

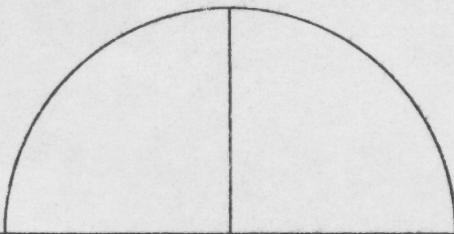
**The original documents are located in Box 22, folder “Security Assistance and Arms Export Control Act (2)” of the Loen and Leppert Files at the Gerald R. Ford Presidential Library.**

### **Copyright Notice**

The copyright law of the United States (Title 17, United States Code) governs the making of photocopies or other reproductions of copyrighted material. Gerald Ford donated to the United States of America his copyrights in all of his unpublished writings in National Archives collections. Works prepared by U.S. Government employees as part of their official duties are in the public domain. The copyrights to materials written by other individuals or organizations are presumed to remain with them. If you think any of the information displayed in the PDF is subject to a valid copyright claim, please contact the Gerald R. Ford Presidential Library.

Oct. 1975

File

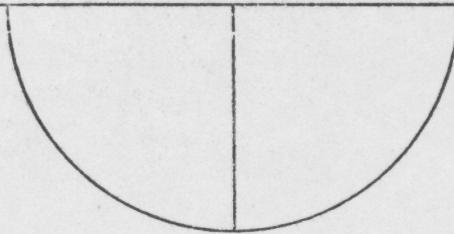


# SECURITY ASSISTANCE PROGRAM

(INTERIM SUMMARY)

## Congressional Presentation

# FY 1976



UNCLASSIFIED

## CONTENTS

	PAGE
INTRODUCTION .....	1-2
SUMMARY TABLES .....	3-6
COUNTRY PROGRAMS:	
<u>AFRICA</u>	
Ethiopia .....	7
Kenya .....	8
Liberia .....	9
Zaire .....	10
 <u>LATIN AMERICA</u>	
Argentina .....	11
Bolivia .....	12
Brazil .....	13
Colombia .....	14
Dominican Republic .....	15
Ecuador .....	16
El Salvador .....	17
Guatemala .....	18
Honduras .....	19
Mexico .....	20
Nicaragua .....	21
Panama .....	22
Paraguay .....	23
Peru .....	24
Uruguay .....	25
Venezuela .....	26
 <u>EAST ASIA</u>	
China .....	27
Indonesia .....	28
Korea .....	29
Malaysia .....	30
Philippines .....	31
Thailand .....	32-33
 <u>EUROPE</u>	
Greece .....	34
Portugal .....	35
Turkey .....	36

NEAR EAST-SOUTH ASIA

Israel .....	37
Jordan .....	38
Lebanon .....	39
Morocco .....	40
Tunisia .....	41
Yemen .....	42

## INTRODUCTION

As President Ford has observed, we live in an interdependent world, one in which past distinctions between domestic and international policies, development and security objectives, and social and political problems are no longer valid. We also live in a world where the United States continues to play an important role in shaping forces and influencing events. This role, in the wake of our painful recent experience in Indochina, can be passive or it can be positive; it can be uncertain or it can be guided by resiliency of spirit and firmness of purpose. The decision is ours to make; it is a choice that will have far-reaching consequences precisely because we do live in an interdependent world, and because its problems and realities cannot be ignored.

Nothing so clearly and concretely demonstrates our capacity to find alternatives to war than the recent agreement on the Sinai. This agreement marks the continuation of a process of compromise in the Middle East, based not on the exhaustions of conflict but on shared interest in finding the pathway to lasting peace. For our part, through the security assistance program presented for fiscal year 1976, we are demonstrating our commitment to Israel's survival and security, while establishing the foundations for stability and a durable peace in the region. At the same time, with our proposed programs of assistance to Egypt, Jordan, and Syria, the United States is making clear its support for the economic well-being of these countries, and our desire to assist in their growth and development.

Security assistance remains an important instrument of our foreign policy for several reasons. While we are no longer directly engaged in war, we know that peace cannot be taken for granted. We know also that restraint and moderation in international affairs can only be assured if nations have the means and the will to defend themselves. Finally, many nations continue to look to us for the resources, goods, services, and know-how they deem essential for the protection of both their sovereign rights and their territorial integrity. They expect from this country steadfastness of policy and constancy of purpose in terms of their ongoing ties with the United States. The security assistance program is a symbol of this relationship.

The President has recommended a revision of Section 514 of the Foreign Assistance Act in order to provide more flexibility and more efficiency in planning to provide war reserve materiel for friendly and allied nations. The full support of the Congress on this revision is sought.

The Congress may also wish to consider at this time a basic change that has been proposed by the President with respect to military education and training. He has recommended the establishment of a separate Foreign Military

Training Program for FY 1976 and subsequent fiscal years. This change has been made in recognition of the unique and lasting benefits which accrue to the United States from the training of foreign military personnel, and the need to ensure their continuing accrual as an independent and highly productive form of security assistance. The establishment of a separate program will also more clearly identify its cost, objectives and impact as an instrument of national security and foreign policy. Funds required to support the program will no longer be included in the MAP budget estimate, but are requested separately under the authority of the proposed new Chapter 7 of the Foreign Assistance Act. Specific proposals for training programs are contained in the following country-by-country assessments and in the footnotes to the summary table.

Recent progress in Middle East peace negotiations also has made it possible to present complete proposals for a Security Supporting Assistance program and a related Middle East Special Requirements Fund. As evidenced by the table on page 6, a major portion of the Supporting Assistance program focuses on this vital region; however, adequate provision has been made for the urgent needs of several friendly nations in the Mediterranean and one in Africa. Detailed information concerning specific program objectives and implementation plans is being provided in a separate, supplementary Congressional Presentation Document.

SUMMARY TABLES

SECURITY ASSISTANCE PROGRAM LEVELS  
(\$ Millions)

FY 1976

	GRANT MAP	TRAINING	FMS CREDIT
EA	142.2	8.0	298.2
REP. OF CHINA	0.9 <sup>B/</sup>	0.5	80.0
INDONESIA	19.4	2.0	23.1
KOREA	74.0	2.5	126.0
MALAYSIA	-	0.3	15.0
PHILIPPINES	19.6	0.6	17.4
THAILAND	28.3	1.7	36.7
TRAINING ONLY	-	0.4	-
NEA	101.7	3.5	1625.0
ISRAEL	-	-	1500.0
JORDAN	100.0	0.8	75.0
LEBANON	-	0.2	5.0
MOROCCO	-	0.8	30.0
TUNISIA	0.2 <sup>B/</sup>	0.4	15.0
YEMEN	1.5	0.5	-
TRAINING ONLY <sup>1/</sup>	-	0.8	-
EUR	125.3	3.7	240.0
GREECE	50.0	0.8	110.0
PORTUGAL	0.3	1.0	-
TURKEY	75.0	1.8	130.0
TRAINING ONLY <sup>2/</sup>	-	0.1	-
AF	11.7	2.5	31.5
ETHIOPIA	11.7	0.9	10.0
KENYA	-	1.0	2.0
LIBERIA	-	0.1	0.5
ZAIRE	-	0.4	19.0
TRAINING ONLY <sup>3/</sup>	-	0.1	-

	GRANT MAP	F Y 1976 TRAINING	FMS CREDIT
ARA	4.6	11.4	180.0
ARGENTINA	-	0.9	34.0
BOLIVIA	2.2	0.7	6.0
BRAZIL	-	1.1	60.0
COLOMBIA	-	0.8	16.0
DOMINICAN REP.	0.2	0.7	1.0
ECUADOR	-	1.0	10.0
EL SALVADOR	0.3	0.8	2.5
GUATEMALA	0.2	0.4	1.5
HONDURAS	0.3	0.8	2.5
MEXICO	-	0.1	5.0
NICARAGUA	0.2	0.8	2.5
PANAMA	0.2	0.4	-
PARAGUAY	0.4	0.4	0.5
PERU	-	0.9	20.0
URUGUAY	0.6	0.5	2.5
VENEZUELA	-	0.8	16.0
TRAINING ONLY 4/	-	0.2	-
GENERAL COSTS	37.1	0.2	-
		-	-

	GRANT MAP	FY 1976	
		TRAINING	FMS CREDIT
TOTAL PROGRAM	422.6	29.3	2374.7
FINANCING	-28.3	-	-1534.7
BUDGET AUTHORITY	394.3	29.3	840.0
DRAWDOWN PAYBACK	323.9	-	-
APPROPRIATION	718.2	29.3	840.0

NOTES: A/ MAP figures include supply operations costs.

B/ Indicates FY 1976 MAP programs consisting of supply operations costs only.

\* Indicates amount less than \$50 thousand. (see following country pages)

Training-only Programs (Individual country pages omitted from following text):

<u>1/</u> AFGHANISTAN	<u>FY 1976</u>	<u>2/</u> AUSTRIA	<u>FY 1976</u>
INDIA	.200	FINLAND	.025
NEPAL	.035		.025
PAKISTAN	.350	<u>3/</u> GHANA	.100
SRI LANKA	.015	SENEGAL	.035
		<u>4/</u> HAITI	.200

SECURITY SUPPORTING ASSISTANCE

(\$ MILLIONS)

	<u>FY 1976</u>
BAHRAIN	.6
CYPRUS	25.0
EGYPT	750.0
GREECE	65.0
ISRAEL	740.0
JORDAN	77.5
MALTA	9.5
PORTUGAL	55.0
SYRIA	90.0
ZAIRE	22.75
UNFICYP	9.6
OPERATING EXPENSES	22.6
TOTALS	<u>1867.55</u>
MIDDLE EAST	
SPECIAL REQUIREMENTS FUND	50.0
(U.S. SINAI SUPPORT MISSION)	(20.0)
(GRANTS TO WEST BANK PVOs)	( 2.0)
(EGYPTIAN EARLY WARNING SYSTEM)	(13.0)
(OTHER SPECIAL REQUIREMENTS)	(15.0)

SECURITY ASSISTANCE PROGRAM

ETHIOPIA  
(\$ Million)

<u>Category</u>	<u>Actual FY 1974 Program</u>	<u>Actual FY 1975 Program</u>	<u>Proposed FY 1976 Program</u>
Military Assistance <sup>a</sup> Program (MAP)	11.6	11.7	11.7
Foreign Military Training Program	0.8	0.8	0.9
Foreign Military Sales Credits	11.0	25.0	10.0

Objectives

Ethiopia is strategically located at the mouth of the Red Sea on the southern approach to the Suez Canal, and near the shipping lanes from the Persian Gulf area. The residual U.S. communication functions being performed at Kagnew are also of continued importance.

Internally, the insurgency in Eritrea persists as a major disruptive problem for the new government. Also, the quantitative superiority of military equipment provided by the Soviet Union to neighboring African states heightens Ethiopia's desire to modernize its armed forces. Ethiopia depends on the United States for the military equipment and training it needs to sustain forces capable of maintaining internal security and to develop a credible defense posture. The U.S. security assistance program, a mix of grant materiel, training and FMS credit, is designed to respond to Ethiopia's valid and genuine requirements. The proposed program will serve to continue favorable bilateral relations with the new government and to contribute to a lessening of tensions stemming from the arms imbalance in the region.

SECURITY ASSISTANCE PROGRAM

KENYA  
(\$ Million)

<u>Category</u>	<u>Actual FY 1974 Program</u>	<u>Actual FY 1975 Program</u>	<u>Proposed FY 1976 Program</u>
Military Assistance <sup>a</sup> Program (MAP)	-	-	-
Foreign Military Training Program	-	*	1.0
Foreign Military Sales Credits	-	5.0	2.0

Objectives

Kenya is strategically located on the Indian Ocean, and it permits periodic refueling of the U.S. Navy ships transiting the area.

In light of a recognized need to improve its limited defensive capability because of growing arms imbalances and political instability in the region, Kenya has turned to the United States for assistance. The proposed U.S. security assistance program consists of FMS credit and grant training designed to help improve Kenya's defensive posture, and to promote continued favorable bilateral relations.

SECURITY ASSISTANCE PROGRAM

LIBERIA  
(\$ Million)

<u>Category</u>	<u>Actual FY 1974 Program</u>	<u>Actual FY 1975 Program</u>	<u>Proposed FY 1976 Program</u>
Military Assistance <sup>a</sup> Program (MAP)	*	-	-
Foreign Military Training Program	0.1	0.1	0.1
Foreign Military Sales Credits	-	1.8	0.5

Objectives

Liberia has had a long historical association with the United States. Its natural resources, moderating influence in Africa, and continuing willingness to provide the United States with certain operating rights and facilities contribute to regional stability. Liberia has permitted the United States to operate communication facilities, and is participating with the United States in the establishment and operation of an Omega navigational station.

Security assistance proposed for Liberia includes FMS credit and grant training only. The limited program will permit the Liberians to improve the quality and effectiveness of their modest military capability to maintain internal security, and assist the armed forces in their very promising civic action projects. In addition, the program will promote continued favorable bilateral relations.

SECURITY ASSISTANCE PROGRAM

ZAIRE  
(\$ Million)

<u>Category</u>	<u>Actual FY 1974 Program</u>	<u>Actual FY 1975 Program</u>	<u>Proposed FY 1976 Program</u>
Military Assistance <sup>a</sup> Program (MAP)	-	-	-
Foreign Military Training Program	0.4	0.3	0.4
Foreign Military Sales Credits	3.5	3.5	19.0

Objectives

Zaire continues to attempt recovery from the political, social, and economic chaos of the early post-independence years. Its assets include vast copper resources, as well as important deposits of cobalt and industrial diamonds.

Zaire has now turned toward modernization of its armed forces and has requested assistance from the United States. The proposed security assistance program, consisting of FMS credit and limited grant training, is designed to respond to some of Zaire's legitimate requirements over a period of time. Besides contributing to the improvement of Zaire's defensive capability, the program will also facilitate the structuring of a security force with a capability for maintaining the internal security.

SECURITY ASSISTANCE PROGRAM

ARGENTINA  
(\$ Million)

<u>Category</u>	<u>Actual</u> <u>FY 1974</u> <u>Program</u>	<u>Actual</u> <u>FY 1975</u> <u>Program</u>	<u>Proposed</u> <u>FY 1976</u> <u>Program</u>
Military Assistance <sup>a</sup> Program (MAP)	*	-	-
Foreign Military Training Program	0.5	0.1	0.9
Foreign Military Sales Credits	22.5	30.0	34.0

Objectives

Argentina is the second largest South American country in both area and population. These resources of people and land and the productive potential which they represent, are growing in significance. Because of its geographic location, Argentina is important to stability in the Southern Hemisphere. Argentina shares with Chile a strategic position on the passages between the South Atlantic and Pacific Oceans, and the Argentine Navy has a growing capability for participating in sea control in the South Atlantic and Cape Horn passages. Her active interest in Antarctica will lead Argentina to play a major role in any future developments there. These factors, coupled with the status of Argentina's economic, scientific and technical development will probably increase her influence in Latin American and international affairs. Argentina continues to play a major role in the shaping of hemispheric policy and in exerting hemispheric influences in international forums.

Since the phaseout of the grant materiel program in FY 1968, Argentina has purchased through U.S. Foreign Military Sales the equipment needed to support its modest and selective force modernization efforts. Proposed grant assistance is limited to a small military training program which is designed to respond to Argentine Armed Forces' need for selected skills required to enhance their force modernization program and increase their military professionalism. The Foreign Military Sales credit proposed for Argentina will facilitate its acquisition of equipment needed to enhance internal security capabilities and improve its ability to share with the United States and other Latin American countries in meeting the defense requirements of the hemisphere.

SECURITY ASSISTANCE PROGRAM

BOLIVIA  
(\$ Million)

<u>Category</u>	<u>Actual FY 1974 Program</u>	<u>Actual FY 1975 Program</u>	<u>Proposed FY 1976 Program</u>
Military Assistance <sup>a</sup> Program (MAP)	2.7	2.5	2.2
Foreign Military Training Program	0.5	0.7	0.7
Foreign Military Sales Credits	4.0	4.0	6.0

Objectives

Bolivia, the poorest country in South America, is land-locked and shares common borders with five other countries. It has large reserves of strategic minerals, and recently has begun exporting oil and natural gas. Security assistance enhances U.S. access to these resources.

Bolivia is at the threshold of a planned transition from a grant materiel program to equipment acquisition through Foreign Military Sales. This transition is made possible by internal stability and Bolivian government programs directed toward economic and social development. The success of this transition will depend, in large measure, upon the capability of professionally trained and properly equipped armed forces to sustain the stable government requisite for nation building. Providing basic equipment on a grant basis for key internal security military units is considered essential to the modernization of Bolivian security forces. Concurrently, offering sufficient Foreign Military Sales credit will enable the Government of Bolivia to purchase modest amounts of equipment for other force modernization, such as military transport aircraft. Grant training will help to develop skills necessary for proper utilization of equipment provided and contribute to increased professionalism within Bolivian Armed Forces.

SECURITY ASSISTANCE PROGRAM

BRAZIL  
(\$ Million)

<u>Category</u>	<u>Actual FY 1974 Program</u>	<u>Actual FY 1975 Program</u>	<u>Proposed FY 1976 Program</u>
Military Assistance <sup>a</sup> Program (MAP)	0.2	-	-
Foreign Military Training Program	0.7	0.9	1.1
Foreign Military Sales Credits	51.7	60.0	60.0

Objectives

The strategic importance of Brazil results from its geographic position, its increasing role in Latin American and world affairs, its potential as a future world power, and its growing ability to participate with the U.S. and its allies in contingency operations requiring international cooperation. Brazil occupies half the continent's land mass, maintains common borders with all but two South American countries, has a fast growing population, and possesses major untapped natural resources. It is only 1,700 miles from the African continent, and its 4,900-mile Atlantic coastline is adjacent to vital shipping lanes around South America and to Africa and the Middle East. This geographic position makes the availability of bases, facilities, and transit rights within Brazil important to the United States. Brazilian air bases, seaport facilities and ASW and surveillance capabilities are valuable strategic assets in terms of operation and maintenance of friendly lines of communication in the Southern Hemisphere.

Traditionally friendly military-to-military ties between Brazil and the U.S. predate World War II. The current stability of the Brazilian Government and the country's economic momentum make Brazil an increasingly important and mature partner of the United States in both regional and international affairs. Continued emphasis on cooperative security relationships will help to sustain that partnership.

Since termination of U.S. materiel grant aid in 1968, Brazil has acquired its military equipment through cash and credit purchases, both from the U.S. and third countries. It is determined to modernize its armed forces and prefers U.S. equipment. These factors, plus location and resources, make Brazil a most valuable ally of the U.S.

Security assistance proposed for Brazil, which includes both Foreign Military Sales credit and grant aid training, will help to advance the modernization of its armed forces and enhance their professionalism.

SECURITY ASSISTANCE PROGRAM

COLOMBIA  
(\$ Million)

<u>Category</u>	<u>Actual FY 1974 Program</u>	<u>Actual FY 1975 Program</u>	<u>Proposed FY 1976 Program</u>
Military Assistance Program (MAP) <sup>a</sup>	*	-	-
Foreign Military Training Program	0.5	0.7	0.8
Foreign Military Sales Credits	-	-	16.0

Objectives

The Colombian Armed Forces have had a close relationship with the U.S. military that dates back to the pre-World War II period. Bilateral cooperation was enhanced during the United Nations effort in Korea, to which Colombia contributed units. Colombia has embarked on a military modernization program and requests U.S. assistance and cooperation in integrating modern concepts and equipment into its defense establishment. A modest grant aid training program and offers of FMS credit help to advance the modernization of the Colombian Armed Forces, including improvement of their capability to maintain internal security and to perform civic action projects.

Maintaining a favorable military relationship with Colombia is strategically important because of Colombia's geographic proximity to the Panama Canal Zone and the United States. More important is the constructive role that the Colombian military has played in the development of Colombia's democratic system during the 60's and 70's. The present period of stability in Colombia has permitted the achievement of economic growth and social progress, and the Colombian military has contributed significantly to this effort.

SECURITY ASSISTANCE PROGRAM

DOMINICAN REPUBLIC  
(\$ Million)

<u>Category</u>	<u>Actual FY 1974 Program</u>	<u>Actual FY 1975 Program</u>	<u>Proposed FY 1976 Program</u>
Military Assistance Program (MAP) <sup>a</sup>	0.3	0.6	0.2
Foreign Military Training Program	0.5	0.5	0.7
Foreign Military Sales Credits	-	0.5	1.0

Objectives

The United States has had long-standing political, economic and cultural ties with the Dominican Republic. The country is a substantial and reliable source of sugar and strategic ore, specifically ferro-nickel. It has demonstrated a favorable attitude toward the United States and has tended to support U.S. positions in international forums. Strategically located, the Dominican Republic borders on important sea lanes leading to the Panama Canal. The security assistance program, by providing items of equipment in support of military and civic action units, has as its objectives the maintenance of friendly relations with the Dominican Republic and the continued orderly and peaceful evolution of the Dominican development process. The proposed modest FMS credit program will facilitate the phase-out of grant materiel by the end of FY 1978.

SECURITY ASSISTANCE PROGRAM

ECUADOR  
(\$ Million)

<u>Category</u>	<u>Actual FY 1974 Program</u>	<u>Actual FY 1975 Program</u>	<u>Proposed FY 1976 Program</u>
Military Assistance Program (MAP) <sup>a</sup>	*	-	-
Foreign Military Training Program	-	0.4	1.0
Foreign Military Sales Credits	-	-	10.0

Objectives

Ecuador has natural gas reserves and significant petroleum production. Current and projected revenues from oil sales provide Ecuador with the monetary resources to purchase military equipment and most of its purchases will be on a cash basis.

Ecuador is in the process of modernizing its armed forces; and although the Government of Ecuador has delayed major arms acquisitions because of periodic U.S. suspensions of assistance, U.S. equipment continues to be preferred.

FMS credit and grant military training will assist Ecuador in its modernization efforts, will satisfy the minimum essential training needs to develop a cadre of technicians, and will enhance favorable military relations.

SECURITY ASSISTANCE PROGRAM

EL SALVADOR  
(\$ Million)

<u>Category</u>	<u>Actual FY 1974 Program</u>	<u>Actual FY 1975 Program</u>	<u>Proposed FY 1976 Program</u>
Military Assistance Program (MAP) <sup>a</sup>	0.1	0.7	0.3
Foreign Military Training Program	0.4	0.5	0.8
Foreign Military Sales Credits	0.5	3.0	2.5

Objectives

Consistent with U.S. security assistance proposed for other Central American countries, a small security assistance program for El Salvador serves to enhance U.S. military influence. The program is designed to facilitate an orderly transition from grant aid materiel to procurement through FMS purchases by the end of FY 1978. FMS purchases of materiel needed for gradual force improvement and to replace worn-out equipment are planned as a means of preserving a military supply relationship with the United States after the transition.

The proposed grant aid training program will provide for training requirements which El Salvador cannot satisfy from its own limited resources.

SECURITY ASSISTANCE PROGRAM

GUATEMALA  
(\$ Million)

<u>Category</u>	<u>Actual FY 1974 Program</u>	<u>Actual FY 1975 Program</u>	<u>Proposed FY 1976 Program</u>
Military Assistance <sup>a</sup> Program (MAP)	0.4	0.2	0.2
Foreign Military Training Program	0.5	0.4	0.4
Foreign Military Sales Credits	-	2.3	1.5

Objectives

Consistent with U.S. security assistance proposed for other Central American countries, a small program for Guatemala is designed to meet modest equipment and training requests from its armed forces and to facilitate an orderly transition from grant aid materiel to procurement through FMS purchases at least by the end of FY 1978. This small program and the complementary military training program are directed toward improving the logistics and maintenance base and supporting Guatemalan civic action efforts. FMS purchases of materiel for gradual force improvement and replacement of worn-out inventory are planned and will be the basis for a continuing military supply relationship with the United States after the transition.

SECURITY ASSISTANCE PROGRAM

HONDURAS  
(\$ Million)

<u>Category</u>	<u>Actual FY 1974 Program</u>	<u>Actual FY 1975 Program</u>	<u>Proposed FY 1976 Program</u>
Military Assistance Program (MAP) <sup>a</sup>	0.2	0.4	0.3
Foreign Military Training Program	0.5	0.8	0.8
Foreign Military Sales Credits	-	3.0	2.5

Objectives

As in the case of other Central American nations, the program proposed for Honduras is designed to facilitate an orderly transition from grant aid materiel to procurement through FMS purchases by the end of FY 1978. Grant aid training is directed toward those areas in which there is no in-country capability. FMS purchases are planned to support normal force improvement, with emphasis on civic action capabilities, and to replace obsolete equipment.

SECURITY ASSISTANCE PROGRAM

MEXICO  
(\$ Million)

<u>Category</u>	<u>Actual FY 1974 Program</u>	<u>Actual FY 1975 Program</u>	<u>Proposed FY 1976 Program</u>
Military Assistance <sup>a</sup> Program (MAP)	-	-	-
Foreign Military Training Program	*	0.1	0.1
Foreign Military Sales Credits	-	-	5.0

Objectives

Mexico has special significance as a contiguous country with which the United States has close historical and cultural ties. Its littoral lies along important Pacific and Atlantic lines of communication between the United States and Central and South America.

The modest grant training program proposed for Mexico is consistent with Government of Mexico desires. The U.S. offers of FMS credit are designed to provide limited financing for meeting possible Mexican military modernization requirements. These programs further enhance already close bilateral ties with Mexico.

SECURITY ASSISTANCE PROGRAM

NICARAGUA  
(\$ Million)

<u>Category</u>	<u>Actual FY 1974 Program</u>	<u>Actual FY 1975 Program</u>	<u>Proposed FY 1976 Program</u>
Military Assistance <sup>a</sup> Program (MAP)	0.5	0.4	0.2
Foreign Military Training Program	0.4	0.7	0.8
Foreign Military Sales Credits	-	3.0	2.5

Objectives

Consistent with U.S. security assistance proposed for other Central American countries, the United States provides a modest amount of security assistance to Nicaragua. The program is designed to permit an orderly transition from grant materiel assistance to Foreign Military Sales by the end of FY 1978. Such sales will assist Nicaragua in its gradual force modernization program and in replacement of obsolete equipment. Emphasis will continue to be focused on the support of Nicaraguan military units engaged in continuing efforts toward recovery from the 1972 earthquake and in other internal development efforts. The small U.S. military training program will provide training in those areas where it is not economically feasible for Nicaragua to establish an in-country training capability.

SECURITY ASSISTANCE PROGRAM

PANAMA  
(\$ Million)

<u>Category</u>	<u>Actual FY 1974 Program</u>	<u>Actual FY 1975 Program</u>	<u>Proposed FY 1976 Program</u>
Military Assistance <sup>a</sup> Program (MAP)	0.2	0.2	0.2
Foreign Military Training Program	0.3	0.3	0.4
Foreign Military Sales Credits	-	-	-

Objectives

The Panama Canal and the facilities for its operation require a special relationship between the United States and Panama. This relationship provides the basis on which the United States offers Panama modest security assistance. Such assistance contributes to the capability of Panamanian military security units to maintain internal stability inasmuch as those functions contribute to the operation and security of the Canal. The small grant materiel program is designed to facilitate transition to FMS purchases. Should current negotiations result in ratification of a new Panama Canal Treaty, the existing relationship with the Government of Panama would be modified and this could have implications for the future of our security assistance program.

SECURITY ASSISTANCE PROGRAM

PARAGUAY  
(\$ Million)

<u>Category</u>	<u>Actual</u> <u>FY 1974</u> <u>Program</u>	<u>Actual</u> <u>FY 1975</u> <u>Program</u>	<u>Proposed</u> <u>FY 1976</u> <u>Program</u>
Military Assistance <sup>a</sup> Program (MAP)	0.9	0.7	0.4
Foreign Military Training Program	0.2	0.3	0.4
Foreign Military Sales Credits	-	0.5	0.5

Objectives

Paraguay continues support of U.S. positions in regional and international forums. The modest amount of security assistance proposed for Paraguay is designed to sustain internal security capabilities and to assist in Paraguay's efforts to develop the country through civic action projects. The ability of the Government of Paraguay to fund these requirements from its own resources will continue to be limited until the economic benefits of major hydroelectric projects under construction, in cooperation with neighbor countries, begin to be realized.

The security assistance program proposed for Paraguay is directed toward providing sufficient heavy construction equipment for the engineer battalions which are extending and improving Paraguay's limited highway network; maintaining Paraguay's air transport squadron for logistic support of the country's undeveloped Chaco region; and providing modest support for the Paraguayan Navy civic action projects along the country's rivers. Grant training is proposed to sustain the cadre of qualified technicians, and to enhance professionalism in the small Paraguayan Armed Forces.

SECURITY ASSISTANCE PROGRAM

PERU  
(\$ Million)

<u>Category</u>	<u>Actual FY 1974 Program</u>	<u>Actual FY 1975 Program</u>	<u>Proposed FY 1976 Program</u>
Military Assistance <sup>a</sup> Program (MAP)	*	-	-
Foreign Military Training Program	1.0	0.9	0.9
Foreign Military Sales Credits	15.0	20.5	20.0

Objectives

Peru's strategic importance is derived from its long coastline bordering Pacific sea lanes, its regional political influence and its potential for export of various resources.

The Peruvian Armed Forces participate in the grant military training program. In 1974, for the first time in recent years, the Peruvian Government entered into a Foreign Military Sales credit arrangement with the U.S. Government for the purchase of modern military equipment. Grant materiel assistance to Peru was phased out in 1968.

Since the mid-1960's Peru has undertaken a long-term effort to modernize its armed forces. Peru is expanding its purchases of military hardware to develop a viable defense capability. Unable for several years to procure specific items from the United States, Peru shifted its purchases of military hardware away from the United States, securing aircraft, ships and other large items from Western European sources and, more recently, the Soviet Union. This diversification of supply sources mirrors certain aspects of Peruvian foreign policy and also reflects the influence of recent bilateral disputes with the U.S.

Security assistance proposed for Peru includes FMS credit and a modest grant military training program. It will maintain cooperative military relationships with Peru and respond to valid Peruvian military equipment requests.

Peru has undergone a change in leadership recently that will not substantially affect the security assistance program or U.S.-Peruvian relations.

SECURITY ASSISTANCE PROGRAM

URUGUAY  
(\$ Million)

<u>Category</u>	<u>Actual FY 1974 Program</u>	<u>Actual FY 1975 Program</u>	<u>Proposed FY 1976 Program</u>
Military Assistance <sup>a</sup> Program (MAP)	0.7	1.1	0.6
Foreign Military Training Program	0.3	0.4	0.5
Foreign Military Sales Credits	2.0	7.5	2.5

Objectives

Uruguay has been adversely affected in recent years by the combination of mounting economic problems and a major threat to internal security by externally supported insurgent elements. Past security assistance provided to Uruguay helped the Uruguayan Government to bring the insurgency under control, although the potential for increased extremist activities remains. Emphasis on internal security requirements and economic problems have limited the country's recovery capabilities.

Security assistance proposed for Uruguay is intended to sustain the capability of the Uruguayan Armed Forces to control insurgency, and to participate in civic action projects, by providing spare parts and replacement equipment essential to these functions. The Foreign Military Sales credit proposed is in support of important modernization programs required to sustain the viability of the Uruguayan Armed Forces. The total security assistance program is formulated to facilitate an orderly transition from MAP grant aid to FMS.

SECURITY ASSISTANCE PROGRAM

VENEZUELA  
(\$ Million)

<u>Category</u>	<u>Actual</u> <u>FY 1974</u> <u>Program</u>	<u>Actual</u> <u>FY 1975</u> <u>Program</u>	<u>Proposed</u> <u>FY 1976</u> <u>Program</u>
Military Assistance <sup>a</sup> Program (MAP)	-	-	-
Foreign Military Training Program	0.9	0.7	0.8
Foreign Military Sales Credits	7.5	-	16.0

Objectives

Venezuela is a major source of U.S. oil imports and is the third largest market for U.S. exports in Latin America. It is a major supplier of iron ore to the United States, and has one of the largest reserves of unexploited petroleum in the hemisphere. Geographically, Venezuela occupies a strategic position on the Caribbean.

Venezuela is in the process of satisfying its long-range military modernization program and desires to acquire most of its equipment from the United States. Security assistance, which includes FMS credit and grant aid military training, enables the United States to respond to reasonable military equipment requests and, through the training program, to help improve Venezuelan logistics, administrative and resource management capabilities. Venezuela's modernization program, with some support by the United States, will strengthen its internal security capability and increase professionalism in its armed forces. These security assistance programs serve to enhance U.S.-Venezuelan military rapport and cooperation. In light of Venezuela's ability to finance military purchases from its own resources, the FMS credit program will be gradually phased down, beginning in FY 1977.

SECURITY ASSISTANCE PROGRAM

CHINA  
( \$ Million )

<u>Category</u>	<u>Actual FY 1974 Program</u>	<u>Actual FY 1975 Program</u>	<u>Proposed FY 1976 Program</u>
Military Assistance <sup>a</sup> Program (MAP)	32.4	2.3	0.9 <sup>b</sup>
Foreign Military Training Program	0.4	0.4	0.5
Foreign Military Sales Credits	60.0	80.0	80.0

Objectives

The objective of security assistance for the Republic of China (ROC) is to support modernization of ROC forces essential to its defense. Within the overall program, continuing emphasis is placed on force improvements with highest priority assigned to air defense and continued development of self-sufficiency.

The Republic of China is no longer a major grant aid recipient but is employing its own resources to support its armed forces -- by way of FMS purchases as well as by commercial purchases from the United States. Grant military assistance, except for training and some residual supply operations costs, was terminated at the end of FY 1974. The FY 1976 and transition quarter MAP is entirely supply operations costs of items funded by MAP in earlier years.

The small continuing grant training program is to provide technical and managerial instruction.

SECURITY ASSISTANCE PROGRAM

INDONESIA  
(\$ Million)

<u>Category</u>	<u>Actual FY 1974 Program</u>	<u>Actual FY 1975 Program</u>	<u>Proposed FY 1976 Program</u>
Military Assistance <sup>a</sup> Program (MAP)	12.3	13.1	19.4
Foreign Military Training Program	1.7	2.8	2.0
Foreign Military Sales Credits	3.5	5.0	23.1

Objectives

Indonesia is a country of great strategic and political importance in Southeast Asia and the Pacific. It lies astride strategic lines of communication between the Western Pacific and the Indian Ocean. From East to West, the more than 3,000 islands of Indonesia extend over a distance of 3,200 miles. It has a rapidly growing population, now over 125 million, and vast undeveloped natural resources. During the past year, Indonesia has begun to realize substantial foreign exchange earnings from oil exports as a result of world-wide price increases. This new income will not, in the short run, substantially increase Indonesia's low per capita GNP or immediately provide for all the country's many economic and security requirements. After a transitional period, Indonesia's requirements for grant security assistance should appreciably decline and Indonesia's capacity for self-sufficiency, including purchase of defense items from abroad, should markedly increase.

The objectives of security assistance to Indonesia have been to provide tangible evidence of US support of the Indonesian government, to contribute to maintenance of friendly Indonesian relations with the United States and Indonesia's non-Communist neighbors, and to provide support for the development of an effective military establishment capable of maintaining internal security and self-defense and of acting as a stabilizing element in the area.

These objectives remain valid. However, in recognition of Indonesia's greater self-reliance and greatly increased income from oil, grant aid will focus on training, technical assistance and modest-value end items needed to fill existing units and enhance Indonesian logistics and management capabilities. FMS credit will be used primarily to meet Indonesia's requirements for major materiel items such as aircraft, ships and armored vehicles. While the program will change in balance, and the grant aid share will diminish over the next several years, the critical importance attached by the United States to the program and to the excellent working relationships between the U.S. and Indonesian military establishments remain.

SECURITY ASSISTANCE PROGRAM

KOREA  
(\$ Million)

<u>Category</u>	<u>Actual FY 1974 Program</u>	<u>Actual FY 1975 Program</u>	<u>Proposed FY 1976 Program</u>
Military Assistance <sup>a</sup> Program (MAP)	92.5	81.2	74.0
Foreign Military Training Program	1.5	1.4	2.5
Foreign Military Sales Credits	56.7	59.0	126.0

Objectives

A modernized, balanced armed force for Korea is essential to provide a credible deterrent to North Korean aggression, and to contribute to regional stability in Northeast Asia. A five year modernization program for the Republic of Korea Armed Forces to enhance the ROK capability to meet this North Korean threat was begun in 1971. While it has been necessary to stretch out this program because of reduced appropriations and competing demands, the goals of the modernization program remain valid. Korea has made wise use of past assistance and is determined to achieve the balanced modern force which both it and the United States consider necessary to preserve the peace.

In the recent past Korea's economy has shown a rapid and sustained growth. While this growth has now slowed because of international economic trends, prospects for future growth are good. Korea has readily accepted increased responsibility for its own defense as its economic resources have expanded. Korea is already moving from reliance on grant assistance to cash and credit purchases under FMS and commercial arrangements. Operations and maintenance costs of the armed forces are now entirely funded by the Korean budget. It can therefore be expected that the Republic of Korea will increase its purchases of defense materiel and that grant aid can be phased down at an appropriate pace with concomitant increases in FMS credit levels.

SECURITY ASSISTANCE PROGRAM

MALAYSIA  
(\$ Million)

<u>Category</u>	<u>Actual</u> <u>FY 1974</u> <u>Program</u>	<u>Actual</u> <u>FY 1975</u> <u>Program</u>	<u>Proposed</u> <u>FY 1976</u> <u>Program</u>
Military Assistance <sup>a</sup> Program (MAP)	-	-	-
Foreign Military Training Program	0.2	0.3	0.3
Foreign Military Sales Credits	18.8	4.7	15.0

Objectives

FMS credit extended to Malaysia during FY 1972-75 was used for the procurement of a squadron of F-5 aircraft. FMS credit of \$17.0 million proposed for FY 1976 will assist Malaysia in purchasing the equipment that it requires, to prosecute its counter-terrorist effort. The equipment contemplated is standard, relatively unsophisticated weaponry which we believe is reasonably tailored to enhance Malaysia's ability to combat insurgent terrorists.

SECURITY ASSISTANCE PROGRAM

PHILIPPINES  
(\$ Million)

<u>Category</u>	<u>Actual FY 1974 Program</u>	<u>Actual FY 1975 Program</u>	<u>Proposed FY 1976 Program</u>
Military Assistance <sup>a</sup> Program (MAP)	15.2	20.5	19.6
Foreign Military Training Program	0.6	0.5	0.6
Foreign Military Sales Credits	8.6	14.0	17.4

Objectives

The major objectives of the military assistance program to the Philippines have been to support development of improved Philippine defense, internal security and anti-smuggling capabilities and to promote increased military self-reliance. This program will continue to be a very important element in the overall security relationship between the United States and the Philippines.

There are strong and unique historic bonds of friendship and interdependence between the United States and the Philippines. The security relationship between the two nations is defined in three major agreements: the 1947 Military Bases Agreement; a Military Assistance Agreement, later revised in 1953; and the 1952 U.S.-Philippine Mutual Defense Treaty. The United States has an important military interest in the Philippines because of its strategic location. The United States maintains a number of military facilities in the Philippines, the most important being Subic Naval Base and Clark Air Force Base.

At the present time, the Armed Forces of the Philippines (AFP) are improving their capabilities for internal security and, simultaneously, striving for greater self-reliance. For the next several years, there will be greater emphasis on meeting Philippine materiel needs through Foreign Military Sales. MAP grant aid will focus on projects which will increase the self-sufficiency of the armed forces in such areas as logistics and management. MAP materiel assistance will concentrate on completing the equipping of high priority army units, and on enhancement of navy and air force lift capability.

SECURITY ASSISTANCE PROGRAM

THAILAND  
(\$ Million)

<u>Category</u>	<u>Actual FY 1974 Program</u>	<u>Actual FY 1975 Program</u>	<u>Proposed FY 1976 Program</u>
Military Assistance <sup>a</sup> Program (MAP)	31.0	28.3	28.3
Foreign Military Training Program	1.5	1.8	1.7
Foreign Military Sales Credits	-	8.0	36.7

Objectives

The United States provides security assistance to Thailand in support of common aims and mutual interests. Thailand continues to be threatened by Communist-inspired and externally-supported insurgency within its borders, and by the presence of Communist military forces and regimes in Indochina.

The U.S. security commitment to Thailand is defined by the terms of the 1954 Manila Pact (SEATO), which has been the basis of successful cooperation between the two countries in mutual security for the past two decades. Countering the Thai insurgent threat is the responsibility of the Thai Government, and U.S. forces stationed in Thailand are not involved. However, U.S. military assistance bolsters Thai defense capabilities and reassures Thailand that the United States continues to value Thailand as an ally, and to honor its mutual security commitments.

A basic objective of the U.S. security assistance program for Thailand has been to encourage greater Thai self-reliance. In recent years, substantial progress has been made towards attainment of this objective. The Royal Thai Armed Forces (RTARF) have acquired considerable capability and skill in many fields of maintenance and logistics, and Thai defense industries are meeting more of the RTARF's basic needs. Thailand also enjoys a relatively favorable foreign exchange situation, and thus is able to purchase a growing share of its defense needs from the United States and other countries.

The military assistance program to Thailand is in the process of substantial modification to reflect this increase in Thai capabilities. The nature of materiel assistance has also changed. Since many of the major materiel

requirements of the RTARF have been satisfied, further assistance will focus on filling out unit Tables of Organization and providing selective modernization of obsolescent items. Grant assistance in the form of operations and maintenance support is also being reduced. Many of the high-value materiel requirements will be proposed for purchase through Foreign Military Sales. Such FMS credit as is extended will provide an interim means of permitting the Thai defense budget to adjust to declining MAP levels.

SECURITY ASSISTANCE PROGRAM

GREECE  
(\$ Million)

<u>Category</u>	<u>Actual FY 1974 Program</u>	<u>Actual FY 1975 Program</u>	<u>Proposed FY 1976 Program</u>
Military Assistance <sup>a</sup> Program (MAP)	-	-	50.0
Foreign Military Training Program	-	-	0.8
Foreign Military Sales Credits	52.5	86.0	110.0

Objectives

Our long-standing security relationship with Greece dates from 1947. Though Greece withdrew its military forces from NATO last year after the Cyprus crisis, Greece continues to be a member of the Alliance and to participate in NATO's military committee, the Nuclear Planning Group and infrastructure committees. Moreover, Greece still remains committed to a policy of close alliance with the West, particularly the United States. Our assistance program is premised on this continuing close relationship, and upon Greece's future return to full participation in the NATO Alliance.

Greece remains strategically important. It is located in the central position with respect to the strategic areas of the Turkish Straits, the Suez Canal, the Strait of Sicily and the Otranto Strait; and it blocks direct access from the Balkans to the Aegean Sea through the Hellenic Thrace. Therefore, an adequate Greek defensive posture is necessary.

The security assistance program serves to sustain a credible Greek military posture important to U.S. strategic interest and to enhance favorable bilateral relations important to the U.S. desire for a Cyprus settlement and retention of necessary military base rights in Greece. Pursuant to S. 2230, discussions with the Greek Government are now in progress.

SECURITY ASSISTANCE PROGRAM

PORTUGAL  
(\$ Million)

<u>Category</u>	<u>Actual FY 1974 Program</u>	<u>Actual FY 1975 Program</u>	<u>Proposed FY 1976 Program</u>
Military Assistance <sup>a</sup> Program (MAP)	0.5	0.1	0.3
Foreign Military Training Program	0.3	0.3	1.0
Foreign Military Sales Credits	-	-	-

Objectives

The modest security assistance program proposed for Portugal is designed to support its NATO-committed forces and to maintain professional relations with Portuguese military officials. These relations promote the common objectives of the European Alliance.

Portugal's importance, as a member of NATO, is greatly enhanced by the strategic location of some of its possessions, in particular the Azores Islands. There are also important NATO common infrastructure facilities in Continental Portugal, the Madeira Islands and the Azores.

SECURITY ASSISTANCE PROGRAM

TURKEY  
(\$ Million)

<u>Category</u>	<u>Actual FY 1974 Program</u>	<u>Actual FY 1975 Program</u>	<u>Proposed FY 1976 Program</u>
Military Assistance <sup>a</sup> Program (MAP)	75.0	15.7	75.0
Foreign Military Training Program	3.0	0.5	1.8
Foreign Military Sales Credits	75.0	75.0	130.0

Objectives

Turkey provides 37% of the standing manpower forces in Europe available to NATO. Turkey is important as the anchor of NATO's southern flank, as a member of CENTO, and in its strategic location astride the militarily significant Bosphorus and Dardanelles which allow access from the Black Sea to the Mediterranean. The United States highly values Turkey as an ally and depends on the Turkish Armed Forces to contribute to mutual security interests. Of direct military importance to the United States are communications sites, data collection sites, satellite tracking stations, military base rights and aircraft overflight rights. These rights, including wartime basing rights, are needed to help assure that the United States has the necessary support structure for employment of its forces committed to NATO and the use of air routes important for military air operations.

Turkey continues to depend on grant aid and NATO infrastructure support in the near term. Except for military training, it is possible that grant military aid for Turkey can be terminated as of the end of FY 1980, if Turkey's economic development permits.

The proposed security assistance program for Turkey is predicated on a lifting of current legislative restrictions on such aid. It is important and necessary for the viability of the NATO and CENTO alliance systems, as well as the U.S. position in the Eastern Mediterranean.

SECURITY ASSISTANCE PROGRAM

ISRAEL  
(\$ Million)

<u>Category</u>	<u>Actual FY 1974 Program</u>	<u>Actual FY 1975 Program</u>	<u>Proposed FY 1976 Program</u>
Military Assistance <sup>a</sup> Program (MAP)	-	-	-
Foreign Military Training Program	-	-	-
Foreign Military Sales Credit	982.7	300.0	1,500.0

Objectives

The United States has traditionally supported Israel's right to exist as an independent nation. Following the 1967 war, the United States became Israel's major source of arms. Since then, the United States has consistently followed a policy of ensuring that an arms balance exists in the Middle East which gives Israel the ability to defend itself against Arab attack. Israel has required increasing assistance to offset the very substantial Soviet arms supply to the Middle East, in particular Syria. Following the war of October 1973, the Emergency Security Assistance Act of 1973 made available to Israel military sales credits resulting in purchases of \$2,182,664,000. Also under that authority, Israel was subsequently relieved of contractual liability for the repayment of \$1.5 billion of that amount. The current proposal will enable Israel to continue to acquire needed aircraft, tanks, armored personnel carriers, missiles, munitions, and technology.

Israel has enjoyed a broad base of American support. It is effectively using the resources available to it, and is determined and able to carry the main burden of its own defense. Our continuing commitment to its survival and security justifies our assisting Israel in meeting its defense requirements.

SECURITY ASSISTANCE PROGRAM

JORDAN  
(\$ Million)

<u>Category</u>	<u>Actual FY 1974 Program</u>	<u>Actual FY 1975 Program</u>	<u>Proposed FY 1976 Program</u>
Military Assistance <sup>a</sup> Program (MAP)	40.1	68.8	100.0
Foreign Military Training Program	0.6	1.0	0.8
Foreign Military Sales Credits	-	30.0	75.0

Objectives

The United States has for some years maintained a significant military assistance relationship with Jordan; and the King is a moderate, long-standing friend of the United States. Having embarked upon a major military reorganization and modernization program, and being acutely aware of the large military and/or economic aid packages currently being considered by the USG for certain other Middle Eastern countries, the GOJ has made clear its desire for increased U.S. military assistance. To the extent that we strengthen the Jordanian Army, we strengthen King Hussein's hand and contribute to the stability of his regime. The preservation of our special relationship with a moderate and stable Jordan is particularly important as we move on to phases of the Arab-Israeli negotiations involving issues in which Jordan has a close interest. U.S. security assistance makes it less likely that Jordan will turn to the Soviet Union or radical Arab states for military or financial assistance, helps preserve area stability by fostering Jordan's economic development, and makes it possible for Jordan to play an effective -- albeit limited -- security role in the Persian Gulf/Arabian Peninsula.

SECURITY ASSISTANCE PROGRAM

LEBANON  
(\$ Million)

<u>Category</u>	<u>Actual FY 1974 Program</u>	<u>Actual FY 1975 Program</u>	<u>Proposed FY 1976 Program</u>
Military Assistance <sup>a</sup> Program (MAP)	*	-	-
Foreign Military Training Program	0.1	0.1	0.2
Foreign Military Sales Credits	-	-	5.0

Objectives

The United States is on record as supporting Lebanon's independence and territorial integrity, and a continuation of Lebanon's moderate stance is important to the interest of peace in the Middle East. The country's significance is reinforced by its location at the juncture of Middle Eastern air, sea and land routes, its situation as an oil pipeline terminus for major Iraq and Arabian peninsula oil fields, and its importance as a banking and trading center between East and West.

With a periodically explosive Christian-Muslim problem and the presence within its borders of displaced Palestinians, Lebanon's internal security is of key importance to its ability to remain stable and relatively neutral. A modest security assistance program including grant training and FMS credit will assist Lebanon in maintaining its independence and in exercising better control of internal security within its territory.

SECURITY ASSISTANCE PROGRAM

MOROCCO  
(\$ Million)

<u>Category</u>	<u>Actual FY 1974 Program</u>	<u>Actual FY 1975 Program</u>	<u>Proposed FY 1976 Program</u>
Military Assistance <sup>a</sup> Program (MAP)	-	-	-
Foreign Military Training Program	0.6	0.9	0.8
Foreign Military Sales Credits	3.0	14.0	30.0

Objectives

Morocco's strategic importance stems primarily from its location on the Atlantic Ocean, Mediterranean Sea, and the Strait of Gibraltar. Casablanca is one of the best deepwater ports in the area, and Morocco has an extensive network of air facilities.

Morocco is determined to modernize its armed forces and has asked the United States, with whom it has a long history of friendly relations, for assistance. The proposed U.S. security assistance program, consisting of FMS credit and grant military training, is designed to respond to Morocco's defense requirements.

The U.S. security assistance program will assist Morocco in attaining what it perceives to be its minimum defense requirements while at the same time not upsetting the arms balance in the area. The program is also an important element in promoting continued favorable bilateral relations, and will serve to support Morocco's moderating influence in the Third World.

SECURITY ASSISTANCE PROGRAM

TUNISIA  
(\$ Million)

<u>Category</u>	<u>Actual FY 1974 Program</u>	<u>Actual FY 1975 Program</u>	<u>Proposed FY 1976 Program</u>
Military Assistance <sup>a</sup> Program (MAP)	1.5	1.8	0.2 <sup>b</sup>
Foreign Military Training Program	0.3	0.4	0.4
Foreign Military Sales Credits	2.5	5.0	15.0

Objectives

Tunisia's location at the center of the North African littoral and on the Strait of Sicily gives it strategic significance. A strong Tunisia is in the interest of stability in the area.

Because of Tunisia's improved ability to finance its military equipment requirements from its own resources, grant materiel is being phased out. Beginning in FY 1976, the emphasis of our security assistance will be on grant training and FMS credit.

Tunisia has decided to modernize its armed forces and has turned to the United States as a major source of supply. The security assistance program is designed to respond to some of Tunisia's priority requests over a period of time. The equipment and training to be provided will assist Tunisia in the development of military forces capable of providing some self-defense and internal security. Security assistance contributes to continued excellent relations between the United States and this staunch and mature friendly nation.

SECURITY ASSISTANCE PROGRAM

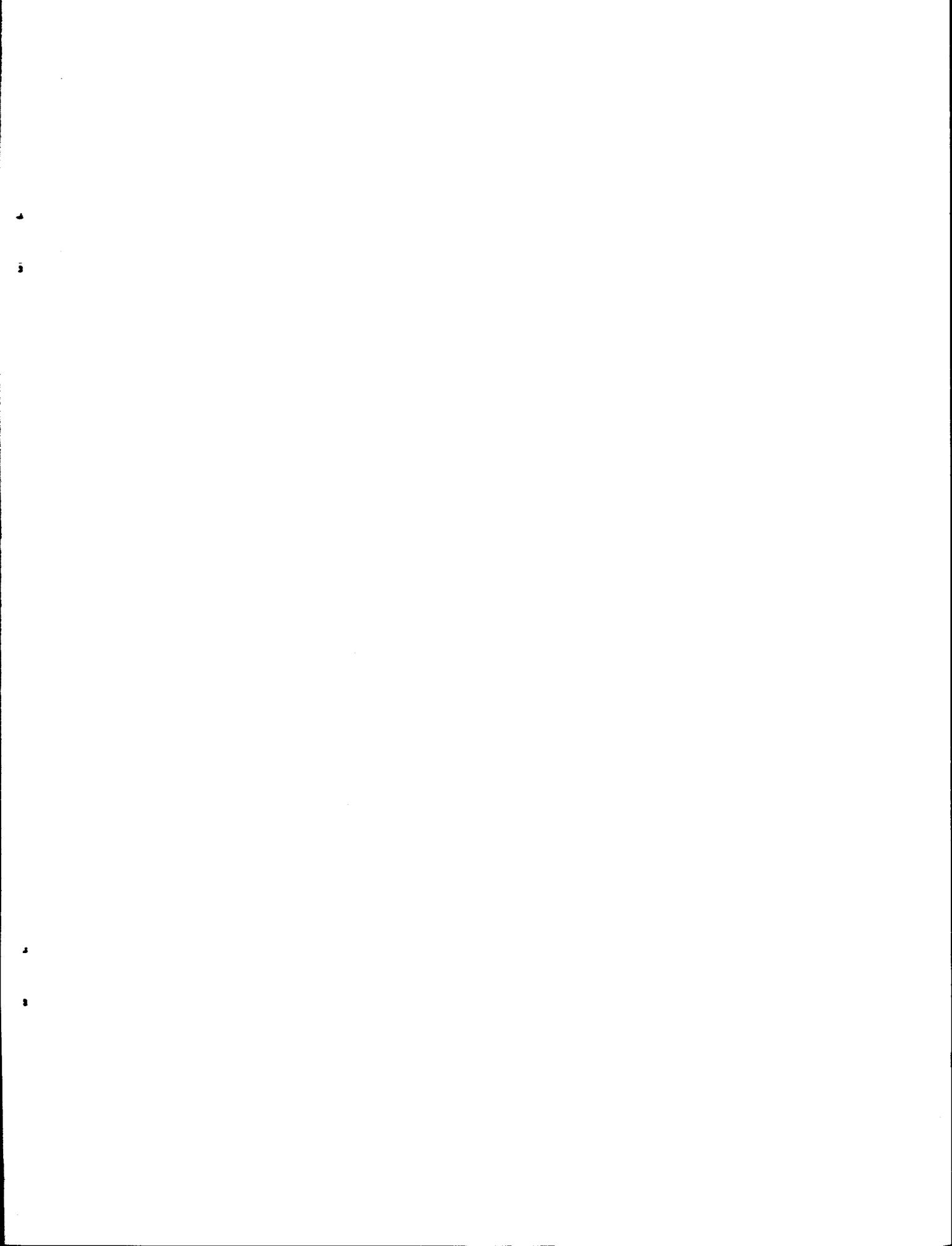
YEMEN ARAB REPUBLIC  
(\$ Million)

<u>Category</u>	<u>Actual</u> <u>FY 1974</u> <u>Program</u>	<u>Actual</u> <u>FY 1975</u> <u>Program</u>	<u>Proposed</u> <u>FY 1976</u> <u>Program</u>
Military Assistance <sup>a</sup> Program (MAP)	-	-	1.5
Foreign Military Training Program	-	-	0.5
Foreign Military Sales Credits	-	-	-

Objectives

The YAR is one of the poorest countries in the world, with an annual per capita GNP of approximately \$100, no oil, and a population exceeding 6 million, or about half that of the entire Arabian Peninsula. Some 1 million North Yemenis work in Saudi Arabia, thus constituting about half of the work force of that country. Developments in the YAR have a major impact throughout the Arabian Peninsula. The present government in the YAR is moderate, pro-Arab, pro-Western, and sympathetic to many interests of the United States in the area.

A program to modernize the YAR armed forces, with the main effort from Arab neighbors, will contribute directly to the security of the Arabian Peninsula and this in turn will help assure access to Middle Eastern oil for ourselves and for our western European allies. It will help the present regime keep the YAR on a moderate and pro-Western political course and defend itself against any northward expansion of the PDRY.



The PRESIDING OFFICER. Without objection, it is so ordered.

#### ORDER FOR RECOGNITION OF CERTAIN SENATORS AND DESIGNATING PERIOD FOR ROUTINE MORNING BUSINESS TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that after the joint leaders have been recognized, that the distinguished Senators from South Dakota (Mr. MCGOVERN), from Wisconsin (Mr. NELSON), from South Dakota (Mr. ANTOURZK), and from Virginia (Mr. BYRD), each be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, after they have concluded their remarks, I ask unanimous consent that there be a brief period of not to exceed 15 minutes for the conduct of morning business with a time limitation of 3 minutes attached thereto.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### ORDER OF BUSINESS TOMORROW

Mr. MANSFIELD. At the hour of 10:30, to recapitulate, the Brock amendment shall be laid down and made the pending business, a vote will occur not later than 11:30, and following the vote on the Brock amendment the Chair will order third reading and the Senate will vote on final passage.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### ORDER FOR ADJOURNMENT FROM TOMORROW UNTIL MONDAY, NOVEMBER 3, 1975

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate completes its business tomorrow, it stand in adjournment until the hour of 12 noon on Monday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### ORDER FOR COMMITTEE MEETINGS DURING SENATE SESSION TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. NUNN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### CONGRESSIONAL BUDGET PROCESS—RESPONSIBLE DEFENSE POLICY OR A NUMBERS GAME?

Mr. NUNN. Mr. President, as an early advocate and a strong supporter of the new congressional budget process, I am deeply concerned about numerous press reports which refer to congressional action on the defense budget as a numbers game. If this situation continues, it will weaken and possibly destroy the credibility of the new budget process, something I do not think any of us wants to happen. This new process is intended to provide Congress with a vehicle to better plan its programs and priorities within an overall financial framework. In this difficult economy, and with increasing scarcity of key resources, it is essential that Congress restrain spending to some reasonable overall figure and Congress needs a process to do that.

I am distressed by the real possibility that, rather than a serious debate on the issues and substance of defense policy, we are focusing too much on arguments about speculative assumptions. These assumptions relate to bookkeeping procedures or predictions about what the President or some congressional committee might do in the future. If this continues, the great debate on defense and foreign policy, which is needed in this country, will degenerate into a dangerous numbers game.

The track record regarding treatment of the defense budget has not been very good. Beginning with the first budget resolution, which underestimated defense outlays, there has been great confusion about budget authority which relates to current and future defense programs and outlays which relate to the deficit. I have repeatedly warned from the beginning of the budget process that these outlay targets could not be met without massive cutbacks in defense personnel and programs. That situation remains the same today.

The actions of the House have been inconsistent as they relate to the defense budget. This situation has been extremely difficult for the Senate Budget Committee, for its chairman (Mr. MUSKIE), and for the Senate Armed Services and Appropriations Committees. The House voted a budget resolution with less money in it than the Senate resolution. Then the House voted a defense authorization bill substantially higher than the Senate, and did not challenge it as threatening the budget targets. As a result, the defense authorization conference report, which had made reasonable compromises with the House position, was rejected by the Senate. The House then voted an appropriations bill which it deemed higher than the budget targets. But this appropriation was not challenged. Now I understand that the House Budget Committee is considering lowering the budget authority target by over \$1 billion, after the appropriations bill has passed the House. This leaves the Senate to deal with an appropriations bill the House feels is higher than the old target and the possibility of a second House budget resolution that lowers the old target. Mr. President, there

simply must be some consistency of the treatment of the defense budget by both Houses in the budget resolutions, the authorization bills, and the appropriations bills.

The press has noted the apparent total confusion on the budget scorekeeping, particularly as it deals with the defense budget. The Congressional Budget Office has a scorekeeping report, the Senate Budget Committee has a different scorekeeping report, and I understand the House Budget Committee has its own internal scorekeeping methods. It is very difficult to tell where the defense budget stands by reading these scorekeeping reports. I realize this is the first year of the new budget process. I also realize the situation is being worked on. But it must be remedied, and in the very near future.

An example of this scorekeeping confusion is the treatment of aid to the Middle East. I have looked at the scorekeeping reports and various letters of the various committees regarding the defense budget. Nowhere can I find a reference to the billions of dollars of aid for the Middle East. Military aid is supposed to appear in the national defense category. I would warn everyone involved in the budgeting process that we must not delude ourselves into thinking we can provide aid to the Middle East by cutting further our own military forces. This large item ought to be addressed when the overall national defense budget category is considered, yet I find no mention of it there at this time.

Finally, within the last 10 days the press reported that the Congressional Budget Office, at the request of Senators CRANSTON, EAGLETON, PROXMIRE, KENNEDY, SCHWEIKER, MATHIAS, HATFIELD, and CASE, found that the defense budget would exceed targets by some \$932 million. What the press did not mention were the assumptions imposed on the Budget Office by the Senators. These assumptions—not the U.S. military budget—is what caused the defense budget category to appear over the target. For example, the Senators required the Budget Office to assume the military construction appropriation bill would be cut \$225 million. Everybody knows the already passed construction authorization cut \$400 million and the appropriations bill cannot exceed that figure.

Thus, \$175 million, which represents \$400 million minus \$225 million, was erroneously added to make up the \$932 million "excess." Another assumption, a very important assumption imposed upon the Budget Office, was that no reduction be made for military assistance to Cambodia. This totaled \$425 million in the original President's budget. I do not believe the Senators intended to resume military aid to Cambodia, but I do not understand why it should not come out of the budget or why we should further cut our military forces to pay for this bookkeeping item. Another required assumption was that there would be no pay caps, but we know we have already voted a 5-percent pay cap at least on active military and civilian pay. This erroneous pay assumption accounts for about \$900 million. Other smaller

erroneous assumptions, when added to the ones mentioned here would make the defense budget about \$700 million below target instead of \$932 above target—excluding military aid to the Middle East which could be as much as \$1.5 billion. This is using the figures that these Senators used and using the overall assumptions they used. If we take the correct assumptions instead of the incorrect assumptions, we have a totally different picture, and yet that has stirred up an awful lot of publicity, and it is really a very, very erroneous kind of bookkeeping procedure.

The point I make about all this "budgeteering" is that it does not address one single substantive issue concerning defense policy. It does not address the kinds of equipment and units or the deployments of those units we must have to carry out our foreign and defense policies. It does not address the efficiency of management of the Defense Department. It does not address anything but a series of accounting procedures and ill-defined assumptions.

I believe we must be concerned about more fundamental defense issues. We should debate the defense budget in the context of the mission we expect the defense establishment to carry out, the forces that are needed for these missions, the support that is needed for these forces, and the efficiency with which the Defense Department manages forces and their support and the resources required to pay for it all.

I add some perspective to judging where we stand if we accept the House Appropriations Committee reduction in the defense budget.

First, although we do not hear much about this in the media, our defense forces and defense budget are far below the levels we have become accustomed to through the 25 years of the cold war. Even though the defense budget is large—about \$90 billion—we are not spending the money in the proportions that we did in the past. The defense budget has not kept up with the inflation. The funds for procurement and R. & D. in the House appropriations bill are only \$8.7 billion higher than the amount spent in fiscal year 1964, and this was prior to the Vietnam buildup. That is a 39-percent increase. It compares with an 86-percent inflationary increase in the Wholesale Price Index. Thus, we have the situation where funds for defense investment have been increased at less than half the rate that would be needed to just stay even with inflation. It is like the homeowner who gets a \$45 pay raise when his house payments have gone up \$100. Similarly, military pay rates have gone up 123 percent in that period, but funds to cover that pay have only gone up 97 percent. The result is very simple. We have a lot fewer people in the military. The same with fuel prices which have increased 163 percent, and food prices which have increased 99 percent and civilian salaries which have increased 84 percent. The defense budget has simply not kept up with these price increases.

What is the result? The result is predictable.

We have a lot fewer forces in being and we are buying a lot fewer weapons than in the past. Military personnel strength has been reduced 585,000 since the 1964 pre-Vietnam levels. The number of men in the Army for each division has dropped from 59,600 to 48,700. The number of Navy ships has dropped from 917 to 490—the lowest level since 1939. The number of Air Force aircraft has dropped from 16,000 in 1964 to 9,400 in 1976—the lowest number since 1950. The numbers of troops we have deployed overseas has declined from 719,000 in 1964 to 480,000 today. As can be seen from these figures, the levels of forces the United States will have in 1976 is substantially below the levels we maintained during the 25 years of the cold war.

We are also buying fewer weapons today than in the pre-Vietnam period. For example, the 1976 President's budget request included 271 fighter attack aircraft, compared with 583 10 years ago—a 50-percent reduction. I know that the Senator from Nevada (Mr. CANNON) will address that issue specifically. There are two attack submarines in the 1976 budget, compared with six in 1965—a 66-percent reduction. There are 138 new helicopters in the 1976 budget request, compared with 1,226 in fiscal year 1965—a 90-percent reduction. There are zero new transport aircraft in the 1976 budget request, compared with 84 in 1965—a 100-percent reduction. We have seen a lot of publicity over the last weekends about the Soviet Union and about what various people have said about the rate of increase in the Soviet military budget. The Soviet Union has persistently increased their defense expenditures and military forces.

Since 1964 Soviet military manpower has increased by 1 million men and now is exactly double U.S. military strength. On average from 1972 to 1974 the Soviets produced 3,000 tanks per year, compared with 462 in the United States. They produced, annually, 1,200 cannon, compared to 170 in the United States; 930 tactical aircraft per year were produced by the Soviets compared to 540 in the United States; 39 surface ships per year for them, compared to 11 for us. In this age of so-called détente, we cannot be sure of what the Soviet intentions are. However, it is very clear that they are doggedly and gradually increasing their military capabilities year after year. There has been no dramatic increase in any one year—at the same time though the United States has been gradually and doggedly cutting its military expenditures. So those who are looking around for a straw man keep talking about the fact that the Soviet Union has not dramatically increased their military capabilities in any 1 year, and that is true, Mr. President, but when we have two countries going in opposite directions, the result over a 5-to-6-year period can indeed be dramatic, even though the difference in any one year is not dramatic. So if these trends continue, in my opinion, at some point the United States of America will clearly become militarily inferior.

I believe these are the serious issues

we must face when dealing with the defense budget. We need a great debate on our foreign policy and our defense policy, but we should not mislead the American people into thinking the defense budget is simply one big numbers game and that a few billion dollars one way or another does not really matter. We must take a careful, hard and responsible look.

I believe the cuts made by the House in the defense budget have gone too far. It is hard to say precisely how much is too much—that is the job of the Appropriations Committee. However, there are a number of indicators that infer that the cuts made by the House would damage key elements of the defense budget and the defense program.

First, the original budget resolution provided for a \$7 billion, 6.5 percent, cut in the overall national defense category. Thus far the House has cut about \$8.5 billion, 8.2 percent, in the regular defense and military construction appropriations bills. An additional \$1 billion in cuts—totaling \$9.5 billion or 8.8 percent of the whole defense budget as submitted by the President has been identified as possibilities in the defense category. This \$9.5 billion reduction is substantial. It is substantially more than the \$7 billion cut envisioned and debated by Congress in the first budget resolution.

In other words, what we are saying is that we have cut or identified as cuts \$9.5 billion, which represents \$2.5 billion or 36 percent more than the original budget resolution.

Second, ships and aircraft maintenance has been a problem. In the Senate authorization bill, Senators HARTKE and BAYH offered an amendment to exclude industrially funded civilians—many of whom work in shipyards and aircraft repair plants—from congressional authorization. These Senators felt that this amendment would improve efficiency of needed ship and aircraft maintenance activities. While I opposed the amendment because I do not believe it would accomplish its purpose, I did agree with the objective of improved maintenance. In that debate, I pointed out that the authorization bill did not cut industrially funded shipyards or other activities. The cuts in previous years in these activities were made in the appropriation bill, not the authorization bill. Now we have this situation coming right back here today, in terms of what the House of Representatives has sent over in the House appropriation bill, because that bill cuts shipyards and other industrially funded activities by more than 7,000 personnel and some \$200 million. I believe this reduction would further aggravate what is already a serious problem—the material condition of our ships and aircraft.

The House bill would make a \$788 million cut in funds for the so-called stock funds. These funds are used to pay for the cost of inflation of a whole range of common everyday items needed to keep the forces operating and ready. Some 86 percent of these funds are for fuel and spare parts. This kind of a cut would lead to less flying, ship steaming time and training, and more equipment that could not be repaired for lack of spare parts.

It makes no sense to have 2 million men under arms and deny them the wherewithal to train or maintain their equipment.

There are a number of other areas, such as recruiting, procurement, and research and development, where the House bill may have cut too far. I will not go into detail on them at this time. However, I believe the Appropriations Committee and the Senate must give them careful scrutiny to prevent serious damage to the defense program.

The Secretary of Defense has asked the Senate Appropriations Committee to restore some \$2.6 billion of the \$7.6 billion cut in the House bill. In light of the tight budget situation and the nature of some of these reductions, I do not believe this much restoration is politically feasible. However, it is clear to me that at least \$1 billion of the House reductions are very questionable and go beyond any cuts contemplated in previous debates. Therefore, I believe the Senate Appropriations Committee should review the detailed areas and make such reductions and restorations as may be needed to maintain a strong national defense program. I would note that Senator MUSKIE's letter to Senator McCLELLAN indicates that under several reasonable assumptions there is over \$700 million available in the defense category to add to the appropriations bill.

Finally, I want to say a word about the upcoming second budget resolution as it relates to defense. In my opinion, the original defense budget targets must be raised in the second budget resolution. The sum of all the items in the defense category will come close—within 1 to 3 percent—of the original targets, but those targets will have to be increased by that percentage for the following reasons:

First, the outlay figure in the original targets was in error and was inconsistent with the budget authority figure. I have repeatedly pointed out this problem, and now I understand the House Budget Committee is also attempting to correct this error.

Second, I have already mentioned that already identified cuts in defense total \$9.5 billion—far more than the \$7 billion envisioned in the first budget resolution. The major reason for these further cuts is to try to offset other costs that have risen and that cannot be controlled by the Defense Department. This is what is so important and has been overlooked time after time in the debate on the floor of the Senate and in the various committees. Perhaps this is uncontrollable and perhaps it is not. But if any item in the budget is uncontrollable, these certainly are. These include increased pay raise costs, \$0.9 billion and decreased revenues from oil reserve and stockpile sales, \$0.8 billion. I do not believe our military forces should be cut to fully offset these costs totalling \$1.7 billion which have nothing to do with our national security or our military forces.

Third, a similar cost that cannot be controlled by Defense Department is military aid to the Middle East. Under the current budget ground rules, Middle East military aid will appear in the de-

fense category. There was no money for this new aid package in the President's budget or in the congressional budget resolution. This aid request, which could total as much as \$1.5 billion, will have to be added to the defense budget category targets. Our own military forces should not be cut to offset this cost.

Fourth, as I have already said, the House has cut the defense budget too much and I believe the Senate should not cut that much. Although there may be some headroom already in the current targets to increase the House-passed appropriations bill, it may not be sufficient. The targets will have to be raised to accommodate this.

Finally, I believe an essential increase in the defense category can and should be offset by reductions in other non-defense budget areas.

Mr. MCINTYRE. Mr. President, will the Senator yield?

Mr. NUNN. I yield.

Mr. MCINTYRE. Mr. President, I congratulate the junior Senator from Georgia for the excellent statement he has made this afternoon. He has been a real wealth of help with respect to the difficult problems we on the Committee on Armed Services face almost every time we meet.

In particular, this year the junior Senator from Georgia has been a member of the Budget Committee as well as a member of the Armed Services Committee. Therefore, he has a firm understanding of the issue under discussion and has been able to delineate in debate where some of the logical transgressions or illogical transgressions have taken place, as the Budget Committee starts its work.

If our distinguished chairman were here, I know he would be echoing my remarks, in an even more elaborate manner, because I know how proud he is of the work of the junior Senator from Georgia on the Armed Services Committee.

Mr. NUNN. I thank the Senator from New Hampshire. I echo the kind remarks he has made about me so far as his efforts are concerned. He heads one of the most important committees in Congress, the Subcommittee on Research and Development of the Committee on Armed Services, and he does an excellent job in that regard. So I appreciate his remarks.

Mr. President, I yield to the Senator from Nevada.

Mr. CANNON. Mr. President, I commend the Senator from Georgia (Mr. NUNN) for his thoughtful remarks on our spending trends for national defense. I also associate myself with the remarks of the Senator from New Hampshire about the work that the Senator from Georgia has done on our committee.

I subscribe to the thesis that we already have made major reductions in the past 10 years, and we must exercise extreme caution before making further cuts, arbitrary in nature, in our defense budget.

#### TRENDS IN DEFENSE SPENDING

Let us look at the pertinent figures that show the trends of how much of our Nation's output is devoted to our national defense. The comparisons I will

make are relative to 1964, the last "pencetime" year before the Vietnam war caused an increase in expenditures. In 1964, we devoted 8.3 percent of our gross national product to defense, whereas this year's defense budget request would have taken only 5.8 percent of the GNP, or only two-thirds as much as in 1964. It is obvious that this reduction in the percent of our gross national product being allocated to defense should mean that the numbers of people working on national defense also must have declined significantly, and the figures support this contention.

In 1964 the defense budget funded a uniformed military force level of 2.7 million whereas in 1976 it will be 2.1 million, so we have cut half a million people from our Armed Forces.

In 1964, the defense budget supported 2.3 million civilians working in defense-related industry, whereas by 1976 the proposed budget would have supported 1.5 million civilians or 800,000 fewer workers turning out defense weapons for the U.S. military.

In 1964, the defense budget supported 1 million civil service employees, civilians working directly on the Federal payroll in Government laboratories, arsenals, repair facilities, and headquarters such as the Pentagon. This year, the figure still is nearly 1 million for the civil service, so this is the only category which has not seen major reductions as the result of the declining trend in defense's share of the gross national product.

Of course, as every one of us is so well aware, defense spending in dollar terms has increased dramatically. In 1964, we saw a budget of \$51 billion, and this year's budget request was for \$104 billion. But inflation has eroded the value of those dollars and today's higher dollars buy far less man-years of output than in 1964. While the dollars have doubled in quantity, real purchasing power actually has declined more than 20 percent.

#### FISCAL YEAR 1976 BUDGET CUTS

With those comments on our overall trends in investment into national defense, let us consider what we have done in Congress so far this year to the defense budget request. The authorizing legislation scrubbed the R. & D. and weapons procurement part of the defense budget and cut \$4.4 billion from the \$29.9 billion requested. This was a 15-percent reduction to this part of the defense program. The House appropriations bill then took another \$880 million from this R. & D. and procurement category for a total \$5.3 billion cut, and reduced the personnel and operations part of the budget request by another \$2.6 billion, for a total cut of \$7.9 billion. The latter figure reflects a \$300 million "inventory replenishment" reduction, a technical reduction reflecting an item cut by the authorizing committee. So there should be no argument over the fact that a major cut already has been made this year.

The current issue before us is whether we now have taken too much out and also whether this reduced budget meets our congressional budget guidelines. I, for one, believe that the House has taken

too much from this year's bill, and I accept the figures of the Senator from Georgia indicating that the Senate could restore about a billion dollars without breaking the intent of those budget guidelines.

#### FOREIGN MILITARY AID ISSUE

The Senator has raised a very fundamental issue when he points out that none of our discussions of the budget guidelines has brought out the point that our national defense budget category includes foreign military aid. Why this is not included under the international affairs category of the budget I am not sure, and in my opinion it should be changed to that category in the future. Including foreign military aid as a charge against national defense allows it to be traded off against spending for weapons and manpower for U.S. forces, and I believe these are separate and distinct items with separate and distinct arguments and issues to be debated as we set their priorities. In my opinion, the budget reports should treat them as such, and I recommend that consideration should be given to changing foreign military aid to the international defense category before we start next year's budget cycle.

#### SUPPORT FOR BUDGET PROCESS

Mr. President, let me emphasize that I fully support our new congressional budget process. If we all will use it as a vehicle to establish budget targets and then to insure that we stay within them, not only in defense but in every spending area, then we will have provided a means for establishing a fiscally responsible budgeting process. Therefore, I will support efforts to keep the national defense category of spending within the guidelines this year, despite not liking having foreign military aid included therein.

However, I believe that we must be realistic when we look at the targets. As the Senator from Georgia pointed out, the outlays target is not realistic and cannot be met this year. The budget committee set that target initially on its own, and should be prepared to adjust it now, but I will support efforts to hold our overall obligatory authority within the targets, except as extraordinary circumstances come up to change it.

I hope that next year we will have a fuller dialog between the defense authorizing and appropriating committees and the budget committee as we set the budget targets, so we all will know how we arrive at the targets and why we arrive at them. In my opinion, we do not have that situation this year.

#### MIDDLE EAST AID ISSUE

There is another major issue which must be faced up to but has not been discussed yet, to my knowledge, and that is the Middle East aid issue. We all are aware, of course, that promises have been made regarding providing significant amounts of aid, military and nonmilitary, to Israel and Egypt as a result of the Sinai accords. So far we have not had any specific aid program proposed to Congress, and we do not know any details of what weapons or how much spending will be requested for this fiscal year.

My position is that this particular aid request should be considered separately from our current debate on the appropriations for U.S. defense needs. I think that the targets for national defense that we are discussing now should not include any allowances or estimates for this special foreign military aid request which may be forthcoming later on. I definitely believe that we should not cut our appropriations for U.S. military forces in order to fund foreign aid to Egypt or Israel. That latter aid is a separate question which we should consider on its own merits, and we should adjust the budget ceilings when we pass on that aid program.

#### SUMMARY

In summary, I support the position of the Senator from Georgia, himself a member of the Budget Committee as well as the Armed Services Committee, that this year's defense budget already has been cut too low by the House. There is no question that significant restorations can be made and still stay within the intent of the budget guidelines—TOA. Defense has been cut back significantly in real terms since 1964, and I do not think we should cut it further on an arbitrary basis. I hope the Senate Appropriations Committee and Budget Committee will consider these points as they proceed with the defense bill.

Mr. McINTYRE addressed the Chair. Mr. NUNN. Will the Senator yield for a brief comment?

Mr. McINTYRE. I yield.

Mr. NUNN. I thank my colleague from Nevada, who does an excellent job as the chairman of one of the most important subcommittees of the Committee on the Armed Services. He knows more about the tactical area and the procurement area than, I think, anyone in the Senate, perhaps in Congress. I thank him for his kind remarks and I do concur in his remarks and analysis. I hope that the Committee on Appropriations will consider the remarks that the Senator from Nevada has made as they begin to mark up a very important defense bill.

Mr. CANNON. I thank the Senator for his remarks. In the Tactical Air Power Subcommittee, we are constantly looking at the problem that the dollars will buy less. We have, therefore, to try to cut back in numbers because, as he pointed out in his remarks initially, we can buy much fewer in terms of the total numbers of what we need at this time as a result of inflationary processes that have taken place and as a result of the dollar requirements. I think this is a very important area and it is an area that we should not go into with a meat-ax approach. We have to look at it very, very carefully if we are not going to endanger the security of the United States. I thank the Senator for his comments.

Mr. McINTYRE. Mr. President, I compliment my able and distinguished friend, the senior Senator from Nevada, and add my concern about the current debate over the defense appropriation bill.

I might say that, on the floor now are three of the members of the Committee on Armed Services who probably put in

more hours surveying that budget than any other Senator outside of our distinguished chairman. The Senator from Nevada works over the tactical air budget, all the requests made by the services in that area; the junior Senator from Georgia has taken on the tremendous question of personnel; and I bring up the rear of that debate with the all-important requests that are made in the field of research, development, testing, and evaluation.

I must say, Mr. President, that the Senator from Georgia is absolutely correct when he says that the debate about budget figures and bookkeeping has obscured the crucial substantive issues of Defense policy. We cannot overlook the importance of fiscal responsibility and the need to curb all areas of Federal spending, yet we should not let the number game blind us to the need for reasoned debate on our defense policy and specific programs requested by the Pentagon.

I am sorry to say that neither side in this debate has addressed itself sufficiently to these important issues. Arguments over dollars have replaced debate over quality. The result may be an arbitrarily arrived-at budget figure which reflects neither selectivity nor responsiveness to national security needs.

The Pentagon has long been a culprit in this process. Indeed, the prime causes of public and congressional skepticism about defense budget requests have been the Pentagon's incessant cry of wolf, their indiscriminate appeals to scare tactics, their unwillingness to do the difficult task of judging priorities, and their advocacy of ill-conceived, indefensible, extravagant, and redundant programs on the basis of testimony which often lacks candor, accuracy, or even a decent respect for the constitutional status of the Congress of the United States.

Mr. President, Congress does have an important constitutional role to play in the making of the Defense budget. This role, too, must be played with wisdom, applying sound principles of selectivity and analysis. It is in this regard that I am concerned about the House action in sharply reducing the research and development portion of the Defense budget. Across-the-board cuts may be appropriate in certain areas, but a successful R. & D. program depends to a great extent on the maintenance of an adequate level-of-effort. We must continue to sustain our technology base in the research and exploratory development areas, the so-called 6.1 and 6.2 line items in the budget.

These items, the 6.1 and 6.2, refer to basic research, exploratory development, and applied research, the very seedbeds, Mr. President, of the technology of the future, a technology, I am proud and confident to say, in which we hold a substantial lead over the Soviets.

I do not argue that the R. & D. budget is sacrosanct. In fact, following my consistent record of finding soft spots and there have been many in the R. & D. request for the past 7 years and recommending cuts aggregating some \$3.5 billion which were adopted by the Armed

Services Committee and the Senate, the Senate passed an R. & D. authorization bill for fiscal year 1976 amounting to \$9.7 billion, some \$494 million or 4.8 percent below the House. The Congress subsequently authorized this amount.

The Armed Services Committee Report No. 94-146 on the authorization bill acknowledged, on page 74, that only \$700 million of the requested increase of \$1.6 billion over fiscal year 1975 was for real effort and that the remaining \$900 million included was for inflation and for items transferred from other accounts. Therefore, the amount of \$9.7 billion finally authorized included an increase of only some \$215 million for what we term real effort.

Mr. President, by cutting the R. & D. request \$386.6 million below the amount authorized, the House now has effectively reduced the fiscal year 1976 R. & D. program some \$171 million below the fiscal year level. If sustained, this not only will undermine the vital R. & D. program but will cause major program terminations, reductions or postponements.

I cannot subscribe to a congressional attitude that places the need for a balanced budget above the need for adequate defense.

I am in complete agreement with those who argue that a healthy and viable economy is as vital to our national security as is an effective fighting force. But, the choice Mr. President does not have to be between these important pillars upon which our future as a nation rests. The Senate must find other programs of lesser priority which can be cut.

I am not usually impressed by the loud and provocative complaints from the Pentagon. However, there is some substance to their arguments and their reclama should be given the most serious consideration by the Appropriations Committee as it considers what action to take on the pending Defense budget.

I will not get into the specific details of the R. & D. program now, although I may do so when the bill is debated on the floor. However, I would recommend that the Senate hold the R. & D. program at about the same level as fiscal year 1975. This would mean cutting about \$190 million from the \$9.673 billion authorized but it would restore almost \$200 million cut by the House.

This action would permit partial or total restoration of major deletions or reductions made by the House in some important programs including the following:

First. Short range air defense missile (Roland);

Second. MK-500 MARV Evader;

Third. Air launched cruise missile; and

Fourth. Defense research sciences.

In conclusion, Mr. President, I want to urge my colleagues on the Appropriations Committee to consider these facts in their fullest implication and to report out a bill which will insure that our future military strength is adequately provided.

I am happy to yield to the Senator from Georgia.

Mr. NUNN, I would just like to say the Senator from New Hampshire has made an excellent statement. I think no one would ever accuse the Senator from New Hampshire of being in favor of every item sent over here from the Department of Defense, and the same can be said for the Senator from Nevada and, I hope, for the junior Senator from Georgia.

But these items that have been cut now need very, very close scrutiny by the Appropriations Committee. None of us here today have gone into considerable detail on which items because that is the function of the Appropriations Committee, but I do congratulate the Senator from New Hampshire for making an excellent statement and putting the R. & D. budget in perspective.

In spite of all the reports that have gone out during the last 12 to 18 months about the fact that defense spending keeps going up, the truth of the matter is that defense spending, if you take out inflation, has not been going up, particularly if you consider the tremendous increases in the cost of manpower.

I was informed when the budget was sent up this year the Department of Defense and the administration were very proud of the fact that manpower had been reduced as a percentage of the overall budget from about 56 percent down to about 53 percent. But now, with the House Appropriations Committee cuts, manpower goes back up to about 60 percent of the budget.

When anyone in this country considers that our friends and yet our adversaries, the Soviet Union, are spending about 30 cents of every dollar they spend on national security on manpower, yet we in this budget as sent over by the House will be spending above 60 percent on manpower, then the implications for procurement, for aircraft, and for research and development are very, very serious, particularly if this develops as a trend over a period of time.

I thank the Senator from New Hampshire.

Mr. MCINTYRE, I thank the Senator for yielding. I want to commend my senior colleague on the committee, the distinguished Senator from Nevada (Mr. CANNON), because, along with the Senator from Georgia, he has pointed out something that certainly ought to be taken care of, and that is the adding in of the foreign military aid to the defense picture. I agree with both Senators that this should not be counted against the defense budget category, and should be moved to international affairs.

Mr. NUNN, From the point of view of clarity, the Budget Committee has not added to the aid to Israel and Egypt into the category yet but, based on some things that have already happened this year in the whole budget process, the Senator from Georgia is very apprehensive when that package comes up that it could be added in, and so my statement today was by way of warning if that is added into the defense category what we will be doing, in effect, is cutting our own military forces to give mili-

tary aid to the Middle East. I do not believe the American people will support a reduction in our own military as a way of paying for that aid.

So I have issued this by way of a warning, and I certainly hope the Budget Committee as well as the Appropriations Committee will consider this very, very carefully.

#### PAROLE COMMISSION ACT

Mr. BURDICK, Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on H.R. 5727.

The Presiding Officer (Mr. WEICKER) laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the bill (H.R. 5727) to establish an independent and regionalized U.S. Parole Commission, to provide fair and equitable parole procedures, and for other purposes, and requesting a conference with the House on the disagreeing votes of the two Houses thereon.

Mr. BURDICK, Mr. President, I move that the Senate insist upon its amendments and agree to the request of the House for a conference on the disagreeing votes of the two houses thereon, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. McCLELLAN, Mr. KENNEDY, Mr. BURDICK, Mr. HRUSKA, and Mr. MATHIAS, conferees on the part of the Senate.

#### PROGRAM

Mr. ROBERT C. BYRD, Mr. President, tomorrow the Senate will convene at the hour of 9 a.m. After the two leaders or their designees have been recognized under the standing order, the following Senators will be recognized, each for not to exceed 15 minutes and in the order stated: Mr. MCGOVERN, Mr. NELSON, Mr. ABOUREZK, and Mr. HARRY F. BYRD, Jr., after which there will be a period for the transaction of routine morning business of not to exceed 15 minutes, with statements therein limited to 3 minutes each, at the conclusion of which the Senate will resume the consideration of the pending measure, which is S. 1259.

The question at that time will be on the adoption of the amendment by the Senator from Tennessee (Mr. BROCK). There is a 1-hour time limitation on that amendment, with the vote to occur not later than 11:30 a.m.

Upon the disposition of that amendment, the bill will go to third reading, and a vote will occur immediately on final passage.

So there is at least one rollcall vote assured for tomorrow, and perhaps others.

#### ADJOURNMENT UNTIL 9 A.M. TOMORROW

Mr. CANNON, Mr. President, if there is no further business, I move in accord-

---

NATIONAL SECURITY COUNCIL

October 31, 1975

TO: CHARLES LEPPERT  
FROM: LES JANKA

For your information. Here's some background material on the Security Assistance Bill.

## THE SIZE OF FY 1976 PROGRAM

**Q:** The FY 1976 Security Assistance request is nearly double the FY 1975 request. During a period of domestic economic hardship, how can you justify such an increase?

**A:** Our foreign aid program is designed to provide assistance to friendly countries in their efforts to develop their economies and maintain their security. As such it is a vital adjunct to these countries' development programs and is an important element of our efforts to strengthen our relationships with them. In the case of the Food for Peace (PL-480) program, our assistance often represents the critical element in preventing widespread malnutrition and starvation. In many cases our assistance relates directly to U.S. security interests and overseas force deployments. In view of the many mutual benefits which accrue from these funds, it represents a minimal and extremely worthwhile investment.

For 1976 seventy percent of the Security Assistance Program -- and almost all of the increase over FY 1975 -- is concentrated in the Middle East. Other areas of the world have been maintained at roughly the same levels, in spite of the impact of inflation worldwide.

## ISRAEL

**Q:** In FY 1975, Security Assistance for Israel was only \$300 million; this year it will be \$2.3 billion. How can you justify an increase of this magnitude?

**A:** Comparisons on the basis of absolute fiscal years are very misleading, since much of the equipment delivered to Israel in FY 1975 was actually funded during or after the October "1973" war, that is, during FY 1974. A more accurate comparison should be based on the average levels of security assistance support provided Israel since the October War. The major component of the FY '76 request is \$1.5 billion in FMS credits; this compares with \$2.5 billion provided Israel in FMS credits since the October War (\$300 million in FY 1975 and \$2.2 billion in FY 1974). Against the total of \$2.5 billion the figure of \$1.5 for the current fiscal year represents normal continuation of existing programs, with minor corrections to accommodate such things as increased costs due to inflation.

## MIDDLE EAST AID REQUESTS

**Q:** You plan to ask the Congress for more than \$3 billion in assistance, both economic and military, for the Middle East, including Egypt and Israel. How can you expect the American taxpayer to finance this when the US economy is still weak?

**A:** I want to make it clear that aid for Israel reflects our long-standing commitment to its security and survival. Our aid requests for certain Arab states, including Egypt, reflect our interest in their plans to improve their economic situation and their efforts to promote peace and stability in the area. Thus our Middle East aid package is an integral part of our effort to assist peace and moderation in the Middle East. I think most Americans will agree that the price is not too great to pay, since the outbreak of war could have the gravest political and economic consequences for all of us.

## MAP PHASEOUT

**Q:** Congress seems ready to call a halt to grant military assistance. Yet the Administration request includes a sizeable MAP component. How do you explain this?

**A:** The long-term trend of grant military assistance has been clearly downward for some time, as the emphasis in our security assistance programs shifts to the foreign military sales credit program. There are specific instances, however, where in my view a certain amount of grant aid is clearly warranted because of the economic situation of a recipient or a clear and present security need.

## BUDGET IMPACT OF AID REQUESTS

**Q:** How can you justify the huge outlays for aid to Israel and other countries in view of the President's action in cutting domestic programs to the bone?

**A:** Our foreign aid budget has declined over the years also. It is now at a minimum level which serves important, and specific, foreign policy needs. We have gone over this budget very carefully and believe that every specific part of it is justified and necessary.

**Q:** How can the United States provide assistance to developing countries when you refuse to provide aid to New York City?

**A:** We are not dealing with an either/or proposition; the two are completely different issues. I have made very clear my views with respect to the issue of New York City. With respect to foreign assistance, we provide such help not as a favor to another country but because we have an important relationship with that country to which aid contributes. Our relations with any given country and the means chosen to strengthen them reflect important U. S. interests in each case. It is erroneous to assert an analogy between these interests and unrelated internal issues. Thus, we should not see the question as a choice between New York and a foreign country, but rather whether the aid we are providing serves our interests.

## HUMAN RIGHTS

**Q:** Do you think the U.S. Government should be supporting dictatorships around the world and giving them military and economic aid which enables them to survive and to continue to oppress their people?

**A:** Our economic aid is meant to promote economic development. Our military aid is given to enable countries to withstand aggression and to preserve their independence from outside domination, or to enable countries with which we are allied to fulfill their common defense obligations.

We would of course prefer to see democracies everywhere. However, if we had relations only with countries like our own, we would have no political relations with most of the rest of the world. We will work for human rights in international forums and wherever our influence can have an effect. Meanwhile, our assistance relationships with friendly countries are meant to serve the needs of our diplomacy, international security, and peace.

## INDONESIA

**Q:** The Congressional Presentation indicates an increase of over \$7 million in grant to \$19.4 million and \$22 million in FMS credits to \$23.1 million for Indonesia. Why is the U.S. considering such an assistance program to an OPEC country with huge oil reserves?

**A:** Despite her oil revenues, Indonesia remains one of the poorest nations in the world, with a per capita annual income of less than \$200. While Indonesia is making new oil discoveries, these are occurring at a rate only slightly ahead of the rate of decline of old oil fields. Indonesia's current oil production is something less than 1.3 million barrels a day, a tiny portion of total OPEC production of 25 million barrels per day. Moreover, Indonesia's population of about 130 million results in a per capita income from oil production of only six cents per day.

The United States has important interests in Indonesia because of its friendship with us, its strategic location, its resources, and its potential for leadership in Southeast Asia and the developing world. Clearly it is in our interest to assist the Indonesians in achieving the stability necessary to deal with their critical economic and security problems.

## ZAIRE

On if-asked basis only -

**Q:** Why the big increase in military aid for Zaire?

**A:** We are proposing a \$19 million FMS credit to help Zaire modernize its forces and meet its legitimate defense needs. Our aid will help meet Zaire's needs as recommended by an American Military Technical Advisory Team after careful study and consultation in Zaire.

**Q:** Are you sure this equipment will not go to Angola?

**A:** The equipment financed with this credit is for the Zairian military, and the normal prohibition against transferring any items to a third country without USG approval will apply.

EMBARGOED FOR RELEASE  
UNTIL 1:30 P.M., E.S.T.  
THURSDAY, OCTOBER 30, 1975

October 30, 1975

Office of the White House Press Secretary

---

THE WHITE HOUSE

TO THE CONGRESS OF THE UNITED STATES:

I sent to the Congress on May 15 draft legislation to authorize foreign assistance programs for fiscal years 1976 and 1977, and for the transition period July 1, 1976, through September 30, 1976. At that time, because of uncertainties caused by changing events, particularly in the Middle East and Indochina, I was unable to propose specific amounts for security assistance programs. I said I would return to the Congress with specific proposals for these programs as soon as possible.

The review of security assistance programs now has been completed and my revisions to the draft legislation are being transmitted today. My initial legislative proposal was printed in the House of Representatives as House Document No. 94-158 and was introduced in the Senate as S. 1816. The revisions transmitted with this message will supersede sections 10, 11, 12, 15, 16, 17 and 18 of that proposal.

The world is different and far more complex than the world we knew in the 1950's. So are the problems confronting it. However, the United States Government still has a primary responsibility to take the lead in creating conditions which will insure justice, international cooperation and enduring peace. The program of security assistance I am transmitting today will contribute significantly toward meeting this responsibility.

Peace in the Middle East

Nothing so underscores how essential the American peacekeeping role is than our current efforts in the Middle East. Since the October 1973 War, our Middle East policy has been based on the following three principles.

- First, a firm resolution to work for a just and lasting settlement of the Arab-Israeli conflict taking into account the legitimate interests of all states and peoples in the area, including the Palestinians.
- Second, a commitment to the improvement of our relations with all the states of the Middle East on a bilateral basis, maintaining our support for Israel's security while strengthening our relations with the Arab countries.
- Third, continued dedication to avoiding great power confrontation in the Middle East.

more

(OVER)

The October 1973 War was the fourth, and most devastating, round of hostilities between Arab and Israeli forces. Moreover, the impact of this last collision between opposing forces was not confined to the Middle East. The spectre of armed confrontation between the United States and the Soviet Union hung over the crisis. Disruption of the economies of Western Europe, Japan and other nations was an important by-product of the conflict. In addition, the likelihood existed that the period immediately after October 1973 would merely represent a pause between the fourth and fifth rounds of conflict.

The quest for peace in the area was of the highest priority. Our most immediate objective was to encourage the disengagement of the contending military forces. Disengagement was accomplished in 1974. This year, we dedicated ourselves to the goal of withdrawal in the Sinai -- and an agreement was negotiated as a result of the efforts of Secretary of State Kissinger. We believe that the step-by-step approach to negotiations offers the best prospects for establishing an enduring peace in the region. We expect to proceed on an incremental basis to the next stage of negotiation within the near future.

I believe the hope for a lasting solution to the Arab-Israeli dispute is stronger today than at any time in the previous quarter century. A new era also is opening in our relations with Arabs and Israelis. This security assistance program will give substance to these new relationships and help preserve the momentum toward peace.

My proposals have three basic purposes:

- First, to provide Israel with the assistance needed to maintain security and to persevere in the negotiating process.
- Second, to give tangible expression to our new and fruitful relations with the Arab nations most directly involved and to encourage those which are seriously prepared to work for peace.
- Third, to encourage the peaceful development of the area, thereby reducing the incentives to violence and conflict.

The Security Assistance Program I am transmitting to Congress is heavily weighted with requirements to sustain the peace in the Middle East. Fully 70 percent of the program for fiscal year 1976 is to be concentrated in this region.

It proposes:

- For Israel, \$740 million in security supporting assistance and \$1,500 million in military credits. Israel's ability to defend herself and to relieve some of the burdens of her defense reduces the prospect of new conflict in the Middle East.
- For Egypt, \$750 million in supporting assistance. Egypt has made the bold decision to move from confrontation to negotiation as a means of resolving the Arab-Israeli dispute. Its leaders also must cope with serious economic problems whose resolution the United States is in a position to assist.

more

- For Jordan, \$100 million in military assistance grants, \$78 million in security supporting assistance, and \$75 million in military credit sales. This assistance will strengthen Jordan's ability to hold to the course of moderation it has consistently followed.
- For Syria, \$90 million in security supporting assistance. This assistance will enable our development cooperation with Syria to go forward, furthering our efforts to re-establish more normal bilateral relations.
- In addition, I am recommending a Special Requirements Fund this fiscal year of \$50 million. The fund is to be used to reinforce the peace process in the area and, in particular, to defray the costs of stationing American civilian technicians in the Sinai area.

All of this aid will contribute to the confidence that Middle Eastern nations must have in the United States if we are to maintain our momentum toward peace.

#### East Asia

The collapse of friendly governments in Indochina has necessitated a thorough review of the situation and of our policies and objectives throughout East Asia. The program I am proposing therefore recognizes the new realities as well as our enduring responsibilities as a leading participant in the affairs of the Asia Pacific region. For the first time, military sales credits exceed grants in our proposals for security assistance to Asian countries. These proposals include Foreign Military Sales credits in the amount of \$80 million for the Republic of China, \$126 million for Korea, and \$37 million for Thailand, with smaller but no less significant amounts for Indonesia, Malaysia, and the Philippines. Grant assistance programs include \$19 million for Indonesia, \$74 million for Korea, \$20 million for the Philippines, and \$28 million for Thailand. This funding pattern reflects the improved economic circumstances of several of our allies, their decreasing dependence on grant aid, and a greater ability to pay for defense purchases on a deferred basis.

#### Europe

The program that I am proposing for Europe is focussed primarily on two countries with whom the United States shares extraordinary mutual defense interests: Greece and Turkey. For Greece, I am proposing more than \$50 million in MAP and \$110 million in FMS credits. Over the same period, Turkey would receive \$75 million in MAP and \$130 million in FMS credits. These amounts take into consideration urgent needs for defense articles and services on the part of these two important NATO allies. Implementation of the respective programs would allow the United States to resume its traditional cooperative role following the unfortunate disruptions occasioned by the Cyprus crisis. In this traditional role, the United States can work more effectively to alleviate regional tensions and rectify recent misunderstandings which have had an adverse impact on the interests of all our European allies.

more

## Africa and Latin America

In these two geographic areas where there were widespread special development problems, I am proposing security assistance programs with emphasis on training as a common denominator. While the training programs are not individually costly, the fact that they are distributed among many countries should contribute to the strengthening of our regional relations well beyond the military sector. The only significant MAP proposal in either area involves a \$12 million program for Ethiopia, where we have been committed to an armed forces modernization program of reasonable dimensions. No other grant aid funds are envisioned elsewhere in Africa. MAP proposals throughout Latin America are confined to small sums, mainly for vehicles, communications equipment and spare parts. FMS credits for Latin America are proposed in amounts commensurate with the relative sizes of the recipients' armed forces, their repayment ability and overall development needs. In Africa, the only significant FMS credit proposals are \$10 million for Ethiopia and \$19 million for Zaire.

### Security Supporting Assistance

Aside from the special programs for the Middle East states which I have described previously, my proposals for security supporting assistance include \$35 million for Cyprus, including \$10 million for the United Nations Forces there, \$55 million for Portugal, \$65 million for Greece, and \$23 million for Zaire. Other small programs and administrative expenses will total \$33 million. In all instances, these programs reflect enlightened self-interest for the United States and a carefully documented need.

### Conclusion

While the extraordinary recent developments in Indochina and the Middle East have necessitated a re-examination of our policies and changes in the focus of our security assistance programs, there can be no doubt that bilateral and multilateral cooperation in the defense sector remains a vital and necessary component of American foreign policy. The proposals that I am now able to make after this reappraisal are addressed specifically to a new global situation and to the extraordinary challenges and opportunities confronting us in the international sphere. Just as it would be a grievous mistake to base our current and future security assistance programs on the precepts of the past, it would be an even greater error to ignore our enduring responsibilities as a major world power by failing to exploit these opportunities. After twenty-five years of seemingly irreconcilable differences, two parties to the Middle East dispute at last have taken a decisive stride toward settling their differences, in joint reliance on our good offices and continuing support. In the strategic Eastern Mediterranean, two of our long-standing NATO allies look to us for a tangible sign of renewed support and traditional friendship. In East Asia, friends and allies are anxiously awaiting evidence that the United States intends to maintain its stabilizing role in Pacific affairs.

more

Development Assistance

I am also pleased to note the progress made by the Congress on H.R. 9005, the International Development and Food Assistance Act of 1975, which authorizes funds for our development and disaster assistance programs. Although we have minor differences with the Congress on the formulation of this legislation, I expect these to be resolved in the legislative process. The 244-155 vote in the House clearly indicates that the Congress and the Executive Branch jointly endorse the current reorientation of our bilateral development assistance program focusing on basic human problems in the poor countries.

We must reaffirm our humanitarian commitment to some 800 million people in the Third and Fourth World, who live in poverty, facing the daily reality of hunger and malnutrition without access to adequate health and education services and with limited productive employment. Improving the quality of life for one-third of mankind living in conditions of despair has become a universal political demand, a technical possibility, and a moral imperative.

Our foreign assistance programs, both development and security, are essential for achieving world peace and for supporting an expanding international economy which benefits all nations. Our national security and economic well-being in a world more interdependent than ever before in the history of mankind warrant the fullest support of the American people and the Congress for our foreign assistance programs.

In regard to the impact of these proposals on overall federal budget levels, I fully recognize the proposed amounts are substantial. I should emphasize, however, that total fiscal year 1976 expenditures for all types of foreign aid including economic and military will still be roughly ten percent below the amounts originally contained in my January budget because of the withdrawal of the request for Indochina funding.

I am confident the Congress shares my desire to see the United States continue to manifest to all nations its determination to play a role in the search for a more secure international environment which is worthy of its greatness as a nation.

GERALD R. FORD

THE WHITE HOUSE,

October 30, 1975.

# # # # #

**February 25, 1976**

**MEMORANDUM FOR:**

**MAX L. FRIEDERSDORF**

**THRU:**

**VERN LOEN**

**FROM:**

**CHARLES LEPPERT, JR.**

**SUBJECT:**

**Security Assistance Act**

**Frank Slatinshek, House Armed Services Committee asks that he be given the Administration's position, point by point, on the Security Assistance Act as soon as we can.**



THE WHITE HOUSE  
WASHINGTON

February 25, 1976

MEMORANDUM FOR:

MAX L. FRIEDERSDORF

THRU:

VERN LOEN *VL*

FROM:

CHARLES LEPPERT, JR. *CLJr*

SUBJECT:

Security Assistance Act

Frank Slatinshek, House Armed Services Committee asks that he be given the Administration's position, point by point, on the Security Assistance Act as soon as we can.

*2-27-76:*

*Following L16 meeting this AM. it was agreed by Les Jones (NSC) + Sam Goldberg<sup>(State)</sup> that Sam Goldberg would put together both State + DoD's point by point Admin paper on the bill + get it to Slatinshek. *CLJr**



THE WHITE HOUSE

WASHINGTON

February 27, 1976

MEMORANDUM FOR: MAX FRIEDERSDORF  
THROUGH: VERN LOEN VL  
FROM: TOM LOEFFLER T.L.  
SUBJECT: Meeting with Rep. Garner  
Shriver (R. -Kansas)

Attached are talking points that I will relay to Congressman Shriver subject to your approval. I am to meet Garner in his office on Monday morning at 10:00 a.m.

Attach.

The President expressed his hope that the appropriations for foreign assistance would come as close as possible to the amount requested in the President's budget.

The President noted his concern relative to the recently enacted Foreign Aid Authorization Act which reduced the funds for security assistance--particular concern was noted over the disproportionate reductions of funds authorized for expenditures in the Middle East (Israel v. Arab countries).

The President strongly insisted that final appropriated monies should be distributed to foreign countries consistent with the proportions requested in the FY 76 budget.

The President asked Chairman Passman to fully fund the International Development Association in line with the '76 budget.

Passman agreed not to cut appreciably the foreign assistance which is to be made available for Indonesia.

The President agreed to ask for an amendment to the '76 budget whereby there would be an increase of \$10 million for "American schools and hospitals abroad".

With respect to appropriated funds for the transition quarter, the President made two points:

- (1) The President does not want any money appropriated for the transition quarter.
- (2) If, however, Congress appropriates money for the transition quarter, the President urged that assistance should be made available to all countries for which security assistance was requested and that the funds be divided among these countries in the same proportions as requested in the President's '76 budget.

With regard to economic development assistance, Passman agreed to provide for more money than was appropriated in FY 75 (The President's request was for approximately the same amount of money increased by the inflation factor).

Passman promised not to earmark any funds by country except for MAP and except to offset authorization language where necessary.

CURRENT ADMINISTRATION POSTURE RELATIVE TO FULL  
COMMITTEE MARKUP ON MONDAY, MARCH 1, 3:00 p.m.

Seek full funding pursuant to '76 budget.

The Administration requests that the appropriations legislation:

- (1) Provide foreign assistance in a manner proportionate with the amounts requested in the '76 budget-- particularly with respect to the Middle East package.
- (2) Provide no funds for the transition quarter.
- (3) Meet the President's budget request for the Asian Development Bank and the International Development Association.
- (4) Meet the President's Budget request for the International Narcotics Control Program.
- (5) Provide that amount of money for economic assistance equal to the amount appropriated in FY 1975 increased by the inflation factor.

REPUBLICAN WHIP—ROBERT H. MICHEL

FILE

Tally Sheet

Foreign Assistance Approp. - Conf. Rpt. - (H.R. 12203)

Will you support the President & insist on the House position

94th Congress

against the increase?

Western and Plains (Talcott)

Midwestern States (Myers)

	Yes	No	Und.	N/R
<i>California</i>				
Bell	/			
Burgener	/			
Clausen	/			
Clawson	/			
Goldwater	/			
Hinshaw	/			
Ketchum	/			
Lagomarsino (ARW)	/			
McCloskey	/			
Moorhead	/			
Rousselot	/			
Talcott <i>o/T</i>	/			
Wiggins	/			
Wilson	/			
<i>Rettis</i>	/			
<i>Alaska</i>				
Young	/			
<i>Arizona</i>				
Conlan <i>o/T</i>	/			
Rhodes	/			
Steiger <i>o/T</i>	/			
<i>Colorado</i>				
Armstrong (ARW)	/			
Johnson	/			
<i>Idaho</i>				
Hansen	/			
Symms	/			
<i>New Mexico</i>				
Lujan	/			
<i>Washington</i>				
Pritchard	?			
<i>Kansas</i>				
Sebelius	/			
Shriver <i>voted 'yes' in Conf.</i>	/			
Skubitz	/			
Winn	/			
<i>Nebraska</i>				
McCullister	/			
Smith	/			
Thone (ARW)	/			
<i>North Dakota</i>				
Andrews	/			
<i>Oklahoma</i>				
Jarman	/			
<i>South Dakota</i>				
Abdnor	/			
Pressler	/			
Total (36)	24		1	11
Total pages 1 and 2	80	9	27	28

	Yes	No	Und.	N/R
<i>Indiana</i>				
Hillis	/			
Myers	/			
<i>Iowa</i>				
Grassley	/			
<i>Michigan</i>				
Broomfield	/			
Brown	/			
Cederberg	/			
Esch	/			
Hutchinson	/			
Ruppe	/			
Vander Jagt	/			
<i>Minnesota</i>				
Frenzel (ARW)	/			
Hagedorn	/			
Quie	/			
<i>Wisconsin</i>				
Kasten	/			
Steiger	/			
<i>Ohio</i>				
Ashbrook	/			
Brown	/			
Clancy	/			
Devine	/			
Gradison	/			
Guyer	/			
Harsha	/			
Kindness	/			
Latta	/			
Miller	/			
Mosher	/			
Regula	/			
Stanton	/			
Whalen	/			
Wylie	/			
<i>Illinois</i>				
Anderson	/			
Crane	/			
Derwinski	/			
Erlenborn	/			
Findley	/			
Hyde	/			
Madigan	/			
McClory	/			
Michel	/			
O'Brien	/			
Railsback	/			
Total (41)	27	3	7	4

REPUBLICAN WHIP—ROBERT H. MICHEL

Tally Sheet

94th Congress

Border and Southern (Young)					New England and Mid-Atlantic (McDade)				
	Yes	No	Und.	N/R		Yes	No	Und.	N/R
<i>Maryland</i>					<i>Connecticut</i>				
Gude	/	/			McKinney			/	/
Holt	/	/			Sarasin			/	/
Bauman	/	/			<i>Delaware</i>				
<i>Missouri</i>					duPont	/	/		
Taylor (ARW)	/	/			<i>Maine</i>				
<i>Kentucky</i>					Cohen			/	/
Carter	/	/			Emery			/	/
Snyder	/	/			<i>Massachusetts</i>				
<i>Tennessee</i>					Conte (ARW)		/	/	/
Beard	/	/			Heckler			/	/
Duncan	/	/			<i>New Hampshire</i>				
Quillen	/	/			Cleveland			/	/
<i>Florida</i>					<i>New Jersey</i>				
Bafalis	/	/			Fenwick	/	/	/	/
Burke	/	/			Forsythe	/	/	/	/
Frey	/	/			Rinaldo	/	/	/	/
Kelly	/	/			<i>Vermont</i>				
Young	/	/			Jeffords	/	/	/	/
<i>North Carolina</i>					<i>New York</i>				
Broyhill	/	/			Conable	/	/	/	/
Martin	/	/			Fish			/	/
<i>South Carolina</i>					Gilman			/	/
Spence	/	/			Hastings			/	/
<i>Virginia</i>					Horton			/	/
Butler	/	/			Kemp	/	/	/	/
Daniel	/	/			Lent		/	/	/
Robinson	/	/			McEwen	/	/	/	/
Wampler	/	/			Mitchell (ARW)			/	/
Whitehurst (ARW)	/	/			Peysner	/	/	/	/
<i>Alabama</i>					Walsh	/	/	/	/
Buchanan	/	/			Wydler			/	/
Dickinson	/	/			<i>Pennsylvania</i>				
Edwards	/	/			Biester			/	/
<i>Arkansas</i>					Coughlin			/	/
Hammerschmidt	/	/			Eshleman <i>hospital</i>	/	/	/	/
<i>Louisiana</i>					Goodling			/	/
Moore	/	/			Heinz			/	/
Treen	/	/			Johnson (ARW) <i>o/t</i>			/	/
<i>Mississippi</i>					McDade			/	/
Cochran	/	/			Myers			/	/
Lott	/	/			Schneebeli			/	/
<i>Texas</i>					Schulze		/	/	/
Archer	/	/			Shuster			/	/
Collins	/	/							
Steelman	/	/							
Paul	/	/							
<b>Total</b>	<b>21</b>	<b>2</b>	<b>5</b>	<b>5</b>	<b>Total</b>	<b>8</b>	<b>4</b>	<b>14</b>	<b>8</b>

