grants were discontinued at the end of fiscal year 1992.

^bDOD information indicates that the dollar volume of EDA is based on the current value of equipment.

^cDOD could not provide a dollar value for equipment by fiscal year.

Other Economic Programs in Greece (FY 1992-94)

Dollars in millions				
Transaction	Fiscal Year 1992	Fiscal Year 1993	Fiscal Year 1994	Total
EXIM loans and loan guarantees ^a	\$2.7	\$0	\$0	\$2.7

^aLoan and loan guarantee amounts are based on the value of final commitments.

Other Activities in Greece (FY 1992-94)^a

Dollars in millions				
Source	Fiscal Year 1992	Fiscal Year 1993	Fiscal Year 1994	Total
Military presence				
U.S. military salaries	\$ 50.9	\$33.5	\$24.3	\$108.7
Operations and maintenance	82.9	42.8	33.3	159.0
Family housing operations	2.0	1.8	1.4	5.2
Military construction	0	7.6	0	7.6
Total	\$135.8	\$85.7	\$59.0	\$280.5
Student exchange programs	\$0.6	\$0.6	\$0.7	\$1.9

^aDOD officials could not provide us with specific costs for items such as leases of U.S. bases, local national salaries, local expenditures and contracts, and exercises and U.S. ship visits because they were not readily available in records maintained in DOD headquarters units.

Other Military Programs in Greece (FY 1992-94)

Dollars in millions

Transactions	Fiscal Year 1992	Fiscal Year 1993	Fiscal Year 1994	Total
FMS cash	\$235.3	\$1,328.5	\$ 24.6	\$1,588.4
Military commercial sales	599.0	504.1	157.1	1,260.2
U.S.-leased military equipment	3.2	0	0	3.2
Total	\$837.5	\$1,832.6	\$181.7	\$2,851.8

Equipment Provided to Greece by Fiscal Year and Source

Source	Fiscal Year 1992	Fiscal Year 1993	Fiscal Year 1994	Total
FMF/FMS transfers^a				
Stinger Missile	250	0	0	250
81-MM Mortar	49	0	0	49
UH-1H Helicopter	0	6	24	30
Harpoon Missile	0	18	0	18
Hellfire Missile	0	0	12	12
Commercial sales^b				
Patrol Boat	n/a	n/a	n/a	
M-16 rifle	n/a	n/a	n/a	
Excess defense articles				
A-7E Aircraft	26	0	0	26
A-7K Aircraft	0	0	10	10
C-130B Aircraft	5	0	0	5
AH-1P Helicopter	0	6	9	15
TAH-1P Helicopter	0	2	0	2
SH-2F Helicopter	0	6	0	6
UH-1N Helicopter	0	0	2	2
SM-1 Block V Missile	144	0	0	144
M85 machine gun	100	0	0	100
M240 machine gun	240	0	0	240
M901 TOW Carrier	0	0	80	80
CFE transfer				
M-60A3 Battle Tank	133	179	0	312
M060A1 Battle Tank	359	0	0	359
M-113 Armored Personnel Carrier	150	0	0	150
M-110 Howitzer	72	12	0	84
Lease equipment				
FF 1075 (Troppe)-Ship	1	0	0	1
DDG 24 (Waddell)-Ship	0	1	0	1
Global Positioning System	n/a	n/a	1	1

^aIncludes both FMF and FMS. DOD officials stated that they could not separate the individual items by either FMF or FMS because the data was not readily available.

^bDOD officials could not provide us with the quantities of patrol boats or M-16 rifles. They also stated that in addition to these items other goods and services were also provided.

U.S. Military and Economic Assistance to Turkey (1992-94)

Dollars in millions				
Type of AID	Fiscal Year 1992	Fiscal Year 1993	Fiscal Year 1994	Total
FMF grant and loans ^a	\$500.0	\$450.0	\$405.0	\$1,355.0
EDA ^b	48.4	116.0	23.0	187.4
IMET	3.4	3.1	1.0	7.5
CFE transfers ^c				567.0
ESF	1.0	200.0	120.0	321.0
International narcotics program	0.3	0.4	0.4	1.1
Disaster aid	0.4	0	0	0.4
ASHA	1.2	0.7	0.1	2.0
Total	\$554.7	\$770.2	\$549.5	\$2,441.4

^aIn fiscal year 1992, Turkey received \$25 million worth of loans and \$475 million in grants. All FMF funds are loans for fiscal years 1993 and 1994.

^bDOD information indicates that the dollar volume of EDA is based on the current value of equipment.

^cDOD officials could not provide dollar value of CFE equipment by fiscal year.

Other Economic Programs in Turkey (FY 1992-94)

Dollars in millions				
Transaction	Fiscal Year 1992	Fiscal Year 1993	Fiscal Year 1994	Total
EXIM loans and loan guarantees ^a	\$148.8	\$73.4	\$27.3	\$249.5
Commodity Credit Corporation loans ^b	21.4	38.1	25.8	85.3
Total	\$170.2	\$111.5	\$53.1	\$334.8

^aLoan and loan guarantee amounts are based on the value of final commitments.

^bLoans are based on the value of the registered exports.

Other Activities in Turkey (FY 1992-94)

Dollars in millions				
Source	Fiscal Year 1992	Fiscal Year 1993	Fiscal Year 1994	Total
Military presence				
U.S. military salaries	\$170.9	\$147.8	\$138.7	\$457.4
Operations and maintenance	198.2	230.1	131.9	560.2
Family housing operations	12.2	11.3	12.3	35.8
Military construction	0.4	0	2.4	2.8
Total	\$381.7	\$389.2	\$285.3	\$1,056.2
Student exchange programs	1.5	1.5	1.5	4.5

Other Military Programs in Turkey (FY 1992-94)

Dollars in millions

Transaction	Fiscal Year 1992	Fiscal Year 1993	Fiscal Year 1994	Total
FMS cash	\$1,328.7	\$ 280.1	\$1,789.2	\$3,398.0
Commercial military sales	661.1	2,064.4	607.5	3,333.0
U.S.-leased military equipment	0	14.5	0	14.5
Total	\$1,989.8	\$2,359.0	\$2,396.7	\$6,745.5

Equipment Provided to Turkey by Fiscal Year and Source

Source	Fiscal Year 1992	Fiscal Year 1993	Fiscal Year 1994	Total
FMF/FMS transfers ^a				
F-16C Aircraft	22	16	24	62
F-16D Aircraft	0	8	3	11
UH-1H Helicopter	0	15	0	15
Maverick Missile	26	0	0	26
Seasparrow Missile	20	0	0	20
TOW Missile	10	10	0	20
Harpoon Missile	0	4	10	14
Sparrow Missile	0	36	0	36
Stinger Missile	0	12	0	12
Commercial sales ^b				
M-16 rifle	n/a	n/a	n/a	
Excess defense articles				
C-130 Aircraft	2	0	2	4
O-2 Aircraft	6	0	0	6
T-38 Aircraft	40	0	0	40
KC-135 Tanker Aircraft	0	0	10	10
AH-1P Helicopter	22	27	0	49
TAH-1P Helicopter	0	4	0	4
SH-2F Helicopter	0	0	14	14
M85 machine gun	0	822	110	932
M421A1 Duster Artillery	0	37	0	37
CPE transfer				
M-60A3 Battle Tank	493	175	0	668
M-60A1 Battle Tank	84	190	0	274
M-133 Armored Personnel Carrier	189	61	0	250
M-110 Howitzer	69	3	0	72
Lease equipment				
KG-40 Parallel Units	1	1	0	2
M85 machine guns	0	1	0	1
FF-1093 (Capodanno)- Ship	0	1	0	1
FF-1076 (Fanning)- Ship	0	1	0	1
FF-1063 (Reasoner)-Ship	0	1	0	1

(continued)

**Appendix X
Equipment Provided to Turkey by Fiscal
Year and Source**

Source	Fiscal Year 1992	Fiscal Year 1993	Fiscal Year 1994	Total
FF-1092 (Thomas C. Hert)-Ship	0	1	0	1
Global Positioning System	0	1	0	1

^aIncludes equipment from U.S. FMF and FMS cash. DOD officials stated that they could not separate the individual items by either FMF or FMS because data was not readily available.

^bDOD officials could not provide us with the quantity of M-16 rifles provided. In addition to the M-16 rifles, commercial transfers during fiscal years 1992 and 1993 consisted primarily of support, equipment, spare parts, and support services. According to DOD, there were no commercial sales of any other major equipment during fiscal year 1994.

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