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STATEMENT OF
THE HONORABLE HENRY A. KISSINGER
SECRETARY OF STATE
BEFORE THE
HOUSE APPROPRIATIONS COMMITTEE
NOVEMBER 14, 1975



For further information contact:



I come before you today to present and explain the Administration's request for new appropriations of \$4.7 billion for Fiscal Year 1976 under the Foreign Assistance Act.

These appropriations are vital to our nation's well-being. For it is through such resources that we are able to work for the kind of world in which America's interests can flourish.

Our foreign policy is designed to help shape an international structure of relations which promotes cooperation rather than force; negotiation rather than confrontation; and which permits peoples to pursue their positive aspirations in a world environment of stability and security.

To do so, we must pursue a strategy far more complicated than in the past. In the rigid bipolar world of the 1950s and 60s our overriding goal was the containment of Communist aggression. Congress and the Executive were in general accord that security assistance was central to our nation's safety and to our other most important foreign policy objectives.

Today we face a challenge no less serious but far more complex. The growth of nuclear arsenals and the proliferation of nuclear weapons bring new perils to peace. New centers of power and influence have sprung up in both the industrial and developing worlds, vying with and among each other in unexpected patterns of confrontation; regional conflicts fester, threatening global stability. And the realities of economic interdependence impel us to new levels of cooperation and efficiency of effort.

Thus we must now simultaneously maintain a strong defense and seek more constructive international relations. In this time of greater moral complexity foreign policy still begins with security; it is the only sure basis for building more rational and reliable relations with those whose values and objectives are inimical to our own.

Security assistance is vital to nearly all our foreign policy goals:

We seek to revitalize our bond to allies who share our values, institutions and interests. America's safety requires a strong national defense bolstered by mutual security ties with allies who share our objectives. The persistent threat of nuclear devastation makes it imperative for the United States and its allies to maintain the global strategic balance.

We seek to reduce the perils of nuclear war and build more rational relationships with potential adversaries. We have taken several historic steps toward this objective in the last few years. Would-be aggressors will not feel the need for peaceful cooperation unless they perceive that efforts at intimidation will be met by a strong, broad-based resistance.

We seek to help resolve regional conflicts that threaten global peace. This traditional objective is all the more urgent in today's world of increasing nuclear proliferation. As always our assistance is designed to further peace in areas where it is threatened. Increasingly, regional stability is dependent upon stable balances of power maintained through carefully considered transfers of defense equipment.

And we seek to build a new era of cooperation between all nations on the vast new global problems of our time. It is of substantial political importance to our country that we be able to respond to the felt security needs of nations with which we seek constructive economic and political relations. We cannot expect to retain influence with nations whose perceived defense needs we disregard -- especially in an age when an increasing number of countries are becoming arms suppliers at the same time that nations without arms production industries have the cash and the inclination to buy defense equipment from any source they choose.

Thus a well-reasoned security assistance policy is a part of our foreign policy in the same sense as are our political and economic support for others.

When we consider whether our nation's policy objectives can be furthered by the transfer of American defense services and equipment, there are a number of criteria we consider.

First, we look at the nature of the threat to those who seek our help; to their role in their region and in the world; and to their ability and desire to help themselves.

Second, we look to our own interest in helping preserve the security of the recipient country; and we examine what potential influence for positive conduct we would gain should our assistance be given.

Third, we ask what other sources are available. The denial of our help might only force a turn toward another, undesirable, source of supply; a relationship favorable to us might be altered and new sources of regional instability created.

And fourth, we assess the consequences for the United States. Will our own defense readiness or efficiency be affected? Will the central strategic balance be altered?

All these factors and others are considered by a well-structured review process. The Security Assistance Review Committee consists of representatives from State, Defense, Treasury, OMB, NSC, AID and ACDA. The Committee reviews both the level and content of each country program. The views of the Defense Department are given the highest level attention with regard to the potential effect which security assistance transfers may have on our own defense preparedness. The final decisions of course are made by the President.

I would like to review with you the key elements of our proposal for Fiscal Year 1976, region by region.

The Middle East

The Middle East portion of our security assistance request makes up about 70 percent of the program. But it is matched in magnitude by the United States' national interests that are involved.



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-- It is designed to provide Israel with the assistance needed to maintain its security and consequently its confidence in its own strength and in our support to persevere in negotiations. Israel, to which we have an historical and moral obligation, requires assistance to maintain both defensive strength and economic health. Our program is aimed at these objectives.

-- It is designed to give tangible expression to our important relations with Arab countries, and to encourage Egypt's courageous and constructive efforts to move from confrontation to negotiation. Egypt faces massive tasks of rebuilding and economic development; we seek to help Egypt in this endeavor. Our assistance also helps Jordan remain an area of moderation in the Middle East. It helps us consolidate our cooperation with Syria, which is central to the negotiating process.

-- And it is designed to support our overall effort in the Middle East to avert another upheaval which could dash our own hopes for economic recovery and growth, strain our relations with our allies in Europe and Japan, and pose the dangers of a US-Soviet confrontation.

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

In sum, the stakes in the Middle East are big, no less than war and peace; our national interests in the area are 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 -- in conditions of continuing stalemate rather than as is now the case, in the context of hopeful forward movement. The additional burden of US assistance is modest -- and infinitely less than the demonstrated costs of another war.

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 (exclusive of the Middle East)	1%	\$ 55.0 million

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 America countries, we have focused our programs primarily on the fostering of professional skills and 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 proposed \$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 U.S. military study team after careful observation and consultation with the Zaire military.

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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.

