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## CLINTON'S BACKDOOR FOREIGN AID INCREASE

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On February 1, 1999, in his fiscal year (FY) 2000 budget proposal, President Bill Clinton submitted a supplemental appropriations request for FY 1999. He seeks \$1.9 billion in foreign aid in support of the October 1998 Israeli–Palestinian agreement signed at Wye River, Maryland, as well as funds for several small requests, such as roughly \$1 million to hire additional security officers for the Supreme Court. Some of this money would be taken from the FY 2000 and FY 2001 budgets.

This request represents a partial victory for Congress. Responding to news reports last year that the Clinton Administration would seek a \$2.5 billion emergency supplemental appropriations bill, former chairman of the House Appropriations Committee Representative Bob Livingston (R–LA) and current chair Representative Bill Young (R–FL) wrote the President to object to the proposed spending. Their December 10, 1998, letter notes that the vast majority of the request was not “emergency” in nature and therefore should not be sought in an emergency supplemental appropriation. Among these non-emergency expenditures were \$1.9 billion in support of the Wye agreement and \$250 million in technical assistance and credit for countries engaged in International Monetary Fund (IMF) programs. In fact, except for \$233 million in relief to Central American countries devastated by Hurricanes Mitch and Georges, there was little urgency associated with the request.

Yielding to pressure from Congress, the Clinton Administration altered its request, deleting some

objectionable material, like the funding for the IMF. But it also removed the only truly emergency expenditure—disaster aid for hurricane victims. Although some lawmakers may favor providing aid to Israel and hiring additional security guards for the Supreme Court, Congress should inform the President that his request for “emergency” funds is inappropriate. The reasons:

1. **Nothing in the supplemental request is truly “emergency” in nature.** The Administration does not make the case that additional guards at the Supreme Court are an urgent need that cannot wait eight months for the new budget cycle. Moreover, a request for aid to support the Wye agreement has been anticipated for a long time; there are no breakthroughs in the peace process that demand urgent funding. In fact, Israel has suspended its withdrawal from the West Bank, charging the Palestinians with violations of Wye. As the Administration tries to revive the agreement, most likely a lengthy process, Wye-related aid should be considered

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through the regular budget process for FY 2000.

2. **The request would increase foreign aid dramatically over the limits established in the FY 1999 budget.** The \$900 million in Wye-related aid that would be approved for FY 1999 (an additional \$500 million would follow in both the FY 2000 and FY 2001 budgets to reach the \$1.9 billion total) is an 8 percent increase over the \$11.4 billion in outlays for international assistance in FY 1998. It represents an increase of 28 percent in total assistance to Israel, Jordan, and the Palestinian Authority for that year. By circumventing the normal budget procedures, the Clinton Administration is trying to wangle a backdoor increase in U.S. foreign aid after Congress rejected the President's proposed \$663 million increase in U.S. bilateral foreign aid in the FY 1999 Omnibus Appropriations Bill. If the Administration wants to increase the foreign aid budget, it should follow the regular budget process.

3. **An already under-funded defense budget should not be cut.** In their letter, Representatives Livingston and Young complain that the President's original supplemental request violated the budget compromise laboriously reached last October because it offered no cuts to offset proposed spending. Apparently in response to this criticism, the Clinton Administration proposes two spending rescissions in the supplemental request: \$652 million from the Operations and Maintenance budget of the Department of Defense and \$230 million in Research and Development for a Ballistic Missile Defense. Although not technically an offset for the Wye funding, the cuts would have that effect by nearly matching the \$900 million in aid expenditures for Wye in FY 1999. This is unacceptable. The Department of Defense has been dangerously underfunded for over a

decade, and its budget should not be pilfered to pay for foreign aid. Any cuts to offset proposed new foreign aid spending should come from the international assistance budget, which includes economic and military assistance.

Another problem with the supplemental bill is that most spending would go to fulfill promises made by President Clinton without consultation with Congress, even though the legislature has the constitutional responsibility to approve all spending. In 1995, Representative Livingston, as chairman of the House Appropriations Committee, warned President Clinton that Congress was under no obligation to fulfill financial pledges made without congressional consultation. The Clinton Administration is betting that congressional resistance will be overcome by the fact that the budget cap on spending does not apply to emergency supplemental appropriations and that lawmakers will yield to the temptation to attach their own pork-barrel spending to the request. Congress should not take the Administration's bait.

## CONCLUSION

Since 1994, Congress has overseen a gradual cut-back in the budget for the U.S. foreign aid program, which is notorious for its waste, fraud, and ineffectiveness. It is clear that the Clinton Administration is pressuring Congress to regain some of that lost ground. Instead of acceding to President Clinton's calls for more spending, and in the process renegeing on last year's budget agreement, Congress should demand that the Administration comply with normal budget procedures in seeking funding that is not truly emergency in nature.

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