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Authority: EO 13526  
Chief, Records & Declass Div, WHS  
Date: SEP 01 2017

6 MAY 1975  
In reply refer to:  
1-4906/75  
300.6

MEMORANDUM FOR DIRECTOR, INTERNATIONAL LOGISTICS, ODCSLOG  
DEPARTMENT OF THE ARMY

DIRECTOR, SECURITY ASSISTANCE, ODCS (P&P)  
DEPARTMENT OF THE NAVY

DIRECTOR, MILITARY ASSISTANCE & SALES, ODCS (VAL)  
DEPARTMENT OF THE AIR FORCE

SUBJECT: Status of Deliveries - MAP Grant Aid

The regular quarterly "Status of Deliveries" Report for MAP Grant Aid has been prepared by this office. Program data used are the Master File as of 28 April 1975 and Deliveries are as reported through 31 March 1975. A copy of the report for your department is attached. Also attached are listings by ACH detail of undelivered balances for all countries for each military department and listings identifying discrepancy conditions.

The significant undelivered balances reflected in this report for the Khmer Republic, both total dollar values and specific items should be reduced substantially (eliminated wherever possible) by 30 June 1975 as a result of termination of military assistance to that country.

It is requested, therefore, that each military department make a concerted review of both program and delivery records for the Khmer Republic during the next two months and provide input to the Data System for program and delivery adjustments. Program change cards "P" or "R" may be submitted weekly. Delivery cards (card "S") are requested by 30 June 1975, rather than with the submission of the regular fourth quarter delivery data.

Office of the Secretary of Defense  
Chief, RDD, ESD, WHS  
Date: 01 Sep 2017 Authority: EO 13526  
Declassify: ☒ Deny in Full: ☐  
Declassify in Part: ☐  
Reason: ☐  
MDR: 17 - M-2275

SIGNED  
5 USC, § 552

Robert B. Hammond  
Comptroller

Attachments  
4/5

d  
DIST: RC ✓  
TC RF (2)  
DMD SUBJ  
DMD CHRON  
DMD A.O.

Prepd by: BLutwak/paf/6 May 75/48735/72440

Coord: Mr. Barnhouse (on draft)

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~~WHEN WITH ATTACHMENTS~~

0913

6 May 1975



INTERNATIONAL  
SECURITY AFFAIRS

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ASSISTANT SECRETARY OF DEFENSE  
WASHINGTON, D.C. 20301

5 MAY 1976

040 State

In reply refer to:

I-4831/75

MEMORANDUM FOR MR. CARLYLE E. MAW  
UNDER SECRETARY FOR SECURITY ASSISTANCE  
DEPARTMENT OF STATE

SUBJECT: Revised DOD Grant Aid Program for FY 1976

Enclosed is the revised DOD grant aid program for FY 1976, totalling \$848 million, the same amount currently in the President's Budget for grant materiel and training. This revised program, with supporting rationale, reflects DOD's reassessment of MAP requirements following the recent events in Southeast Asia and the reprogramming on a priority basis of the allocation previously planned for Cambodia.

Recent events in Southeast Asia have served to increase grant assistance requirements. Our Asian allies and friends are questioning the continuation of US support. This same concern is evident in other parts of the world where our security interests are even greater. I specifically refer to key countries on the flanks of NATO and in Africa and the Middle East. Equally significant is the fact that Congressional action in the past few years has limited the capability of the US to meet the legitimate materiel requirements of these countries and, consequently, there has been an increasing shortfall of equipment provided them. Also, there is increasing but understandable pressure from certain countries for greater MAP assistance as a compensation for the important base rights which they provide to the United States.

DOD will make a continuing assessment to insure that the best possible use is made of these funds among the various countries. These changes will be made as necessary as the CPD is finalized. Changes will be accommodated by reprogramming within the total of \$848 million, unless events and assessments dictate the need for additional funds from the Congress.

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(S) I believe that it is important for the Administration to seek the full amount originally requested by the President for FY 1976. This provides him with maximum flexibility as we readjust to the continually changing international conditions and, at the same time, gives positive support to those nations whose well-being is important to the interests of the United States.

(U) I recommend that the enclosed program form the basis for the revised FY 1976 grant aid program.



Robert E. Evans  
Assistant Secretary of Defense  
International Security Affairs

Enclosure

As Shown  
Distribution:

ORIG + 1 - Addee  
cy - Mr. Stern, Dept of State  
Mr. Ogilvie, OMB  
Mr. Harry Shaw, OMB  
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PDASD/ISA  
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MG Auliffe  
MG Sumner  
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Mr. Douglas Smith  
Mr. Hammond  
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Prep'd by: DLEvans/rre/5May75  
MD/Room 4B 714/X-72314

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Proposed Programs

FY 1976

(\$ Thousands)

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|                                 | <u>Total MAP*</u>  | <u>Foreign<br/>Military Training</u> |
|---------------------------------|--------------------|--------------------------------------|
| <u>East Asia</u>                | <u>274,700</u>     | <u>10,300</u>                        |
| China (Taiwan)                  | 900                | 500                                  |
| Indonesia                       | 30,000             | 3,000                                |
| Korea                           | 125,000            | 2,600                                |
| Laos                            | 28,800             | 1,200                                |
| Malaysia                        | -                  | 300                                  |
| Philippines                     | 40,000             | 600                                  |
| Thailand                        | 50,000             | 1,700                                |
| Regional Costs                  | -                  | 400                                  |
| <br><u>Near East South Asia</u> | <br><u>164,045</u> | <br><u>3,150</u>                     |
| Afghanistan                     | -                  | 200                                  |
| India                           | -                  | 200                                  |
| Israel                          | -                  | -                                    |
| Jordan                          | 148,500            | 800                                  |
| Lebanon                         | 10,000             | 200                                  |
| Morocco                         | -                  | 800                                  |
| Nepal                           | -                  | 35                                   |
| Pakistan                        | -                  | 350                                  |
| Sri Lanka                       | -                  | 15                                   |
| Tunisia                         | 200                | 400                                  |
| Yemen                           | 345                | 100                                  |
| CENTO                           | 5,000              | -                                    |
| Regional Costs                  | -                  | 50                                   |
| <br><u>Europe</u>               | <br><u>315,500</u> | <br><u>3,800</u>                     |
| Austria                         | -                  | 24                                   |
| Finland                         | -                  | 24                                   |
| Greece                          | 65,000             | 750                                  |
| Portugal                        | 60,300             | 500                                  |
| Spain                           | 100,200            | 650                                  |
| Turkey                          | 90,000             | 1,800                                |
| Regional Costs                  | -                  | 52                                   |
| <br><u>Africa</u>               | <br><u>16,000</u>  | <br><u>2,600</u>                     |
| Ethiopia                        | 16,000             | 900                                  |
| Ghana                           | -                  | 75                                   |
| Kenya                           | -                  | 1,000                                |
| Liberia                         | -                  | 100                                  |
| Senegal                         | -                  | 25                                   |
| Zaire                           | -                  | 400                                  |
| Regional Costs                  | -                  | 100                                  |

\* Country levels include PCH&T

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|                      | <u>Total MAP *</u> | <u>Foreign<br/>Military Training</u> |
|----------------------|--------------------|--------------------------------------|
| <u>Latin America</u> | <u>9,200</u>       | <u>11,400</u>                        |
| Argentina            | -                  | 900                                  |
| Bolivia              | 3,500              | 600                                  |
| Brazil               | -                  | 1,100                                |
| Chile                | -                  | 900                                  |
| Colombia             | -                  | 600                                  |
| Dominican Republic   | 200                | 600                                  |
| Ecuador              | -                  | 900                                  |
| El Salvador          | 700                | 700                                  |
| Guatemala            | 200                | 400                                  |
| Haiti                | -                  | 200                                  |
| Honduras             | 700                | 700                                  |
| Mexico               | -                  | 100                                  |
| Nicaragua            | 900                | 700                                  |
| Panama               | 600                | 300                                  |
| Paraguay             | 1,000              | 300                                  |
| Peru                 | -                  | 900                                  |
| Uruguay              | 1,400              | 400                                  |
| Venezuela            | -                  | 600                                  |
| Regional Costs       | -                  | 500                                  |
| <u>General Costs</u> | <u>37,055</u>      | <u>250</u>                           |
| <u>Worldwide</u>     | <u>816,500</u>     | <u>31,500</u>                        |
| <u>Total</u>         |                    | <u>848,000</u>                       |

\* Country levels include PCH&T.

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Rationale for Proposed Increases

East Asia/Pacific Region -- The entire Pacific basin is uneasy and anxious to see evidence of continued US presence and commitment. All nations would like to continue close US ties, but will put daylight between themselves and the US if we show any signs of retreat. It is essential to be forthcoming at this critical time.

- Indonesia -- Based on letters from Presidents Ford and Nixon, the Indonesians have expected a MAP program of at least \$25 million per year. However, this "commitment" to Indonesia has never been realized. The shortfall has been substantial and the Indonesians have been disappointed every year since 1972. If additional funds were made available and we were to realize a \$30 million MAP program, it would have significant political, economic and military benefits to the United States.
- Korea -- Shortfalls have forced us to delay completion of the 5-year MOD program. Korea has shown apprehension concerning our resolve. Increase to \$125 million will help reaffirm our good intentions and could accelerate completion closer to original agreed date of FY 1975.
- Philippines -- Increase to \$40 million. President Marcos, in reviewing US-Philippines relationships, needs evidence to show our good faith. Increase will go a long way to mute base rental problem.
- Thailand -- Increase to \$50 million will reaffirm our commitment; will offset, to a degree, previous shortfalls; and will indicate our gratitude for Thai cooperation throughout SEA war, especially now with refugee and equipment relocations. Further, this bonus will be well-timed for force level negotiations.

Near East/South Asia --

- Jordan -- The increase of MAP by \$48.5 million will offset the shortfall of \$40 million resulting from the allocation of reduced total MAP resources in FY 1975.
- Lebanon -- The moderate Government of Lebanon needs bolstering with materiel to prevent a breakdown of internal security. Collapse of the moderate regime would be a severe blow to US prestige and to the maintenance of peace in the Middle East.

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- Yemen -- An impact package of \$345,000 in MAP materiel, plus an additional \$50,000 for training, would strengthen Yemeni security and would be responsive to repeated Saudi suggestions that the US pay for part of the military requirements for the Yemen Arab Republic. Reopening of the Suez will increase US interests in Yemen. A Presidential Determination will be required to initiate this program.
- CENTO -- US has been requested, and needs to evidence, increased support of this alliance which was created by US initiative. \$5 million requested would assist in improving the CENTO military HF communications network.

Europe --

- Portugal -- The Azores base negotiations will probably resume shortly, and need for a substantial quid pro quo is generally agreed. The \$60.3 million proposed would hopefully constitute all or lion's share of grant aid needed over a five-year agreement period. Portuguese armed forces are ready to turn from African preoccupation, and will need large amounts of assistance for modernization and other measures to bring them up to NATO standards.
- Spain -- Given inability to accord Spain a bilateral security commitment or an explicit link with NATO, current base rights negotiations will in all likelihood require significant MAP assistance to the Spanish armed forces. Amount proposed for FY 76 could constitute all, or at least lion's share of grant assistance for Spain over the presumed five-year term of the new agreement, thus reducing claims on future year MAP budgets. A Presidential Determination is required to reinstate a materiel grant assistance program for Spain.
- Turkey -- The proposed \$90 million program would compensate in part for the aid cut-off in FY 1975 and consequent impairment of Turkish armed forces capabilities. (Defense proposes no change in the \$65 million for Greece for FY 76, and beginning with FY 77, we would contemplate roughly equal MAP programs for the two countries.)

Africa --

- Ethiopia -- The increase of MAP to Ethiopia to \$16 million has been proposed by State, and Defense would interpose no objection, in view of Ethiopia's difficult security situation.

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- Kenya -- The increase to \$1 million for training is required to support their acquisition of F-5 aircraft. Their resources are insufficient to pay for both spare parts and training. (In view of US growing interests in Kenya, particularly in the Port of Mombasa, FMS credits of up to \$6 million also would be highly desirable.)

Latin America -- The increase in training for Latin America amounts to \$900,000 and would provide \$100,000 each to nine countries (Argentina, Brazil, Chile, Dominican Republic, Ecuador, El Salvador, Honduras, Nicaragua and Peru). The higher training levels would be more consistent with Interdepartmental Group recommendations in this matter.

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