

FOR IMMEDIATE RELEASE

JANUARY 20, 1976

Office of the White House Press Secretary
-----THE WHITE HOUSE

TO THE CONGRESS OF THE UNITED STATES:

The Foreign Assistance Act of 1974, enacted by the 93rd Congress on December 30, 1974, expresses the sense of the Congress that the policies and purposes of the military assistance program should be "reexamined in light of changes in world conditions and the economic position of the United States in relation to countries receiving such assistance." Section 17(a) of the act expresses the view that the program, except for military education and training activities, "should be reduced and terminated as rapidly as feasible consistent with the security and foreign policy requirements of the United States."

To give effect to section 17(a) of the act, the Congress directed that I submit to the first session of the 94th Congress a detailed plan for the "reduction and eventual elimination of the present military assistance program." In the intervening period, the two foreign affairs committees are considering draft legislation that would arbitrarily terminate grant military assistance programs after September 30, 1977, unless authorized by the Congress.

I have stressed repeatedly in my messages to the Congress and in my reports to the American people, the need for constancy and continuity in our foreign policy, and, in particular, in our relationship with nations which turn to us for necessary support in meeting their most pressing security needs. Since World War II, the United States has extended such assistance to friends and allies. This policy has contributed immeasurably to the cause of peace and stability in the world. Many countries which once received grant military assistance have achieved self-sufficiency in providing for their security interests, and grant military assistance to a number of current recipients is being reduced or eliminated.

I firmly believe that grant military assistance in some form will remain a basic requirement for an effective U.S. foreign policy for the foreseeable future. In the Middle East and elsewhere, we must maintain our flexibility to respond to future assistance requirements which cannot now be reckoned with precision. It will continue to be in our interest to be able to meet the legitimate security requirements of countries who cannot shoulder the full burden of their own defense and grant assistance will continue to be needed to assist countries that provide us essential military bases and facilities. These requirements will not disappear; they are the necessary result of the unsettled state of the world and of our role as a world power.

Nevertheless, in recognition of the expressed sense of the Congress, I have, in preparing the 1977 budget and legislative program, reexamined the policies, purposes, and scope of the military assistance program with a view

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to reducing or terminating any country programs no longer essential to the security and foreign policy interests of the United States. As a consequence of this review, the 1977 military assistance budget request will reflect a 28 percent reduction below the 1976 request, the termination of grant materiel assistance to Korea, and elimination of five small grant programs in Latin America. Furthermore, our preliminary estimate of the 1978 requirements indicates that additional reductions and some additional program terminations should be feasible in the absence of unfavorable security or economic development in the countries concerned.

I must emphasize, however, that offsetting increases in foreign military sales credits will be required in most instances to meet the legitimate military needs of our friends and allies at a time when much of their military equipment is reaching obsolescence and prices of new equipment are increasing drastically. Moreover, the capacities of many of these grant military aid recipients to assume additional foreign exchange costs because of reduced military aid are limited by the necessity to cope with higher oil prices as well as the impact of the recession in the developed countries on their exports. In these circumstances, I believe the interests of the United States in the continued security of these countries are better served by a gradual reduction of grant military assistance attuned to the particular circumstances of each country than by an arbitrary termination of all such assistance on a given date.

Finally, I must emphasize that in this uncertain and unpredictable era we must maintain our national strength and our national purposes and remain faithful to our friends and allies. In these times, we must not deny ourselves the capacity to meet international crises and problems with all the instruments now at our disposal. I urge the Congress to preserve the authorities in law to provide grant military aid, an instrument of our national security and foreign policy that has served the national interest well for more than 30 years.

GERALD R. FORD

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