

THE WHITE HOUSE

WASHINGTON

April 6, 1976

Dear Mr. Speaker:

In my letter of March 29, 1976 to the House and Senate Conferees, I stated my strong objections to the Senate action adding nearly \$800 million in program terms to the budget for Foreign Military Sales credits and Security Supporting Assistance for the Transition Quarter for Israel, Egypt, Jordan and Syria, since in my view these funds are not needed to meet the essential needs of the recipients. This position was only taken after the most careful review and analysis.

As you know, this Administration is firmly committed to the security of the State of Israel, and also to providing constructive economic assistance to Egypt, Jordan and Syria. However, the FY 76 and FY 77 budget levels were designed to meet these purposes on an austere basis without any funding in the Transition Quarter.

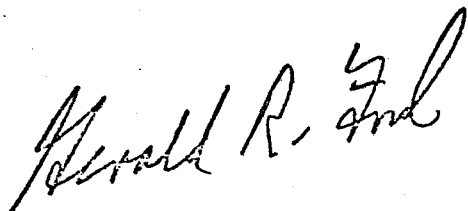
It is natural that the recipient governments would like to receive financial support at a higher level than provided in the Administration's request. I am aware also that it has been argued that the United States should fund through security assistance any budget deficit which governments might incur as the result in part of acquiring military equipment from the United States. However, it should be obvious that any such proposals are completely infeasible, since the United States is in no position to control every aspect of another government's budget spending. Security Assistance is intended to provide military and economic funding to ease the pressure on friendly governments in meeting their legitimate security needs. It never has been nor should be intended to meet every budgetary deficit or foreign exchange shortfall which another government may incur and no such commitment has been made.

Specifically in the case of Israel, my FY 76 and FY 77 budget requests provide sufficient levels of assistance to meet that nation's needs. Our most careful analysis indicates that the levels provided in the FY 76 and 77 requests for FMS are adequate to enable Israel to maintain its security. Our previous estimates of this need have been carefully rechecked and reaffirmed.

At a time when our own country's budget pressures are very great, when our nation faces many other urgent and pressing program needs and our own deficits for FY '76 and the Transition Quarter are already too large, I cannot justify more funds than have been included in my budget request.

Therefore, if I am presented with a final appropriation bill that includes additional funds for the Transition Quarter, I will be forced to exercise my veto -- an alternative which could seriously disrupt our efforts to assist our friends and allies in maintaining their security and development growth efforts. I naturally hope that the House will not make necessary such a course of action, but will instead reach the only responsible conclusion.

Sincerely,

A handwritten signature in cursive script, reading "Gerald R. Ford". The signature is written in dark ink and is positioned below the typed name "Gerald R. Ford".

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