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STATEMENT OF
THE HONORABLE HENRY A. KISSINGER
SECRETARY OF STATE
BEFORE THE
SENATE FOREIGN RELATIONS COMMITTEE
ON SECURITY ASSISTANCE



For further information contact:



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I am pleased to be here to testify on our security assistance proposals for fiscal year 1976.

Throughout the post World War II era the United States and our allies kept the peace and promoted the prosperity of the world. We sought to preserve our democratic institutions and our heritage of values in the context of a rigid bipolar international structure in which we confronted a relentless adversary.

It was evident then that security was the indispensable foundation of all else we sought to accomplish in the world. Our freedoms and interests could only be preserved, we felt, if we remained vigilant to any attempt at encroachment in any corner of the globe. To contain our adversaries we sold or gave defense equipment and services to those who shared our opposition to Communism. The American people and their government agreed that the concept of security assistance was crucial to our nation's foreign policy objectives.

With the end of the last decade it became evident that the post-war international structure was passing into history, impelled by vast new changes. The bipolar Cold War era was fading. American military predominance was replaced by strategic balance. The global colonial structure had ended. New centers of power and influence were springing up around the globe, in old nations and new. Major alterations in international structures were called for. An unprecedented and vast range of global problems brought by interdependence imposed new imperatives for cooperation and efficiency. We had entered an uncertain and unpredictable era, even for this most turbulent century in history. The success and even the survival of the community of nations is by no means assured.

In this changed context, one element remains fundamental: all foreign policy still begins with security. A well-reasoned and carefully monitored policy of security assistance is a fundamental tool of our foreign policy in every major area.

— To maintain our nation's safety there is no substitute for a strong national defense supported by a web of defense ties with nations who share our commitment to peace and self-determination. The United States and our allies have been the cornerstone of world peace for decades. We must maintain the strategic balance in today's more uncertain world or we risk losing the anchor of world stability.

— But there can be no enduringly peaceful international order unless relations between the nations with the power to destroy mankind are placed on a more rational footing. The moral antagonism between democracy and Communism cannot be ignored; it remains the heart of the problem. Nevertheless, we have begun to reduce tensions and lay the basis for a more reliable and cooperative future. The indispensable element in these positive achievements has been our strength and allied unity. Our progress rests ultimately on ensuring that potential adversaries have no choice but to exercise restraint. The task is complex, but it must be understood: we must maintain security even while striving to ease tensions; these are two sides of the single objective of peace.

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— The range of issues we face with the new and developing nations has a security dimension as well. No nation wants to entrust its fate to the whim of others. No country, rich or poor, is indifferent to its security. In a world where the number of arms suppliers is increasing, nations will not tolerate indifference or attitudes of moral superiority from those to whom they turn for help. But our defense supply links to other countries can significantly strengthen our influence and our efforts to achieve cooperation across the broad range of issues of interdependence.

— Security assistance underlies our efforts to help resolve regional conflicts as well. In a world of heightened nuclear peril we have no choice but to try to contain disputes which hold the seeds of wider, global confrontation. While it is still possible in some areas of the world to try to keep the peace through denying the external supply of military materiel, the possibilities of success through this approach are very difficult. Meanwhile, conflicts must be contained through upholding stable balances of power in volatile regions through the carefully considered transfer of defense equipment.

Security Assistance to the Middle East

The most immediate and urgent regional conflict facing the United States and the world is, of course, the Middle East. Our security assistance to the Middle East includes both military and economic elements.

The Middle East portion of our security assistance request is large, fully 70 percent of the program. But it is matched in magnitude by the US national interests that it is designed to protect and further.

Our Middle East security assistance program directly affects matters of vital national importance. It is a central part of our efforts to help achieve progress toward peace. We have a historical and moral commitment to Israel. We have important concerns in the Arab world. Perpetual crisis in the Middle East would severely strain our relations with our most important allies. And upheaval in the Middle East jeopardizes the world's hopes for economic recovery and increases the prospect of direct US-Soviet confrontation. For all these reasons, our aid request is a prudent investment in peace.

One important aspect of our policy in the Middle East has long been helping to preserve the ability of Israel to persevere in its own defense. Despite Israel's having taken what we here in the United States would consider to be extremely stringent domestic austerity measures, it is clear that Israel must have substantial assistance.

The \$1.5 billion funding level proposed by the Administration for FY 1976 reflects this. Our recommendation is based on Israeli thinking about its military requirements over the next several years and our analysis of Israel's force modernization plans. We are reviewing these requirements in the same spirit as we have reviewed previous Israeli requests. We know that a substantial US response will be necessary, even though decisions on specific items of equipment are still under discussion.

Our new friendship with Egypt does not in any way undermine our traditional commitment to the security and survival of Israel. Indeed, our policy of furthering all constructive forces in the Middle East is the surest path through which we can help the parties attain a durable settlement which

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meets the principal concerns and interests of all in the area — including the survival of Israel as a state.

We must also find the means to demonstrate and nurture our growing friendship for Egypt. The case for Egypt is also strong. Egypt has courageously embarked on the road to peace and moved from confrontation to negotiation as a means to resolve the Arab-Israeli dispute. At the same time Egypt's leaders must take on the massive tasks of rebuilding the Suez area, rehabilitating the economy, and carrying forward the development of their country. The United States can and should assist Egypt in overcoming these major economic problems and encourage Egypt's efforts toward closer relations with the West.

Our security assistance also helps Jordan to remain an area of stability and moderation in a strategic area of the Arab-Israeli conflict. We must also consolidate our cooperation with Syria in this area as part of our overall relationship which will remain central to the negotiating process in the coming year.

In sum, the stakes in the Middle East are big, no less than war and peace; our national interests in the area have become vitally important. The responsibilities we have assumed are substantial but they are warranted.

Our assistance is not, as some have suggested, the price of the recently concluded Sinai agreement. If there had been no agreement, the needs of the countries concerned, and the imperatives of our interests and of our relations with them, would still have required an ongoing program of comparable magnitude — but in conditions of continuing stalemate rather than, as is now the case, in the context of hopeful forward movement. The burden of US assistance is modest — and infinitely less than the demonstrated costs of another war.

In the last two years we have worked closely with the nations of this area in the search for peace. One of the consequences of working together in one sphere of vital interest is that those with whom we work come to trust us and look to us for help in other spheres of vital concern — strengthening their own countries and improving the conditions of life for their own peoples.

In preparing our Middle East program, we have been mindful of the economic problems facing us here at home and the budgetary restraints they require. We have therefore tried to strike a balance between what we could do to assist constructively in the area and what we should ask the Congress and the American people to provide. Our program reflects this balance. We hope it will receive the support that it requires and deserves.

Security Assistance to Other Regions

After the Middle East, the balance of our security assistance requests is allocated to other regional areas in the following portions:

— Europe	11%	\$534.0 million
— East Asia	10%	\$448.4 million
— Latin America	4%	\$196.0 million
— Africa	1.5%	\$ 68.5 million
— Near East	1%	\$ 55.0 million
[exclusive of the Middle East]		



Europe

Our European proposals are focused primarily on Turkey and Greece. The strength of these two countries and their association with us in NATO is critical to the stability of the Mediterranean region and the solidity of our position within it. The Congress is well aware of the extraordinary complications which the Cyprus dispute has created for our relations in the Eastern Mediterranean, and the impact on the overall NATO structure. By resuming well-conceived grant and credit assistance programs for these two key nations, the United States can meet legitimate military procurement needs that will strengthen our allies and at the same time enable us to play a more effective role in helping find a mutually satisfactory solution to the Cyprus conflict.

East Asia

Our security assistance proposals for East Asia are designed to demonstrate that America will sustain a constructive role in the area. It is clear that throughout the region states eager to preserve their independence are anxious to see the United States remain politically engaged in Asia. They recognize — as we must — that no equilibrium can long be maintained there without our active participation. And many countries of consequence to us will measure our will and capacity to perpetuate a constructive involvement in the Asian balance by our efforts to help others develop a more self-reliant defense position. Already perceptible progress in the direction of self-reliance is evident in the fact that our request for Foreign Military Sales credits for East Asian countries exceeds — in fact, is twice as large as — our request for grant aid funds.

In Korea we are requesting \$76 million in grant aid and \$126 million in credits, repayable in full at current market interest rates. The South Koreans have made substantial progress in their own military modernization effort. In the face of heightened tension on the peninsula, they have imposed on themselves a heavy defense tax to finance improved defenses. We have put forward proposals in the United Nations to break the diplomatic impasse on Korea. We intend to provide the necessary muscle with which to support these initiatives.

We consider it important to pay special attention to allied and friendly nations in Southeast Asia, whose concern for their security is understandable in the light of recent developments. The Philippines has internal security problems. Thailand wants to preserve the security of its border regions and counter an increased potential for subversion in three parts of the country. Likewise, Indonesia seeks to strengthen its ability to patrol and protect its far-flung archipelago. Our grant programs in these countries are matched by credit proposals that attest to the increasing abilities of these countries to meet much of their defense burden.

Latin America

Four months ago in the spirit of mutual confidence and respect that has increasingly characterized hemispheric relations, we joined with our neighbors in successfully modernizing the Rio Treaty, the world's oldest mutual security instrument. In keeping with this continuing cooperation, and in an effort to take into account the growing self-sufficiency and economic development priorities of the Latin American countries, we have focused our programs primarily on the fostering of professional skills and

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relationships rather than on the support of military inventories or maneuvers. Training is accordingly the common denominator, while our grant materiel programs are being phased out. Excepting only the \$2 million program for Bolivia, grant materiel assistance is limited to less than \$500,000 for each of only eight countries. In addition, in proportion to the military budgets of the Latin American nations which remain low by international standards, our proposed FMS credits are also modest. On the whole, our programs reflect our interest in remaining responsive to Latin America's reasonable military needs within a framework of cooperation and growing economic self-sufficiency.

Africa

There are two significant programs proposed for Africa. Stability in the Horn of Africa has wider geopolitical meaning. To help maintain that stability we propose \$12.6 million in grant aid and \$10 million in credits for Ethiopia, a strategically located nation.

Zaire would receive \$19 million in credits to help modernize its forces and meet its legitimate defense needs in view of increased threats to its security — particularly that posed by the instability in Angola. Our aid would help meet a defensive force need recommended by a US military study team after careful observation and consultation with the Zaire military. In addition, a \$20 million Security Supporting Assistance Loan to Zaire would help meet a temporary balance of payments problem which threatens stability and US financial interests in this key country.

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Mr. Chairman, I have addressed my remarks to the central aspects of our security assistance program — its place in our overall foreign policy design; the basic criteria under which it is employed; and the process through which our decisions on it are reached. I have focused on the area of greatest present urgency, the Middle East, and have reviewed our proposals for other regions. I am now ready to respond to your questions on these or other matters pertaining to our security assistance program as planned for fiscal year 1976.

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