

ARMS AID REQUEST STIRS CONGRESS

NOV 3 1975

**\$4.7 Billion Ford Plan Far
Exceeds Budget Limits
Set by Legislators**

NYTimes

By HOHN W. FINNEY
Special to The New York Times

WASHINGTON, Nov. 2—Preliminary Congressional analysis shows that the Federal deficit would have to be increased \$800-million and Congressional budgetary guidelines raised \$1.8-billion to accommodate President Ford's new \$4.7-billion military aid package.

The potential impact of the President's request upon the budgetary targets adopted by Congress raises additional complications for a military aid program that was already becoming increasingly unpopular on Capitol Hill.

The military aid program will be considered under new Congressional budgetary procedures, and there will be pressure to cut the President's request to stay within budgetary targets.

After months of delay and with less than two months left in the Congressional session, Mr. Ford last week finally submitted his request for appropriations covering various aspects of the military aid program. Of the \$4.7 billion requested, \$424.5 million would go for grants of material and training, \$2.4 billion in credits for purchase of military equipment and \$1.9 billion for security support assistance, which is a form of economic aid given to offset a country's heavy military burden.

Geared to Mideast Pact

The military aid package was tailored to carry out Administration pledges made to encourage Israel and Egypt to accept the recent pledges made to encourage Israel and Egypt to accept the recent Sinai disengagement agreement. Of the total, \$3.4 billion was earmarked for Israel and Arab nation, particularly Egypt.

Under the President's proposal, Israel would be given \$740 million in support assistance and \$1.5 billion in military credits but with the understanding that only \$500 million of the credit sales of military equipment would have to be repaid. Egypt would be given \$750 million in support assistance.

The Administration's military aid request almost came too late for it to be considered

under the new budgetary procedures, which call for Congress to set an over-all ceiling on appropriations and spending and then establish guidelines on how much should be appropriated in various categories, such as national defense and international affairs.

In effect, Congress has had to proceed with its budgetary resolutions — one last spring and the final one now being drafted for approval in the next two weeks—without any clear idea of how much the Administration would ask for military aid. Now that Mr. Ford has submitted his request, the question in Congressional budget circles is how his \$4.7 billion program can be fitted into the budgetary targets adopted by Congress.

Exceeds Both Targets

The preliminary analysis by the House Budget Committee's staff, based on likely Congressional action on other bills, is that the President's request exceeds its target for national defense by \$550 million and the target for international affairs, which includes foreign aid, by \$1.3 billion.

The impact of the President's request upon spending targets is more difficult to determine, largely because it is unclear how much of the appropriations for military aid might be spent in the current fiscal year. The rough estimate of the House Budget Committee is that the request would add \$800 million to \$900 million to the \$71.9 billion deficit that the committee is projecting in the final budget resolution to be acted upon shortly by the House.

As seen by budget analysts on Capitol Hill, Congress is now confronted with three possible choices in trying to accommodate the President's military aid request within the budgetary guidelines.

It can raise the budgetary guidelines for the national defense and international affairs categories by \$1.8-billion and increase the projected deficit by about \$800-million to accommodate the President's program.

A Second Choice

A second choice is to absorb the military aid program within the existing guidelines by cutting back on other programs, such as national defense. This approach is certain to be resisted by the Department of Defense, which already has seen its budget cut more than 7 per cent by Congress.

The third possibility is for Congress to reduce the President's request substantially. Such cuts almost inevitably would reduce aid for Israel, which is the largest single component in the package.

If Congress is unwilling to raise its budgetary guidelines, there are indications that Secretary of Defense James R. Schlesinger would favor the third course.