

WASHINGTON POST
28 January 1986

Impending Cuts Imperil Foreign Aid

U.S. May Be Unable to Carry Out Commitments, Rep. Fascell Says

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Cuts required in U.S. foreign aid spending by the Gramm-Rudman-Hollings budget-balancing law will make it "extremely difficult and in some cases impossible" to carry out U.S. foreign policy commitments, the chairman of the House Foreign Affairs Committee said yesterday.

Rep. Dante B. Fascell (D-Fla.) said Congress might have to eliminate so-called economic support funds (ESF) for all countries except Israel, Egypt and the five "base rights" nations where there are agreements allowing U.S. military bases in exchange for aid: Turkey, the Philippines, Kenya, Somalia and Portugal.

"That would be drastic, yes, but we're not foreclosing any possibilities of trying to meet the target," Fascell said in an interview.

The U.S. share of funding for the United Nations, now 25 percent of the U.N. budget, is in arrears \$35 million for December 1985 and will not be fully paid this year because of Gramm-Rudman-Hollings, Fascell said. "That will be one of the foreign policy commitments we wouldn't be able to keep," he said.

In addition, supplementary fund-

ing requests related to foreign policy in fiscal 1986 would be "very difficult, maybe impossible" to pass, Fascell said. Those are expected to include a \$100 million request for military and humanitarian aid to the "contra" rebels, or counterrevolutionaries, fighting Nicaragua and a \$700 million request to launch a five-year, \$5.4 billion program of security improvements to U.S. embassies and consulates abroad.

Documents prepared by Fascell's staff show that while foreign aid is 2 percent of the federal budget, it will be required to provide 15 percent of non-defense reductions under Gramm-Rudman-Hollings because large portions of the budget are exempted from the deficit-reduction measure. The papers list the U.N. and economic support funding cuts among more than a dozen options for saving \$1 billion this year and \$4 billion in fiscal 1987, as Gramm-Rudman-Hollings requires.

Economic support fund grants would decline from \$3.7 billion appropriated this year to \$2.6 billion under the cuts mandated for fiscal 1987, the report said. "Assuming full funding for Egypt, Israel and base rights countries . . . there would be no money left for Central and Latin America, Africa and other

Middle East and Asian countries. More than 40 countries would lose ESF," the report said.

Similar commitments in the military assistance program of grants would take up to \$415 million of a \$560 million total in fiscal 1987, "leaving only \$145 million for the rest of the world," the document said. All but \$625 million of the \$3.7 billion foreign military sales credit program would go to Israel and Egypt in 1987, leaving even some of the base rights countries unfunded, it continued.

Authorizations for the State Department, U.S. Information Agency and the Board for International Broadcasting (Radio Liberty, Radio Marti and Radio Free Europe) are scheduled to absorb another total cut of \$1 billion by October, the documents said.

Other money-saving options propose to eliminate the \$1.1 billion Export-Import Bank, sell foreign military sales loans to the private sector, end foreign military concessionary sales, end the \$782 million military assistance grant program, increase the \$35 passport fee and defer Agency for International Development payments to any nation with large amounts of unused aid already "in the pipeline."