

THE WHITE HOUSE

WASHINGTON

December 8, 1975

Dear Mr. Speaker:

Pursuant to Section 2(b) (2) of P.L. 94-104, I am pleased to submit to the Congress my recommendations for economic and military assistance to Greece for fiscal year 1976.

The bonds between the United States and Greece have historically been close and deep. Both countries were linked together as allies in World War II. They later cooperated in defeating the communist guerrilla movement in Greece in the late 1940's. Subsequently, Greece sent a military force to Korea to assist the United Nations' effort against the communist aggression. In 1952, Greece joined NATO. The bonds between our two nations are not only political, but ethical and cultural as well. The peoples of Greece and the United States cherish a common heritage and a common belief in freedom and human dignity.

My Administration has worked with the new Greek Government in this spirit of friendship and alliance to identify areas in which we might be of assistance and, thereby, advance our common interests. Following consultations with the Greek Government, we began consideration of a program aimed at assisting Greece economically. We supported increased financial assistance for Greece at the International Monetary Fund and World Bank. For fiscal year 1975, we also raised the level of military credit assistance to Greece from \$71 million to \$86 million. In addition, to increase the amount of Export-Import Bank lending to Greece, the Bank Chairman visited Athens last spring to discuss with Greek businessmen and officials ways in which Greece could take better advantage of the Bank's programs. This visit was followed by a further Export-Import Bank mission in November.

The Greek Government itself has moved vigorously to confront its most serious problems. It has dramatically reduced the level of inflation. It has reversed the decline in its Gross National Product. In addition, it has moved to restore public confidence in the military establishment as a non-political force capable of defending Greece's security interests.

At the same time, the government in Athens has made clear to this Administration its need for increased levels of assistance for the current fiscal year. Based on that request and in keeping with the spirit of Congressional debate preceding passage of P.L. 94-104, I

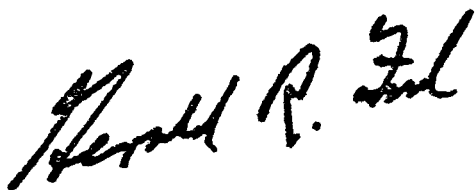
sent an expert team to Athens from the Department of State and the Agency for International Development in October to consult with senior Greek officials on that Nation's most urgent needs for economic and military assistance.

The team of experts concluded that Greece, faced with continued domestic economic difficulties and a need to modernize its military establishment, merited increased U.S. support for fiscal year 1976. Based on Greek requests and the findings of our own experts, I submitted to the Congress on October 30, 1975, a request for fiscal year 1976 for \$50 million in grant military aid, \$90 million in FMS credit and \$65 million as a supporting assistance loan. This latter loan is designed specifically to ease Greece's temporary balance of payment difficulties.

This package of assistance is justified on three grounds. First, it will help strengthen the foundation of representative democracy in Greece. Second, it will demonstrate our interest in modernizing and improving the Greek armed forces, and will be consistent with our stated desire that Greece return at an early date to a full participation within the NATO Alliance. Finally, it will assist the Greek Government and the Greek people in a moment of critical economic need.

Based on my review of Greece's need as well as our overall budgetary situation, I have concluded that my proposals of October 30 are appropriate for this fiscal year. I strongly urge the Congress to give them early and favorable consideration.

Sincerely,

A handwritten signature in black ink, reading "Gerald R. Ford". The signature is written in a cursive style with a large, prominent "F" and "D".

The Honorable  
The Speaker  
U.S. House of Representatives  
Washington, D. C. 20515

cc: Chairman of the Senate Foreign Relations Committee  
Chairman of the Senate Appropriations Committee