

CLASSIFIED
Classification



Department of State
TELEGRAM

PRECEDENCE:
 COLLECT
 CHANGE TO

CN: 3234
R 221504Z MAR 74

EXTENSION

Charge-2
POL
POL/A
MAAG
Chron
DAO
ECON
7/JP

~~SECRET~~
E.O. 11652 : GDS
TAGS : PFOR, MASS, ET, US
SUBJECT : Embassy/MAAG Recommendations Regarding Levels of Military Assistance to Ethiopia in Fiscal Years 1975 and 1976
ACTION : SECSTATE WASHDC 8150/8151
INFO : AmEmbassy MOGADISCIO 2121/2122
AmConsul ASMARA 4898/4899
USCINCEUR

M&P FILE

~~SECRET~~ ADDIS ABABA 3234

Introduction and Summary

1. As both draft Annual US Policy Assessment and recent Inspection Report for this post emphasize, a major issue for US policy towards Ethiopia in next two years will be level of military assistance program.
2. This telegram is limited to most fundamental aspects of this policy issue and will discuss relative merits of four alternative courses of action: (1) to increase program substantially; (2) to rapidly eliminate program; (3) to

APPROVED BY: <i>PL</i> PDWyman:eag	DRAFTING DATE 3/21/74	TEL. EXT.	APPROVED BY: <i>PL</i> Charge - Parker D. Wyman
---------------------------------------	--------------------------	-----------	--

REMARKS:

MAAG - General Yow (draft) *PL*
POL - Mr. Sebastian *PL*
DAO - Col. Reish *RDR*

~~SECRET~~
Classification

CLASSIFIED

DECLASSIFIED
PA/HO Department of State
E.O. 12958, as amended
May 4, 2006

plan on gradual reduction; or (4) to obtain maximum military assistance program for Ethiopia which is possible within constraints of Congressionally authorized worldwide program and US priorities elsewhere, anticipating that this would at most mean small increase in current level. We believe fourth alternative is preferable for reasons set forth below.

3. Our argumentation is based on assumptions that Ethiopian government in power will continue to regard Somali threat as a grave one to national security and that major procurement of military equipment will not be made from China. Should these assumptions prove incorrect a re-examination of issue would be necessary.

Strategy (1) : Increase Program Substantially

4. Although respectable arguments could be set forth for this strategy, they would clearly be insufficient to outweigh the major counter-argument. Given dwindling resources which Congress is willing to provide for military assistance on worldwide basis, and given pressing needs for such assistance in various areas of great importance to US, a significant increase in program for Ethiopia could not be justified unless it is decided in Washington that present and future US interests in Ethiopia are more important than is evident

to this Embassy at this writing.

Strategy (2) : Rapidly Eliminate the Program

5. An argument could be made that Kagnev has been principal rationale for US assistance program and that, with its phase-down and probable disappearance within next few years, it would make sense to eliminate military assistance program entirely.

6. What would be reaction of IEG if we should do this?

7. Given enormous concern which Ethiopian leaders have regarding Somali threat, and given Ethiopia's virtually complete dependence up to now on US military assistance, it is difficult to imagine any other single action USG could take which would wreak so much damage in Ethiopia to our prestige, our reputation, and Ethiopian desire to cooperate with us. Government leaders would inevitably consider such a policy as slap in face, a betrayal, and/or a complete loss of interest in Ethiopian security. Continuation of US economic assistance would have some braking effect on this reaction, but damage to Ethiopian respect and regard for US would be extensive.

8. How much difference would this reaction make to US interests?

~~SECRET~~
Classification

9. USG should not choose a strategy involving such damage to its bilateral relations with a long-established friend unless its interest in that country has become negligible. That is not the case with Ethiopia. Potential importance of port, landing, and overflight rights in Ethiopia can hardly be dismissed in view of difficulty of US access to Middle East in time of war, enormous strategic importance of Arabian Peninsula, balance of US-Soviet power in Indian Ocean, imminent reopening of Suez Canal, uncertainty regarding future home port for Middle East Force now based in Bahrain, and uncertainties regarding future expansion of US facilities at Diego Garcia. While it is true that no conceivable American military assistance program for Ethiopia would necessarily guarantee USG the ability to use Empire's territory for its purposes in an emergency, such a program increases likelihood of same. Nor can we ignore Tenneco's expectations of exporting large quantities of Ethiopian natural gas to US, its recent discovery of rich copper deposits in Eritrea, and continuing possibility of extensive discoveries of oil in Ogaden.

10. Secondly, how would a strategy of deliberately terminating military assistance to Ethiopia look to rest of world?

CLASSIFIED

11. Leaving aside NATO allies, few countries are as closely identified with US in eyes of world as Ethiopia. Moreover, it is widely known that in military assistance field Ethiopia has relied almost 100% on US. It therefore appears from here that abrupt termination of US military assistance program would cause considerable shock in countries which for reasons of their own are constantly re-examining value and reliability of US support. Reaction of many governments might well be: "If USG is willing abandon Ethiopians in period they consider one of greatest peril, how much credence should be placed in Americans?" Such reaction seems all the more probable inasmuch as we are unlikely to convince other Governments that our regional interests, encompassing as they do Middle Eastern as well as Indian Ocean and energy facets of central importance to us, are not enough to call for a special USG position in Red Sea riparian Ethiopia -- Kagnaw or no Kagnaw.

12. Taking into account both impact on US-Ethiopian relations and credibility of US with other countries, we consider that disadvantages of a deliberate decision to rapidly terminate military assistance program for Ethiopia are such as to eliminate such a strategy from serious consideration.

~~SECRET~~

Classification

FORM 8-61 (10)

CLASSIFIED

DECLASSIFIED
PA/HO Department of State
E.O. 12958, as amended
May 4, 2006

Strategies (3) and (4) : Should a gradual reduction of program

be planned for FY 1975 and 1976 or should every effort be made to obtain as much for Ethiopia as is reasonably possible within worldwide limitations, anticipating that this would mean at very best a slight increase?

13. It appears easier to evaluate these alternatives by direct comparison with each other rather than by separate assessments.

14. Principal argument for planning a reduction is that it would release some military assistance resources for use elsewhere in world. Present level for Ethiopia is \$17.5 million, of which \$12.5 million is grant (including \$1.2 million support costs) and \$5 million is credit. To avoid appearance of a termination strategy and disadvantages which have been described above, a planned reduction of Ethiopian assistance program could only be very gradual one. A reasonable level for FY-75 from this standpoint could hardly be lower than \$15 million and for FY-76 of \$12.5 million. (For purposes of this discussion, no distinction is being made between grant and credit, although Ethiopia's status as one of least-developed countries indicates that grants are far more desirable than credits.) Thus maximum saving for programs elsewhere in the world, as compared to a

~~SECRET~~
CLASSIFIED

continuation of FY-74 level, would be some \$2.5 million in FY-75 and some \$5 million in FY-76.

15. We find it difficult to believe that these relatively small amounts can be spent more effectively elsewhere in world. In arriving at this conclusion we have not only in mind strategic and economic interests we have mentioned, enormous investment which US has made over many years to help establish a strong and enduring friendly relationship, with Ethiopia, peril in which Ethiopians now consider themselves from Somalia, and considerable symbolic difference to Ethiopians between continuation or reduction of present level, but also real requirements of Ethiopian military forces. There is no need in this telegram to debate dimensions of Somali threat. Even if there were no military threat by Somalia to Ethiopia, rapidly approaching obsolescence of many of Ethiopia's major inventory items (F-5A, F-86, T-28A, T-28D, T-33, and C-119 aircraft; M-41 tanks; P-7M 39 class Naval patrol craft, etc.) establishes real requirements well in excess of resources available at present level of military assistance.

16. We have no illusions that a straight-line policy of military assistance over next two fiscal years will come

~~SECRET~~
Classification

FORM 8-68 PS-410(H)

CLASSIFIED

DECLASSIFIED
PA/HO Department of State
E.O. 12958, as amended
May 4, 2006

~~SECRET~~
Classification

close to satisfying hopes of IEG or that it will necessarily prevent IEG from turning to other sources for military equipment, including Chinese, in which case our policy would need to be re-examined. We are convinced, however, that sums which such a policy would cost in comparison to a planned policy of gradual reduction would be well spent for reasons set forth above.

Two Political
17. ~~See~~ Embassy/Officers think that ~~principal~~ principal argument for considering phased reduction in MAP relates not to relatively small sums involved but to much broader issues. They believe Kagnew phasedown and Feb.-March events require complete reappraisal very close US-IEG relationships. They therefore believe ~~therefore~~ question posed for USG is whether to continue as usual our present identification with regime and all our programs or to begin process of orderly detachment.

WYMAN
pw

Parker D. Wyman, Charge

1982.

~~SECRET~~
Classification

CONTINUATION SHEET

DECLASSIFIED
PA/HO Department of State
E.O. 12958, as amended
May 4, 2006