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OPENING STATEMENT

Hearing on Aid to Ireland

April 10, 1986

Richard G. Lugar

The Committee meets this morning to consider the issue of assistance to Northern Ireland as a political demonstration of support for the recently concluded Anglo-Irish Agreement. That Agreement of last November 15, 1985, signed by the governments of the United Kingdom and the Republic of Ireland, has been hailed as an important step in efforts to bring lasting peace to Northern Ireland. I welcomed the Agreement and supported the President in his statement that "appropriate forms of assistance" might be provided by the United States to symbolize such support.

I emphasize this point because at the time of the Agreement and the subsequent concurrent resolution passed by the Congress in support of this Agreement, I made clear that such a demonstration of support in the form of assistance had to be weighed carefully against the need for fiscal responsibility in the era of the Gramm-Rudman-Hollings legislation and the anticipated cuts in our overall foreign assistance program as well as domestic programs.

Thus, the Irish aid request must be viewed not only in terms of the need to demonstrate support for the Anglo-Irish Agreement but also in the context of the FY 87 foreign assistance request of the Administration, as well as the potential impact of the Gramm-

-2-

Rudman-Hollings legislation on future foreign assistance funding levels.

Last year, the Congress passed and enacted a two-year foreign assistance authorization bill covering FY 86 and FY 87. However, the FY 86 Continuing Resolution and the Gramm-Rudman-Hollings legislation mandated levels below those already authorized for FY 86 and FY 87. There appears to be little prospect for program increases in FY 87 above those authorized levels (or even appropriations levels), since the lower post-sequestration numbers (i.e., the C.R. level minus the 4.3% reduction mandated by Gramm-Rudman) have become the baseline against which program changes are compared.

The Administration's FY 87 foreign assistance request is above current year appropriations (post-sequestration) in all foreign assistance accounts. It is also above some of the previously authorized levels for FY 87.

Thus far, the Administration's foreign assistance request for FY 87 has met with little enthusiasm in the Congress. This cool response has been due in part to the severe spending reductions in the entire federal budget mandated by Gramm-Rudman and the many competing demands from other programs. The cool Congressional response is also due in part to several other Administration requests that will require action by the Foreign Relations

-3-

Committee. These include a large increase for Embassy security enhancements (\$707 million in FY 86 and \$1.4 billion in FY 87), an anticipated Philippine aid supplemental in the neighborhood of \$150 million, major increases in assistance for Pakistan, etc.

Recently, the Senate Budget Committee recommended some \$1.9 billion in program cuts from the President's International Affairs request (total 150 function). These included large reductions in FMS credits, in development assistance, and in USIA. The Budget Committee recommended reductions in the International Affairs functions which are proportionately larger than those recommended for most other budget functions. With the exception of Embassy security, virtually all other programs are recommended at levels below current year appropriations.

In short, any Irish aid request compounds the pressures on an already truncated program, particularly if overall program levels are not to grow. The Committee needs to clarify the sources for the funds requested for Irish assistance in FY 87 and beyond. What programs might have to be reduced in order to provide new ESF funding for Irish aid? Any amounts above the \$20 million per annum in ESF for Northern Ireland, as contained in the Administration's request, would, in the absence of overall increases in the ESF account, make even more difficult the task of achieving the goals of the foreign assistance program.

-4-

Americans have long been concerned about the tragic situation in Northern Ireland. We have witnessed the people of that region suffer from a seemingly unbreakable chain of violence and economic deprivation, born in part of decades of mistrust, fear, and outright hatred between members of contending traditions.

It is not for the United States to chart a course for the people of Northern Ireland. Only those most directly involved should decide questions affecting the future course of the people of Northern Ireland.

But, if we cannot become directly involved in helping to end the cycle of despair that has gripped Northern Ireland, we can be supportive of a process that aims at reducing some of the bitter divisions in Northern Ireland so that the legitimate aspirations of all people to live free from violence can be realized.

For that reason, we were encouraged by the Anglo-Irish Agreement signed on November 15, 1985, that constituted a step toward strengthening shared interests of all in Northern Ireland for a better future. Many members of Congress joined with the Administration in indicating their desire to demonstrate concrete and tangible support for improvement in those conditions which have fed the violence in Northern Ireland.

-5-

The Administration developed an aid package for Northern Ireland and presented its case to the House of Representatives. The House substituted its own package, passed it, and sent it to the Senate.

There are disparities between the Administration request and the bill passed by the House. For that reason I believed that, like the House Foreign Affairs Committee, the Senate Foreign Relations Committee ought to have an opportunity to scrutinize the Administration request as well as the House-passed bill. Therefore, I insisted that a Senate companion bill to the House-passed bill be referred to the Committee rather than being voted upon immediately by the full Senate.

Aside from the cash or ESF component, there are differences in the Administration bill and that passed by the House with respect to language dealing with conditions that are to be met before any funds can be dispensed. Moreover, at the time of action by the House of Representatives, the Administration was not in a position to discuss the structure and mechanisms that might be employed in the development and operation of the International Development Fund for Northern Ireland, the principal new vehicle designed to promote the economic and social reconstruction of Northern Ireland and "affected areas" of the Republic of Ireland. It is my hope that negotiations between the Irish, British, and U.S. Governments have now reached the point where the Committee

can be informed as to the structure and modalities of this proposed Fund.

Neither the process of reconciliation in Northern Ireland nor the objective of economic revitalization can be achieved overnight; nor can they be accomplished solely by the infusion of assistance from the United States. Reconciliation, revitalization, and stability require that a process be set in motion by those most directly involved in Northern Ireland; economic assistance alone will not be sufficient to drive that process forward.

By the same token, whatever the merits of proposed increases in foreign assistance funding, the Committee requires a clearer understanding as to the sources for the funds necessary to meet these ever-expanding worldwide commitments. Such increased requests may be responsive to changing economic and security conditions around the world but they could also generate expectations in other countries which we will be unable to meet. The United States could ultimately lose credibility abroad if, because of spending limitations, we are compelled to break commitments that we should, perhaps, not have made in the first place. In short, the commitments/resources mismatch is likely to grow even more severe as we seek to adjust to conditions of diminished government spending.