

CHRONO  
(Leg)

OCA 86-0424/1  
19 February 1986

MEMORANDUM FOR: C/AF/DDO  
C/PPS/DDO  
D/ALA/DDI

FROM:

[Redacted]

STAT

Deputy Director for Legislation  
Office of Congressional Affairs

SUBJECT:

S. 1972 - Legislation Authorizing Military Assistance to UNITA: State Views Letter

1. Attached for your information is a copy of S. 1972, a bill introduced by Senator Helms for Senator Fast and other Senators which would authorize the provision of overt military assistance to UNITA. Also attached is a copy of the Senators' remarks upon introduction.

2. In addition, I have attached for your information a copy of a draft letter from the Department of State to Senator Lugar, Chairman of the Senate Foreign Relations Committee, which states the views of the Department on S. 1972. The Office of Management and Budget (OMB) has requested the views of the Agency on this letter. As with other legislation of this type, this Office intends to advise OMB that the Agency defers to the views of the Department of State concerning the bill. If you have any comments, please let us know by 25 February 1986.

[Redacted]

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Attachments:  
as stated

cc: DDO  
DDI

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99TH CONGRESS  
1ST SESSION

# S. 1972

To authorize the furnishing of military assistance to the National Union for the Total Independence of Angola (UNITA).

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## IN THE SENATE OF THE UNITED STATES

DECEMBER 18 (legislative day, DECEMBER 16), 1985

Mr. HELMS (for Mr. EAST) (for himself, Mr. THURMOND, Mr. QUAYLE, Mr. SYMMS, and Mr. HELMS) (by request) introduced the following bill; which was read twice and referred to the Committee on Foreign Relations

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## A BILL

To authorize the furnishing of military assistance to the National Union for the Total Independence of Angola (UNITA).

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. MILITARY ASSISTANCE FOR UNITA.**

4       **(a) AUTHORITY TO PROVIDE ASSISTANCE.—**The  
5       President is authorized to use the funds authorized to be ap-  
6       propriated by subsection (b) in order to provide military as-  
7       sistance to the National Union for the Total Independence of  
8       Angola (UNITA) in accordance with chapter 2 of part II of  
9       the Foreign Assistance Act of 1961 (relating to the grant  
10       military assistance program).

1           (b) AUTHORIZATION OF APPROPRIATIONS.—In addi-  
2 tion to amounts otherwise available to carry out chapter 2 of  
3 part II of the Foreign Assistance Act of 1961, there is au-  
4 thorized to be appropriated \$27,000,000 for fiscal year 1986  
5 to carry out subsection (a).

6           (c) PURPOSES FOR WHICH MILITARY ASSISTANCE  
7 CAN BE USED.—Section 502 of the Foreign Assistance Act  
8 of 1961 shall not apply to the assistance provided pursuant to  
9 this section.

○

S 17972

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to call the government's attention to the severe economic distress that many municipalities suffer as a result of their loss of industry and, thus, their tax bases.

On November 1, 1985, the distinguished Acting Chairman of the Commerce, State, Justice Appropriations Subcommittee, Mr. RUDMAN, and I called this body's attention to the problems of cities like those in Pennsylvania which have experienced a loss of steel companies and related industries. I noted then that "along with the decline of the industry have come lowered county assessments on homes and businesses, reduced employment, and an aging population."

The city of Clairton, Pennsylvania, was given as an example of the problems faced by municipalities with declining industries. I stated in the colloquy that, as I pointed out, in 1960, Clairton's population was 18,389. By 1980, the population had declined to 12,188, for a loss of 33.7 percent. A further six percent loss is projected by the year 2000. And in 1980, 17.2 percent of the population was over 65 years old. The decline in the city's ratables has produced a fiscal crisis of the first order, to the extent that health and safety are now endangered. The city of Clairton is projecting a deficit of \$600,000 by year end, or nearly one-third of the city's \$3.2 million budget. As of September 10, 1985, there was only \$3,000 remaining in the city's bank account, which was not enough to pay its 13 police officers and 10 firefighters. State police and volunteer firefighters now constitute the city's sole safety forces.

Clairton by no means stands alone. There are many other steel towns in a similar situation throughout my State and the country. Other examples in Pennsylvania include, but are not limited to, Alliquippa, Homestead, West Homestead, Duquesne, and Dravosburg.

But the problem is not limited to towns with a declining steel industry. Towns whose economies are based on farming, lumber, textiles, mining, and other industries that are experiencing difficulties are also facing severe economic problems like those being experienced by Clairton. This is truly a national problem in scope.

My bill would authorize long-term loan guarantees and interest subsidies for severely economically depressed cities that are deemed eligible for assistance under criteria to be established by the Secretary of the Treasury. The loan guarantee part of the legislation is modeled on the rescue plan that Congress adjusted for the City of New York a few years ago.

This legislation also contains a provision that would allow severely economically depressed communities to divert portions of their community development block grants to pay for vital municipal services such as police and firefighters where they would not otherwise be able to pay for these serv-

ices. The Secretary of Housing and Urban Development would give permission to divert funds based on criteria development by the Secretary.

This bill need not impose major new costs on the Federal Treasury. Past loan guarantee programs, such as those for New York City and Chrysler, have demonstrated that guarantees do not cost the government one cent if careful criteria are established for working loans available. The low interest loans need not be a prohibitive expense to the government if awarded only where needed. My bill explicitly authorizes the Secretary of the Treasury to take such considerations into account in setting eligibility criteria.

I should also add that there will be high costs to doing nothing in terms of the additional benefits that a devastated citizenry will become entitled to if basic municipal services cannot be maintained to protect health and safety.

I urge my colleagues to give this bill their most serious consideration, and I ask unanimous consent that the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1970

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, This Act may be cited as the "Sudden and Severe Economically Depressed Cities Loan Guarantee and Loan Interest Subsidy Act".*

TITLE I—LOAN GUARANTEES  
AUTHORITY

Sec. 101. (a) Upon the written request of a unit of general local government and the Governor of the State where that unit of general local government is located, the Secretary of the Treasury may guarantee the timely payment, in whole or in part, of interest or principal, or both, of indebtedness of that unit of general local government in accordance with this title.

(b) Any guarantee under this title shall cease to be effective not later than fifteen years after the date of the issuance of the indebtedness involved.

(c) The Secretary of the Treasury shall prescribe terms and conditions for the making of guarantees under this title.

(d) The Secretary of the Treasury shall also provide interest subsidies where needed to enable cities which meet the requirements established by the Secretary to obtain loans at below market interest rates.

## CONDITIONS OF ELIGIBILITY

Sec. 102. (a) A guarantee may be made under this title only if the Secretary of the Treasury finds—

(1) that the unit of general local government is severely economically depressed;

(2) that it has lost such a significant amount of industry, employed population, and, therefore, its tax base; and

(3) that it is in a financial crisis and is unable to meet its financial obligations or to maintain vital municipal services.

The Secretary of the Treasury shall determine the criteria for eligibility.

(b) The Secretary shall include in the criteria prescribed under this title assessments of the viability of the unit of general local government and of the exposure of the United States Treasury.

AUTHORIZATION FOR LOAN GUARANTEES AND  
SUBSIDY AMOUNTS

Sec. 103. There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this title.

## TITLE II—EMERGENCY USE OF COMMUNITY DEVELOPMENT BLOCK GRANTS FOR CITY SERVICES IN SEVERELY ECONOMICALLY DEPRESSED CITIES AUTHORIZATION

Sec. 201. (a) Upon the written request of a unit of general local government and the Governor of the State where that unit of general local government is located, the Secretary of Housing and Urban Development may permit the unit of general local government to divert portions of its community development block grant to pay for vital municipal services, where the Secretary finds that the unit of general local government has lost such a significant amount of industry and taxpaying population that its tax base can no longer support vital municipal services.

(b) As used in this section—

(1) the term "Secretary" means the Secretary of Housing and Urban Development; and

(2) the term "vital municipal services" includes the services of police and firefighters and ambulance and medical services.

By Mr. HELMS for Mr. EAST (for himself, Mr. THURMOND, Mr. QUAYLE, Mr. SYMMS, and Mr. HELMS) (by request):

S. 1972. A bill to authorize the furnishing of military assistance to the National Union for the Total Independence of Angola (UNITA); to the Committee on Foreign Relations.

## MILITARY AID TO ANGOLA

Mr. HELMS. Mr. President, as our colleagues are aware, the distinguished junior Senator from North Carolina, Mr. EAST, has been necessarily absent from this Chamber for much of this year.

Nevertheless, JOHN is looking forward to his return. Among other issues, he is deeply concerned by the relative lack of interest which our Government has taken in providing assistance to the freedom fighters opposing the Communist government of Angola. My able colleague believes that it is our responsibility to assist all those trying to throw off Communist tyranny, and I agree with him wholeheartedly.

Accordingly, Mr. President, Senator EAST has asked me to introduce on his behalf a bill to provide military aid to the Angolan freedom fighters, along with the statement he had prepared for the legislation.

Mr. President, I ask unanimous consent to submit, at the request of Mr. EAST, the aforementioned bill, and also on behalf of myself and the other cosponsors, Mr. QUAYLE, Mr. THURMOND, and Mr. SYMMS.

Mr. EAST. Mr. President, I am introducing today S. 1972, a bill to provide \$27 million in military aid to UNITA forces, under the leadership of Dr. Jonas Savimbi, currently fighting the Marxist regime of Angola.

I believe military aid to these anti-Communist and pro-Western forces

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necessary for three reasons. Mr. President. First, military assistance will provide necessary supplies and weaponry to UNITA at a time when the Soviet Union appears to be increasing its own massive aid to the MPLA regime and to be preparing for a final onslaught on the freedom fighters. Second, the repeal of the Clark amendment earlier this year, which prohibited any American aid to any group in Angola, permits the United States to play a more active role in southern Africa in behalf of the cause of freedom in that region. American assistance to UNITA, which has long proved itself one of the most effective and reliable pro-Western forces in southern Africa, may well provide the margin of victory in Angola for the supporters of freedom there. The victory of UNITA and the removal of the Marxist regime in Angola would eliminate a source of instability in the region. The 35,000 Cuban troops who prop up the MPLA in power would be sent home, and the assistance that Angola now provides to SWAPO and other terrorist groups in Africa would be ended.

Third, Mr. President, American aid to UNITA would encourage similar anti-Communist forces throughout the world. Afghan, Nicaraguan, Cambodian, and Vietnamese resistance fighters against the Marxist regimes in their own countries would see the United States as a champion of their cause and a source of effective, material aid. The false doctrine that the victory of communism is inevitable would be exposed as the lie that it is, and the claim that the United States has withdrawn from the struggle for freedom and its responsibilities in the world would be refuted.

Mr. President, the regime of the Marxist MPLA seized power in Angola in 1975 after independence from Portugal was gained and in violation of the Alvor agreement, which provided for free elections in Angola. These elections were never held, and the MPLA, with the aid of 13,000 Cuban troops, came to power. There was no pretence that the new regime rested on consent, and since that time popular resistance to the MPLA has grown steadily and dramatically. Since 1983, when UNITA forces won a major victory in central Angola, the regime has been on the defensive and has been forced to rely even more on Soviet and Cuban aid.

In the past 2 years, Soviet military aid to the MPLA has amounted to \$1 to \$2 billion. Cuban troops in Angola now number some 35,000. Soviet military materiel recently deployed in Angola consists of T-62 heavy tanks, Mig-23 jet fighters, SU-22 fighter bombers, and about 25 MI-24 helicopter gunships. The Soviets have established an air defense line in southern Angola, and Soviet and Cuban pilots have flown Angolan Air Force planes, which in fact are Soviet planes. In any of this year the Soviets under-

took and offensive against UNITA forces in eastern Angola. Soviet commanders directed four Government brigades in the offensive, and Soviet military officers directed the MPLA forces down to the battalion level. The Soviets also undertook an offensive against the heartland of UNITA support in Jamba in southeastern Angola. UNITA forces resisted these offensives valiantly and succeeded in blunting the massive, Soviet-coordinated attack.

There are indications, however, that the Soviets are preparing to mount a new offensive in the very near future, and the hard truth is that unless the United States provides military aid to UNITA to counter Soviet and Cuban weaponry and troops, the struggle for freedom in Angola could suffer a serious reverse and perhaps defeat.

Dr. Savimbi has stated many times that he does not seek simply a military victory and the installation of his own forces in power. What he seeks is the withdrawal of all foreign forces from Angola, a free election as promised in the Alvor Agreement of 1975 in which the Angolan people may choose their own government, and the establishment of permanent democratic institutions. UNITA has been forced to wage war against the Marxist regime because that regime has violated its agreement to hold elections, has relied on foreign troops, has waged war against its own people, and has refused to negotiate with UNITA. Nor has the regime shown any disposition to move forward in negotiations over the presence of Cuban troops, the removal of which is a prerequisite in the settlement of the Namibian issue. Indeed, there are more Cuban (and Soviet) military personnel in Angola today than ever before, and they show no sign of leaving.

Mr. President, it is true that we have an opportunity to help movements like UNITA, which for over a decade has proved its commitment to freedom and its endurance and effectiveness against overwhelming Communist strength. We cannot allow such a movement to be crushed by the tyranny it is resisting, and I urge my colleagues to join with me in providing UNITA the military aid it needs and deserves.

By Mr. BINGAMAN (for himself, Mr. HATFIELD, Mr. HART, and Mr. PRYOR)

S. 1973. A bill to provide for multilateral limitations on arms sales, and for other purposes; to the Committee on Foreign Relations.

LIMITATION OF CONVENTIONAL ARMS SALE TO THIRD WORLD

Mr. BINGAMAN. Mr. President, today along with Senators HATFIELD, HART, and PRYOR, I am offering legislation intended to limit the sale of sophisticated conventional arms to the Third World. This bill calls on the President to begin discussions with the major arms-supplying countries and encourages formation of a permanent

Consultative Commission for Multilateral Arms Transfer Restraint, modeled on the successful Nuclear Suppliers Group which negotiated multilateral restraints on the export of sensitive nuclear technologies in the Ford and Carter administrations. An almost identical bill is being introduced in the House today by Congressman LEVIN.

The reasons for controlling, and hopefully reducing, the sale of advanced conventional weapons to the Third World are very clear. As we gather in this Chamber today, conflicts in Afghanistan, the Persian Gulf, Southeast Asia, Africa, and Central America relentlessly take their toll of human life and threaten the stability of entire regions. These local conflicts, inflamed by the continuing supply of newer and more sophisticated arms, threaten to engulf other states and to provoke wider wars that might involve the United States and the Soviet Union. Most students of international politics believe that a United States-Soviet confrontation, if one were to occur, is most likely to grow out of a regional war in which both superpowers have major interests and considerable prestige at stake. Apart from that menace, arms suppliers also face the possibility that the sophisticated weapons they provide to the rest of the world could be used against them or their allies. This is a lesson the British learned in a very costly fashion during the Falklands war.

The magnitude of advanced arms sales to the developing world is staggering. Based on data supplied by the Arms Control and Disarmament Agency, worldwide arms sales increased tenfold from the early 1980's to the early 1980's. Exports to the Third World accounted for about 80 percent of this increase. Congressional Research Service figures show that from 1977 to 1984, Third World countries doubled their purchases of arms. Foreign sales to the Third World now amount to over \$30 billion a year.

Many countries produce and sell sophisticated weapons. The Soviet Union's record of exporting arms to the Third World—in support of wars of national liberation and in search of hard currency—is abundantly clear. Many Western nations, including our closest NATO allies, also participate in arms trade, as do the Soviet Union's East European allies. In addition, an increasing number of newly industrializing countries are selling weapons to Third World countries. Brazil, Israel, India, North and South Korea, Taiwan, and China have all developed indigenous arms industries to enhance self-sufficiency, promote economic development, and gain technological expertise. Brazil, for example, has recently had an annual arms sales of \$2 billion. And Egypt, India, and Israel all exceed \$1 billion in annual arms sales.