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Angola: Fitful Movement Toward the West



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A Research Paper

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*ALA 84-10121
December 1984*

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A Research Paper

This paper was prepared by
Office of African and Latin American Analysis. It
was coordinated with the Directorate of
Operations.

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Comments and queries are welcome and may be
directed to the Chief, Regional Issues Branch, Africa
Division, ALA,

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Key Judgments

*Information available
as of 19 November 1984
was used in this report.*

The Marxist regime in Angola headed by President Jose Eduardo dos Santos is dependent on critical aid from the Soviet Bloc and Cuba to survive against an insurgency that now infects three-fourths of its territory. That dependence, we believe, is likely to remain as long as the insurgent threat remains serious. We nevertheless find from a review of the regime's statements and, to a lesser degree, its actions over the past several years that the Angolan leadership is increasingly united in a desire to loosen its ties to the East and establish more substantial relations with the West.

Although there are differing reasons for a tilt to the West among the ruling elite, we believe that the dos Santos regime wants to move in this direction because:

- It finds the model of a "nonaligned" socialist and nationalist regime with an independent foreign policy appealing because it would allow Angola to keep its political dignity amid economic dependence on the West and security dependence on the East.
- It would like to acquire large amounts of Western aid, technical assistance, and investment—over and above its already critical hard currency oil revenues—to revive Angola's moribund economy.
- It seeks US political support to press South Africa to cease its direct attacks on Angola and its indirect intervention through Pretoria's aid to the National Union for the Total Independence of Angola (UNITA).
- It wants West European help in persuading Washington and Pretoria to stop making a settlement in Namibia contingent on a Cuban troop withdrawal from Angola.
- It seeks a sharp reduction of Cuban and Soviet Bloc influence in Angolan internal affairs.

Over the past three years, Luanda has taken several cautious political steps and made direct approaches to the West to explore the possibility of initiating a more evenhanded policy. These have included engaging in direct negotiations with the United States and South Africa and making numerous overtures—especially to Portugal, France, Brazil, and Italy—to cultivate political and economic relations.

Despite the differences that have so deeply divided the regime in the past, we believe that President dos Santos has developed a consensus behind this policy that allows him to proceed cautiously toward enhancing ties with the West. His key constraint, we believe, is the imperative that he not move so fast that he threatens Soviet Bloc and Cuban military support as long as it remains critical to his regime's survival.

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The Soviets and Cubans, for their part, have attempted to limit Luanda's move toward the West by manipulating political figures at senior levels of the regime and by using their military and economic assistance as a tool to influence the government, the military, and the economy. Moscow's carrot-and-stick tactics in turn have heightened Angolan unhappiness with Cuban and Soviet Bloc aid, which they believe is overpriced, heavyhanded, and of poor quality. Nevertheless, continuing military pressure on Luanda from South Africa and UNITA has left Angola increasingly dependent on Moscow and Havana.

The pace of Angola's opening to the West has also been checked by the limited Western response to Angolan appeals for aid, trade, and investment. Although Western companies have increased their participation in Angola's oil sector and there has been a modest increase in Western trade and assistance, these have not been enough to rejuvenate the country's economy or to displace the nearly 10,000-man Soviet Bloc and Cuban civilian advisory presence in Angola.

Although Luanda has improved its political ties with the West, it has not been able to realize its principal objectives. Western pressure probably played a role in convincing South Africa to undertake a partial pullback from its occupation of southern Angola, but Luanda has failed to break South Africa's insistence on a linkage between a withdrawal of Cuban troops from Angola and a settlement in Namibia. Nor has Luanda been able to use its new ties with the West to bring relief from the expanding UNITA insurgency.

The MPLA regime's desire to cut back its ties with the Soviets and Cubans serves the US goal of mediating a Namibian settlement that opens the door for a withdrawal of Cuban troops from Angola. Indeed, Luanda's increasingly open expressions of dissatisfaction with its fate as a Soviet dependent represent a potential erosion in the Soviet position on southern Africa—particularly when coupled with the more obvious reorientation of Mozambique's policies away from Moscow in early 1984. Nevertheless, UNITA's mounting pressure and the ever-present South African threat limit how far and fast the regime can move—either in the short term toward a package southern African settlement or in its long-term quest for a more balanced position between East and West.

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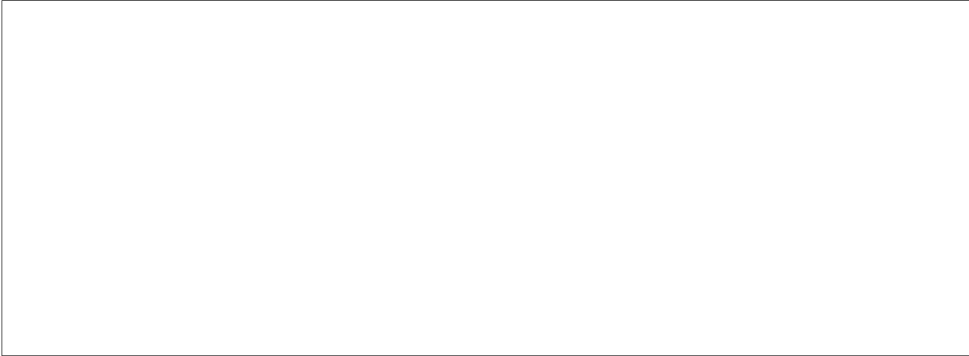
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Scope Note

This research paper reviews Angola's halting efforts over the past several years to establish new ties with the West and examines what we believe are the elements of Luanda's long-range foreign policy agenda. Although the dos Santos regime's foreign policies are now dominated by pressing national security objectives—namely, maintaining critical Soviet and Cuban military assistance to combat military pressure from the UNITA insurgency and South Africa—this study suggests the direction the dos Santos regime might take if the immediate pressure on it were relaxed.

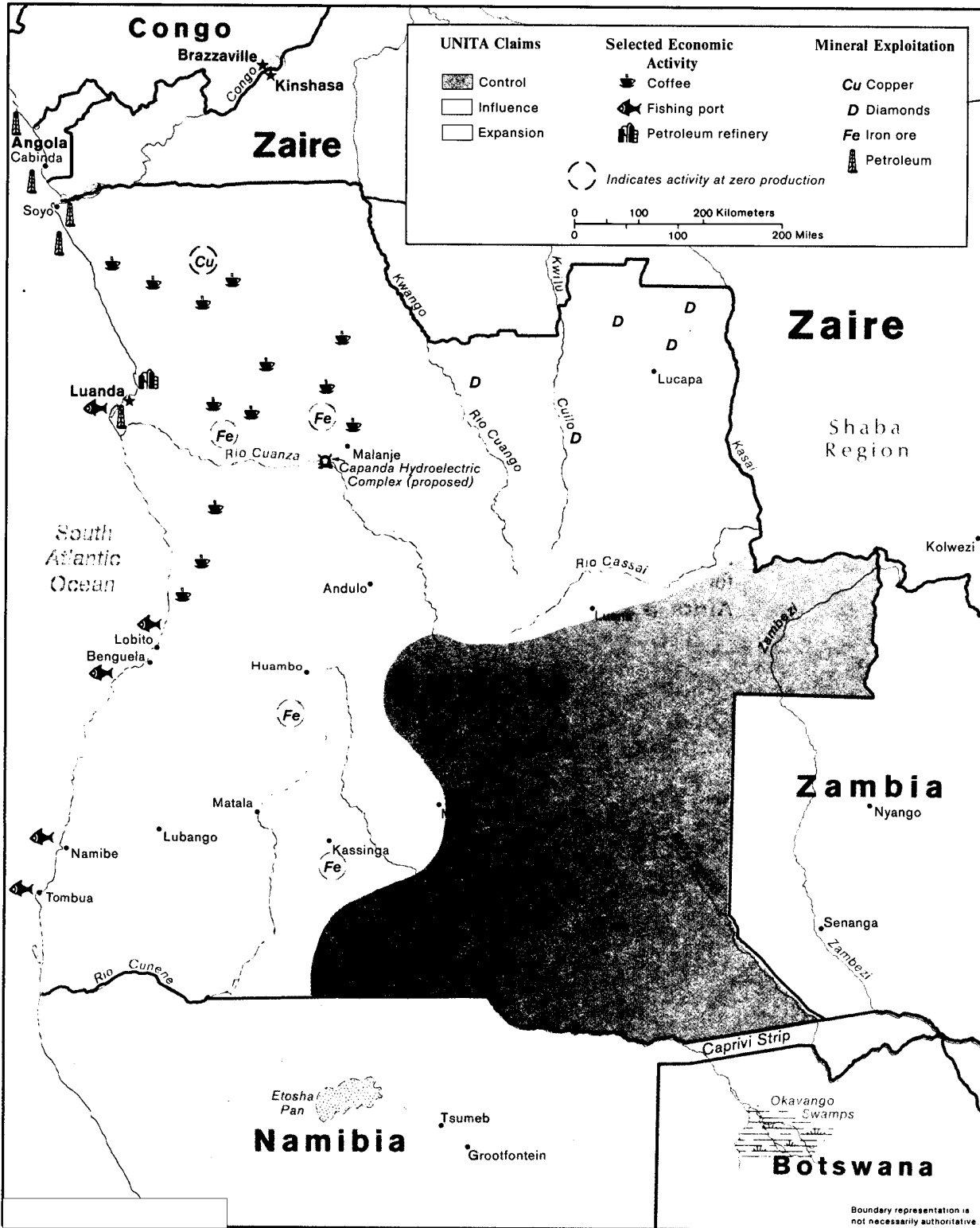


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Angola: Fitful Movement Toward the West [Redacted]

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Introduction

The Popular Movement for the Liberation of Angola (MPLA) regime is today heavily dependent on the Soviet Bloc and Cuba because of the critical assistance in arms and manpower they provide against the growing UNITA insurgency. Although this relationship is an uncomfortable one for most of the regime's leaders who dislike Moscow and Havana's deep intrusion into Angola's life, it is likely that the dependency will continue until the threat from both the domestic insurgency and South Africa subsides. [Redacted]

[Redacted] we believe that many key members of the regime would like to loosen, although not end, their ties to Moscow and Havana and to move somewhat closer to the West in an effort to achieve what they consider a more genuine degree of nonalignment. [Redacted]

The Lure of an Alternative Model

Many Angolan officials, especially the regime's senior members, had extensive exposure during their long struggle for power to countries like Algeria, Zambia, Congo, and Yugoslavia and found their model compelling. To the Angolans, these countries represent one-party, socialist regimes not tied closely either to Washington or Moscow—attributes consistent with Angola's principles of nationalism and socialism. The regime's interest in a more middle-of-the-road approach was expressed by a number of its senior officials. According to a Western diplomatic report, Angola's Foreign Minister in mid-1977—a post then filled by now President Jose Eduardo dos Santos—told a Belgian diplomat that his country sought "active nonalignment" and claimed that Angola refused to be "integrated into any bloc." Later in the same year, [Redacted] the MPLA party congress, although emphasizing the importance of ties with the "socialist bloc," also stressed the goal of obtaining strict nonalignment "in the Yugoslav sense." [Redacted]

After some apparent hesitation, President Neto endorsed a more balanced international approach with increasing enthusiasm until his death in 1979. [Redacted]

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[Redacted] In early 1979, the regime was "at pains," according to one informed observer, to cultivate special ties with Yugoslavia and Romania. [Redacted]

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Luanda's desire to achieve a more genuine degree of nonalignment is now a standard feature in Angolan foreign policy pronouncements. Senior Angolan officials who make frequent trips to a variety of non-aligned states appear to hold Yugoslavia and Algeria in particularly high regard. Dos Santos, who became President after Neto's death in 1979, [Redacted]

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[Redacted] would prefer a status similar to that of Algeria. [Redacted]

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[Redacted] he has also cited Yugoslavia as a model. He has made several trips to Belgrade since assuming the presidency, including two trips in 1984, during which he publicly praised Yugoslavia as a model for Angolan foreign policy. For its part, Belgrade was a staunch supporter of the MPLA during the independence struggle and appears to believe it has a unique relationship with Angola. It provides medical care for government cadre and gives the regime political, economic, and military assistance. [Redacted]

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Quest for Western Ties

We believe that the MPLA came to power deeply wary of economic and political ties with the West.

[Redacted] the regime was in no haste to resume diplomatic relations with Western Europe. [Redacted]

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Motives

The government began to develop formal relations with a growing number of Western countries by the late 1970s as President Neto became increasingly disenchanted with his socialist backers, because, we believe, of the poor quality of aid they offered and their political meddling in Angola's internal affairs.

[Redacted]

Angola was interested in a major opening to the West, although it would still look to Cuba for critical military assistance. One key step was the publication in 1979 of a new foreign investment law that covered most aspects of economic activity. Within a framework of "socialist pragmatism," the law allowed repatriation of profits, provided guarantees of compensation in the event of nationalization, and granted a number of exemptions from tax and customs duties.

[Redacted]

Angola's opening to the West appeared to diminish after Neto's death but regained momentum in late 1980 after an MPLA party congress evidently decided formally to expand cooperation with the West. A variety of reporting in subsequent months reflected the regime's new commitment:

- According to diplomatic reports, Foreign Minister Paulo Jorge told the French Foreign Minister in January 1981 that Angola had recently decided to expand ties with France and cited the then recent party congress as authorizing the move. The emphasis in the discussion was on economic and technical relations.

[Redacted]

[Redacted]

Another key reason that Angola sought closer Western ties almost certainly was its strong desire to relieve military pressure, both real and potential, from South Africa, UNITA, and—Luanda believed—the United States.

[Redacted]

the Angolan leadership was extremely worried about the southern African policy of the Reagan administration. Luanda believed its fears were confirmed in early 1981 when the State Department asked Congress to repeal the Clark Amendment, which in effect bans US covert action in Angola. In our view, this move prompted the Angolans to place a high priority on influencing Washington's European allies to forestall a possible American reintervention in the Angolan civil war. Luanda's concern about American intentions also apparently prompted dos Santos to seek direct contact with the United States in December 1981.

[Redacted]

Angola sought influence in the West to use as a tool against Washington and Pretoria on other issues as well, and, we believe, it singled out France—a member of the Western Contact Group on Namibia (along with Britain, Canada, West Germany, and the United States)—whose new socialist government seemed likely to be especially sympathetic to the Angolan position—as a special target in its lobbying effort. One key goal was to pressure Washington and Pretoria to cease linking the proposal for a withdrawal of Cuban troops from Angola with the UN-approved plan for granting Namibia independence. Another was to persuade West European countries to cease all aid to

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UNITA. After a major South African invasion of southern Angola in August 1981, Luanda also tried to bring West European pressure on Pretoria to withdraw its forces. [redacted]

By mid-1982 Angola's effort to cultivate the West was well under way. Senior Angolan officials had held high-level meetings with officials from a variety of West European capitals and appeared to focus especially on France, Portugal, Italy, and Brazil. Standard features in these meetings were a request for diplomatic support against South Africa and the United States and a long list of Angolan requests for economic assistance. They sought Western economic cooperation in some cases in areas where the Soviet Bloc and Cuba played a dominant role. In Portugal, France, Brazil, and possibly other Western countries, Angolan officials also sought various forms of military assistance, ranging from training to the provision of hardware, [redacted]. The government also secured involvement from British, French, Italian, Yugoslav, Brazilian, Portuguese, and US firms in offshore oil exploration.¹ [redacted]

Results

We believe that Luanda views the results of its efforts to court and cajole the West into an enhanced political and economic commitment to Angola as being, at best, mixed. Trade with the West has increased but has not supplanted Angola's dependence on the Soviet Bloc for many of the goods it needs to import. The only economic sector that has significantly expanded in the first half of the 1980s as a result of Western involvement has been oil production. To a lesser degree, [redacted]. Western and Japanese firms have relieved the regime's dependence on Cuba and the Soviet Bloc in the fishing industry. [redacted]

In our view, the regime's inability to engage more Western economic involvement has been the result of several factors. In some cases, the Soviets and Cubans have actively sought to discredit Western businessmen as spies and agents of insurgent groups, [redacted]. [redacted] Perhaps more important, the civil war has inhibited investment in agriculture and

¹ See the appendix for a description and analysis of Angola's quest for better relations with selected Western countries. [redacted]

threatens to shut down the Western-dominated mining industry. With the sabotage of an oil refinery in Luanda in late 1982 and the destruction of an oil facility in Cabinda in mid-1984, even the oil sector is proving vulnerable to UNITA attack. [redacted]

Outside of the mining and oil sectors, the climate for Western investment is not very hospitable. [redacted] ventures are still subject to redtape, the whims of corrupt and incompetent officials, and [redacted] from countries that may have fallen into passing disfavor with the regime—occasional politically inspired hostility. Imports, meanwhile, remain limited by Angola's chronic hard currency shortages because of the financial demands of the war against UNITA. [redacted]

Improved political ties with the West have also failed, so far, to realize Luanda's principal objectives. Largely because of US pressure on South Africa, Pretoria has ceased its direct attacks on Angola and has staged a partial pullback from Angolan territory. Western countries, however, have not forcefully pressed South Africa to drop its insistence that implementation of a UN-approved plan for Namibian independence be accompanied by a Cuban troop withdrawal from Angola. Although the regime continues to negotiate with the United States and South Africa for a Namibian settlement and an end to Pretoria's direct and indirect military pressure, it is also being forced to negotiate the key question of the Cuban troop presence in Angola it has long sought to avoid. [redacted]

Desire To Disengage From Moscow and Havana

Luanda, in our view, has been driven to explore closer ties with the West in part by a growing dislike of its dependence on the Soviet Union and Cuba. On the one hand, the regime realized that it needs Soviet Bloc and Cuban military support to survive against increasingly acute military pressure from the South African-backed UNITA insurgency and to withstand the threat of another South African invasion of its

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territory. On the other, by the late 1970s, a deeply rooted hostile impulse toward the Soviet Bloc and Cuba pervaded much of the ruling party, the government, the military, and Angolan society. [redacted]

Disenchanted Leaders

Luanda's initial thrust away from the Soviet Bloc and Cuba was led by Angola's late President Neto. An avowed Marxist, Neto initially appeared to seek close, almost exclusive ties only with the Soviet Bloc. We believe, however, that his foreign policy views significantly changed before his death. [redacted]

[redacted] many in the MPLA, including Neto, suspected that the Soviets had backed an unsuccessful coup against him in 1977—a suspicion we are unable to substantiate—even though the Cubans, after some delay, used their forces to put it down. Neto also complained frequently about the quality and quantity of Soviet and Cuban aid and appeared to be seeking better relations with the West. When Neto died in Moscow during an official visit in 1979, we believe that many in the government suspected that the Soviets had killed him. [redacted]

The decline of Soviet prestige at senior levels of the government appears to have been arrested temporarily after the assumption of the Presidency by dos Santos. Dos Santos had been trained as an engineer in the Soviet Union, had a Soviet wife—whom he has since divorced—and apparently did not initially share Neto's distrust of Moscow. [redacted]

By 1981, however, we believe dos Santos had adopted his predecessor's more critical view of Moscow and Havana. [redacted] he went against the expressed wish of his Soviet advisers to seek more diplomatic contact with the United States and France. [redacted]

Dos Santos's hostility has apparently grown since then. In January 1984, [redacted] he complained [redacted] that the Soviets were treating Angola like a colony. In April, [redacted] he decried the total penetration of the MPLA Central Committee by Cuban agents or toadies. [redacted] dos Santos complained in June that the Soviets were exploiting Angola rather than contributing to the country's development. Although some of dos Santos's statements may have been made to convince a non-Soviet Bloc audience of his receptivity to Western blandishments, we believe they reflect the desire of the majority of the Angolan leadership to slacken—although by no means end—the country's relations with its Communist protectors. [redacted]

Problems With Aid

One of the most serious causes of strain in Luanda's relations with Havana and Moscow has centered on Cuban and Soviet Bloc involvement in the Angolan economy. [redacted] the Angolans have long had a litany of complaints about Soviet aid: it is insufficient, shoddy, overpriced, exploitive, and delivered with a heavy hand. Soviet Bloc and Cuban advisers are typically viewed as corrupt, crude, patronizing, and incompetent. [redacted]

Luanda has responded by trying to limit Soviet Bloc and Cuban participation in their economy. As early as 1979, the government attempted to diminish Cuban influence by sending a large number of advisers home, [redacted]

[redacted] Angola refused to renew a fishing agreement with Cuba and turned instead to Italy, Spain, and Japan for assistance. [redacted]

[redacted] the Angolans have sought to limit Soviet access to their fishing grounds and have resisted signing a long-term fishing agreement with Moscow. [redacted]

Angola has sought to block or to set strict limits on Eastern Bloc participation in other economic sectors. It has attempted to limit Soviet involvement in the petroleum sector to the provision of onshore pipelines [redacted]

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and storage facilities, [redacted] exploration and drilling have largely been undertaken as Angolan joint ventures with Western firms. Angola also has turned West instead of East for assistance in diamond mining, apparently keeping the Soviet Bloc largely out of that sector. In civilian aviation, we believe Angolan authorities have tried purchasing Western aircraft rather than Soviet equipment, which is inefficient and requires too many Soviet advisers. [redacted]

finally stepped up its military assistance to Angola and apparently made concessions on aid terms. [redacted]

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Moscow and Havana Hold On

Angola also has balked at Soviet involvement in long-term capital aid projects. [redacted] a member of an Angolan delegation in Moscow in late 1982 was tricked by the Soviets into signing an agreement to proceed with the construction of the Capanda hydroelectric dam on the Cuanza River rather than an agreement to proceed with a feasibility study, which the delegation's leader had intended to sign. The Angolans evidently preferred aid in agricultural and light industry instead of Soviet involvement in a major industrial project. [redacted]

We believe Moscow and Havana view Luanda's quest for better Western ties with a mixture of hostility and pragmatism. On a tactical level, they undoubtedly see the necessity of some ties. Western oil companies provide hard currency that allows Luanda to purchase military equipment and services from Moscow and its allies. The West also provides technical assistance and financial aid that the Soviet Bloc is unable to furnish; for example, Moscow has subcontracted a large portion of the Capanda Dam project to a Brazilian firm.

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[redacted] Luanda has subsequently resisted completing arrangements for the dam. [redacted]

[redacted]

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Another major source of irritation has been Soviet and Cuban dunning of Luanda for payment of its debt for commercial and military transactions. [redacted]

We also believe that the Soviets and Cubans resigned themselves in 1984—after several years of resistance—to Luanda's effort to negotiate a package settlement with the United States and South Africa on Namibia. They apparently have not offered the process any encouragement, however, and we suspect they have strongly discouraged compromises with the West or Pretoria that they feel might jeopardize the regime's survival, or its ties with Moscow and Havana. [redacted]

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[redacted] Angola repeatedly has asked that portions of its debt be deferred, renegotiated, or forgiven. Frequently, bitter debates also have arisen over the cost, quality, and terms of both military and nonmilitary assistance. [redacted]

[redacted] Luanda decided in May 1983 to treat a portion of its debt to the Soviets as a grant and simply refused to repay it. [redacted]

Soviet and Cuban pragmatism appears to have sharp limits, nevertheless, and runs counter to their instinct to keep tight control over a regime they regard largely as a client. We believe the main thrust of their policy toward Angola remains bent largely on discouraging, rather than promoting, contact with the West. Their tactics for doing so have varied with circumstances. [redacted]

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Moscow has used its ability to grant or withhold arms, ammunition, spare parts, and other material requested by Luanda as a carrot and stick to manipulate Angolan Government policy. In a meeting with Soviet officials in Moscow in early 1982, the Soviets denied an Angolan request for sophisticated anti-aircraft weapons and refused many requests for subsidies, according to diplomatic reporting. In the face of an expanding UNITA insurgency and repeated South African attacks deep into Angolan territory, Moscow

Military Constraints

The most powerful tool Moscow and Havana have in keeping Luanda loyal has been the weight of their military relationship. Because of military pressure from South Africa and UNITA, that relationship has grown significantly even as Luanda began its fitful drive to improve relations with the West. Pretoria's large-scale invasion of southern Angola in 1981 resulted in South African occupation of a large tract of territory that served as a base for frequent strikes farther to the north. In addition, the UNITA insurgency began to spread to three-fourths of Angola's territory in late 1982 and increased even more dramatically in effectiveness in August 1983 after UNITA's capture of the Cuban and Angolan garrison at Cangamba. [redacted]

The response has included a major infusion of sophisticated Soviet weaponry into Angola since 1982. Luanda has acquired advanced early warning radar systems, sophisticated anti-aircraft missiles and artillery, 14 MIG-23s, about 80 to 90 more MIG-21s, at least 12 MI-25 attack helicopters, at least five SU-22s, and a wide variety of support equipment. [redacted]

Along with these new weapon systems have come increased numbers of Soviet and Cuban military advisers. [redacted] the MI-25s are flown by Cuban pilots with Angolan copilots. Some MIG-21s and all MIG-23s and SU-22s are apparently flown by Cubans. The Soviets also have expanded significantly their fleet of AN-26 transport aircraft, which Soviet pilots use to provide logistic support for Angolan and Cuban forces. In addition, the Cuban expeditionary force has increased steadily since mid-1981 as South African and UNITA pressure has grown, raising the total to about 35,000. [redacted]

Political Machinations

The Soviets and Cubans have attempted to manipulate the MPLA by backing a Mulatto-dominated faction in the party headed by veteran ideologue Lucio Lara, [redacted] This group has supported positions favored by Moscow and Havana: maintaining strong ties with the Eastern Bloc, pursuing a military victory against

UNITA, providing unswerving support to the South-West Africa People's Organization (SWAPO) in its struggle to take over Namibia, and resisting South African aggression on Angolan territory. [redacted]

In our view, some members of the hardline group, including Lara, are nationalists who dislike their country's heavy dependence on Moscow and Havana but believe that a close military relationship with them is necessary to the regime's survival until Namibia has been made independent and the threat from UNITA is largely ended. Other hardliners—who and how many is not clear—probably are controlled to varying degrees by the Soviets, Cubans, or East Germans [redacted]

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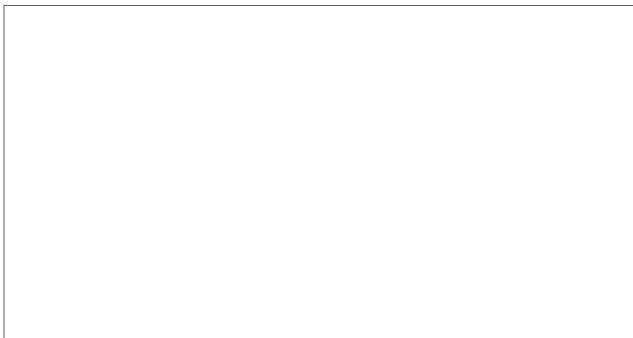
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The Soviets and Cubans also have attempted to reduce the influence of individuals and groups they believe oppose them and their friends within the MPLA. Their key target, until its demise in the past year or so, was a faction identified in a variety of reporting as the "Catete group," a loose coalition of black nationalists—many of whom were born in the town of Catete in eastern Angola. This faction had long been openly hostile to Moscow, Havana, and the hardline Mulattoes. The Catete group also urged a negotiated settlement with UNITA leader Savimbi and favored stronger ties with the West [redacted]



Through a series of moves between 1982 and this year—the downgrading of both Catete and Lara faction members, the creation of special governmental bodies that report to him, and the arrest or ouster of high officials who attacked him personally—dos Santos has strengthened his own power base so that he has become the dominant figure in the MPLA. At the same time, in our judgment, he has adopted many of the policy positions of the now largely defunct Catete group, and his effort to increase his relations with the West is apparently backed by a consensus within the MPLA. Even so, we believe Soviet and Cuban pressure in the past three years has forced dos Santos to be cautious about loosening Angola's military relationship with Cuba and the Soviet Bloc, although it remains in peril from UNITA and, indirectly, from South Africa. [redacted]

[redacted] the Soviets and Cubans have sought to denigrate a number of close associates of the President who they believe are friendly to the West. In one recent instance, we believe Moscow launched a campaign of disinformation designed to implicate Kito Rodriques, one of dos Santos's key backers and an architect and principal

participant in Luanda's negotiations with South Africa, in an oil scandal. We also believe they have been critical of presidential adviser Jose Maria and Vice Foreign Minister Venancio da Moura [redacted]

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Continuing Price of Dependence

One result of Cuban and Soviet Bloc pressure has been that Soviet, East European, and Cuban advisers continue to perform numerous technical assistance functions—more, we believe, than the regime would like. [redacted] such advisers in a variety of government ministries, although their numbers may have diminished somewhat since the early 1980s. We believe Moscow retains about 1,500 civilian advisers and economic technicians in Angola while the Cuban and East European civilian advisory presence is roughly 8,000. Soviet Bloc and Cuban advisers still conduct numerous training programs for Angolan youth and sponsor a variety of aid projects and joint ventures throughout the country. A Soviet fishing fleet also continues to overfish Angolan territorial waters. [redacted]

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Angola also continues to pay a political price that tends to compromise its independence in international relations:

- Luanda dutifully supports the Soviet Union in international forums; it followed the Soviet lead in boycotting the 1984 Summer Olympics in Los Angeles, for example.
- Angolan's media still lavish praise on Luanda's Communist allies.
- Luanda routinely exchanges political, military, and "people's" delegations with Moscow, Havana, and Eastern Europe.
- Angolan military facilities continue to service Soviet aircraft and naval vessels that patrol the South Atlantic. [redacted]

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Prospects for Nonalignment

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Dos Santos's Views and Role

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We believe the evidence is strong that dos Santos remains personally committed to nonalignment and

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all that this implies—an economic and political rapprochement with the West and a slackening, although by no means an ending, of ties with the East:

- [redacted] he hoped foreign investment would save his country. He claimed that he intended to select the best investment offers without worrying about maintaining a balance between East and West.
- During his trip to Western Europe in September, the major theme of his meetings with Western leaders was expanded economic relations, according to diplomatic reports.
- By taking the Foreign Ministry portfolio in late October, he has become more directly involved in the Namibian negotiations and, in our view, is more firmly identified with the effort to reach a modus vivendi with South Africa and a rapprochement with the West. [redacted]

Opposition to the opening to the West and to a reduction in Cuban and Soviet influence has apparently diminished among senior officials in the MPLA. The Mulatto-led hardliners appear to lack the power—and perhaps, in the case of some, the desire—to thwart dos Santos's efforts toward greater nonalignment. They probably still serve as a drag, nevertheless, on how fast the regime can go in striking a compromise with the West, and we believe they hold a veto over how far Luanda will go to reach an understanding with Pretoria or, especially, UNITA. [redacted]

In addition to dos Santos and some senior party leaders, the impulse for a move away from the Soviet Bloc and toward the West appears to be firmly rooted in the party rank and file, the government, the military, and among many of the Angolan people.

Economic planners, [redacted] continue to have a strong preference for dealing with the West over the Soviet Bloc. Military leaders—especially groups of younger officers sometimes described as the “Young Captains”—frequently have expressed a desire to jettison their Cuban and Soviet advisers, [redacted]

[redacted]

Outlook

We believe the dos Santos government is attempting to obtain a package Namibian settlement that it believes would curtail South African support for UNITA, rid southern Angola of South African military forces, reduce the Cuban troop presence in Angola, and end South African occupation of Namibia. In our view, the Angolans probably believe that, if those goals are achieved, they would be able to neutralize UNITA through a combination of military coercion and negotiations. [redacted]

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Under those conditions, we believe that Angola would court even more assiduously Western aid, trade, and investment. Although the West's ability to provide aid would undoubtedly not match Angolan desires, we believe trade and assistance from the West would increase significantly over a five- to 10-year period as internal security and communication improved. [redacted]

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At the same time, we would expect the regime to attempt to maintain good relations with the Soviet Bloc. It would, however, attempt to contain and in many areas roll back Cuban and Soviet Bloc economic and political penetration. [redacted]

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So long as the Angolan civil war continues, however, Luanda will make only slow progress in building on the limited concrete gains of the past four years. Under these circumstances, the regime will be unable to reduce significantly its dependence on the Soviets and Cubans for its survival. We believe Luanda will, even in these conditions, continue to seek ways to relieve its dependence on Moscow and Havana and to expand its ties with the West. So long as the war continues, however, Luanda's alternatives will remain severely limited. [redacted]

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Implications for the United States

Luanda's fitful movement toward the West and the MPLA regime's desire to cut back its ties with the Soviets and Cubans serve the US goal of mediating a

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Namibian settlement that opens the door for a withdrawal of Cuban troops from Angola. Indeed, Luanda's increasingly open expressions of dissatisfaction with its fate as a Soviet dependent represent an erosion in the Soviet position in southern Africa—particularly when coupled with the more obvious reorientation of Mozambique's policies away from Moscow in early 1984.

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Nevertheless, UNITA's mounting pressure and the ever-present South African threat limit how far and fast the regime can move—either in the short term toward a package southern African settlement or in its long-term quest for nonalignment. In a sense, Luanda's dilemma in realigning its foreign relations gives truth to the adage that actions speak louder than words: even as Luanda talked in the early 1980s of improving its ties with the West, its unswerving support of SWAPO attacks in Namibia at least partially provoked the military pressure on Angola that makes it so difficult for Luanda to move now to reduce its dependency on Moscow and Havana.

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Probing the West

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Thwarted Rapprochement With Portugal

Political relations between Portugal and Angola have foundered badly since Luanda's ardent courtship, which began in 1981, ended abruptly in early 1983 following Angolan charges that Lisbon harbors representatives of UNITA. Although Luanda and Lisbon recently have held two separate rounds of high-level talks designed to improve bilateral relations,

[redacted] [redacted]

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By the end of the year, Portugal also had agreed to participate in still other economic projects, including the financing and construction of a dam expansion project on the Cuanza River.

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[redacted]

Throughout 1982 and early 1983, the two countries discussed other ways to expand mutual cooperation and credit facilities.

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Blossoming Relations

Portugal was one of the first Western countries to which Luanda turned in 1981 for diplomatic support, investment capital, and technical advisers. The Angolans found the Portuguese receptive—lured, we believe, by the potential economic benefit, a lingering sense of responsibility toward its former colony, and the desire to resume the role of an international actor of consequence. In March 1982 the two sides signed an aid protocol in Luanda covering agreements on science, culture, health, agriculture, transportation, petroleum, and other areas of cooperation.

the Angolans also pressed Lisbon for counterinsurgency training in Portugal and the dispatch of a military team to Angola.

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[redacted]

A Pall Sets In

The first problems in the burgeoning relationship arose over rumors in the Portuguese press that South Africa, with the tacit approval of the Portuguese Government, was plotting with Angolan dissidents in Lisbon to overthrow the government in Luanda. Although the Portuguese adamantly denied the story, it cast a pall over the growing rapprochement.

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Bilateral ties began to deteriorate sharply,

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when UNITA established a front organization in Lisbon in early 1983. In the wake of an escalating insurgency that was spreading into eastern Angola, Luanda seized on the opening of the UNITA front to begin attacking Lisbon in the press and in private for its "aid" to the insurgents.

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Other problems also began to beset the relationship. A socialist government came to power in Portugal in June 1983 headed by Mario Soares, who knew and was impressed by UNITA leader Jonas Savimbi,

The relationship progressed further the next month when Portuguese President Eanes was received warmly during a visit to Luanda. The two governments signed more cooperation agreements—on tourism, technical aid, university exchanges, and transportation—

In May 1982 an Angolan delegation headed by economic czar Lopo do Nascimento visited Lisbon where it discussed a possible Portuguese oil-exploration program in Angola, requested that Portugal provide mining technicians, and discussed other programs for aid,

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according to a source of the US Embassy in Lisbon. Prime Minister Soares soon seriously offended the Angolan Government by attempting to mediate between UNITA and the MPLA, according to a diplomatic report. Another problem may have been that President Eanes—who was at odds with the Soares government—had led the Angolans to believe they would receive more aid than Soares was willing to offer. Moreover, as one of Europe's poorest countries, Portugal had only limited resources to invest in Angola regardless of the ambitions of the Portuguese Government. At the height of the courtship in mid-1982, Angolan imports from Portugal had declined significantly over the same period in 1981. [redacted]

Portugal also apparently had not provided as many technical advisers as Luanda expected at the height of the rapprochement. The chill over UNITA probably had been the main reason why the number of Portuguese advisers was still relatively small, but Soviet and Cuban disinformation also may have had some effect. [redacted] the Portuguese believed that Moscow and Havana were attempting to undermine Lisbon's position by claiming Portuguese advisers were American spies or agents of the insurgents. [redacted] the Soviets and Cubans complained vigorously to the Angolans about their opening to the West. [redacted]

By late 1983 Angola announced it would undertake "economic reprisals" against Portugal and formed a high-level committee to review all technical assistance agreements with Lisbon. Angolan enterprises were told to look elsewhere for purchases, and the Portuguese oil company PETROGAL was excluded from participation in an offshore oil development project, contrary to previous promises. [redacted] the Angolans considered severing diplomatic relations and moving their Embassy from Lisbon to Madrid. They began to court Spain in mid-1983, apparently as an alternative source of Western aid and assistance and we believe to pressure Lisbon further. Plans to shift the Embassy apparently have been scrapped. [redacted]

Partial Restoration

[redacted] Lisbon was perplexed by Luanda's about-face. Portugal denied that it had any

official contact with UNITA and, after a period of puzzling over how to react, began a sustained effort to revive relations. Portuguese Foreign Minister Gama traveled to Luanda in February 1984 where he was lectured by Angolan Foreign Minister Jorge about his country's alleged support for UNITA. [redacted]

Relations seemed to improve briefly last spring. In April a Portuguese official announced that Lisbon would increase its existing line of credit to Angola by \$60 million to finance consumer goods and that Portugal was negotiating an increased line of credit equal to \$50 million for the purchase of other goods. The offer of new aid apparently brought a brief respite in Angolan press attacks on Portugal. In May, however, dos Santos personally criticized the Soares government in a public interview, leaving Lisbon once again bewildered. [redacted]

Current Relations

Subsequent high-level political exchanges have apparently been fruitless. A meeting in September between an Angolan Politburo member and Soares, according to a Western diplomatic report, provided an opportunity for Soares to stress again his interest in better ties as well as to make the point that his government would not muzzle the Portuguese press or abridge the rights of Portuguese citizens. President Eanes, without the approval of the Soares government, also sent an emissary to dos Santos in mid-September to express a desire for better relations. [redacted] Eanes's overture, however, was greeted with strong expressions of anger over Portuguese support for UNITA. [redacted]

Bilateral trade has improved. Portuguese exports to Angola during the first half of 1984 were four times higher than in the same period of 1982 and twice as high as in the same period of 1983. According to

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recent public statements by dos Santos, economic and trade relations are "normal," although the Portuguese were excluded from the Luanda trade fair in October.

Discussions about Portuguese military aid to Angola that began in 1982 have proved unproductive. Although the Portuguese might have played a limited advisory role in training the Angolan Army, Lisbon did not, in our view, have the will or ability to take over the role of the Cubans. The only military assistance the Portuguese apparently provide is given unofficially by a group of some 60 to 80 reserve or retired, leftwing military officers and mechanics who serve in Angola in a training capacity.

The recent showing of a documentary on Portuguese television favorable to Savimbi is likely to be another stumblingblock in bilateral relations. Angola had strenuously opposed its showing, and, under pressure from the Portuguese Communist Party and the government, its airing had been delayed three times. Soares has publicly expressed his disapproval of the showing, but we doubt that his protest will lessen Angolan resentment.

Prospects

Lisbon will be likely to continue to seek closer ties with Luanda, but we do not believe that the Soares government will take any significant measures against UNITA representatives in Portugal. Portuguese law prohibits the kind of repression of UNITA sympathizers—many of whom have dual Angolan-Portuguese citizenship—that Angola demands. Soares, an ardent defender of human rights, would be unlikely to stretch the law for the sake of improving relations with Luanda. Even a move to take legal measures to curb UNITA activities could pit Soares against the press, the opposition Center Democrats, and members of his own coalition partner, the Social Democrats.

We see little prospect that the rapprochement will develop as both sides had hoped in 1982. With UNITA representatives still operating freely in Portugal, we believe that Luanda will continue to maintain a chill in its relations with Lisbon. In the two years since UNITA began its dramatic expansion throughout three-fourths of Angola, the insurgents' isolation

from external aid and refuge has become an even more important goal in Luanda's foreign policy.

We believe, however, that modest trade relations between Angola and Portugal are likely to continue growing despite the strained political ties. Aid ties are likely to remain limited both by political difficulties and, in the longer run, by Portugal's resources.

Cultivating France

France is one of the key European countries Angola has cultivated in its quest for expanded Western ties. The relationship has yielded economic benefits, but only limited political fruit.

Political Goals

In the first years after coming to power, the MPLA regime was cool to France, believing that Paris was continuing to supply UNITA with arms. The two countries established relations in 1977, but Angola delayed sending an ambassador to Paris until early 1980, mainly because of French involvement in suppressing the Angolan-backed dissident invasions of Zaire's Shaba Region in 1977 and 1978.

Angolan relations with France began to improve in early 1981 during a visit to Luanda by French Foreign Minister Francois Poncet. According to a Western diplomatic report, the Angolans told him that the MPLA congress in December 1980 decided to develop relations with France in economic and technical fields. The Angolans, moreover, avoided raising past disagreements that had retarded improved relations.

The relationship started to pick up even more after President Mitterrand took office in May 1981. He and several of his top advisers were concerned about Soviet and Cuban influence in southern Africa and believed that subtle diplomacy, economic support, and occasional military assistance could wean "progressive" regimes—most notably Angola—from their

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Communist patrons. As a result, the new government shifted the direction of France's African policy by proclaiming a greater distance between itself and South Africa. [redacted]

Namibia and that concerted Western pressure may move Luanda toward a compromise. To increase that pressure, we believe that France may be giving some limited assistance to UNITA. [redacted]

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Luanda apparently attempted to trade on the new French policy by prompting Paris to pressure the United States to abandon the idea of linking a Cuban troop withdrawal from Angola to a settlement in Namibia. As a member of the five-nation Western "Contact" Group charged by the United Nations to find a settlement in Namibia, Paris appeared particularly well positioned to play such a role. [redacted]

One result of French restraint has been Paris's reluctance to sell arms to Angola. [redacted]

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[redacted] Luanda has attempted to purchase French military hardware, especially helicopters. Although France may have sold Angola some helicopters—which are also necessary to Luanda's oil industry—we believe Paris has generally resisted arms sales for political reasons. [redacted]

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Although we believe French policymakers largely ignored Angolan political advice, the Angolans may believe their pressure on France succeeded. French officials publicly condemned linkage, and, in late 1983, Paris—apparently at the initiative of Foreign Minister Cheysson—dropped out of participation in the Contact Group. The French action, however, did not lead to the removal of the concept of linkage from the ongoing negotiations on southern Africa. [redacted]

Economic Cooperation

The Angolans have had more success with France as a key source of investment and economic and technical assistance. The two countries signed a cooperation agreement in 1980 and have since implemented it in a variety of areas. [redacted]

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The bilateral political relationship, meanwhile, has not been particularly close. The reason, we believe, may be traceable in part to Angolan bungling. The Angolans, for example, angered Paris when they issued a "communique" during the visit of a senior French delegation to Luanda in 1981 that they had failed to clear with their guests. [redacted]

Angola and France subsequently signed four aid protocols funded at \$300 million each. These are largely for export credits and are insured up to 85 percent by a French Government agency. [redacted]

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Among the projects funded have been a technical aid program for reviving Angola's nearly defunct coffee industry, two technical schools to train mechanics and electricians, and a fish-processing plant. We believe the two countries have also undertaken a variety of other aid projects and have provided a limited number of scholarships for Angolan students to study in France. [redacted]

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Angola also plans to invite France to participate in a project that will expand the country's civilian air traffic control system. [redacted]

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The French appear divided over how best to promote a regional settlement. The Foreign Ministry's preference for distancing France from any effort to link a Cuban withdrawal to a Namibian settlement reflects a belief that such efforts constitute external interference in Angolan affairs and give South Africa a pretext to remain in Namibia. On the other hand, US Embassy reporting indicates that key Mitterrand aides believe that a prior understanding on the Cuban troop issue may be necessary to reach a settlement on

French trade with Angola is largely one sided in France's favor. France is second only to Portugal as a source of Angola's imports from non-Communist

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countries. [redacted]

By far the most significant French economic involvement in Angola has been in oil exploration and production. A French company, Elf-Aquitaine, is the operator of a foreign consortium that is lifting oil from an offshore field. Elf is expanding its exploration in this block with credit from a consortium of French banks arranged in the spring of 1984. [redacted]

[redacted] Elf also has a 25-percent share in another offshore field, and another French company, TOTAL, has a 17.5-percent share in a third field.

Angola, meanwhile, apparently hopes its economic cooperation with France will expand even further. According to a diplomatic report, the Angolan Finance Minister invited the French to participate in a long list of projects during a trip to Paris in July 1983. According to other diplomatic reporting, the French were astonished by the emphasis President dos Santos and his delegation placed on bilateral economic ties during an unofficial visit to France in September. Planning Minister do Nascimento presented the French with a request for financial help for a list of projects, and dos Santos paid calls on a French aerospace firm and the head of Elf-Aquitaine.

Prospects

The French-Angolan relationship is likely to remain at its current state indefinitely. Even if Luanda were to learn of French military assistance to UNITA, it might choose to overlook it in order to preserve the economic benefits derived from the relationship through the oil connection and French-financed exports. Moreover, we believe the MPLA regime will overlook its disappointment over the failure of French political pressure to moderate Pretoria's policies or to unlink the issue of Cuban troops in Angola from a settlement in Namibia. [redacted]

Courting Brazil and Argentina

Luanda sought close relations with Brasilia immediately after independence in an attempt to establish a fruitful trade and aid relationship. At a time when it was largely ignoring the West, Angola apparently looked to Brazil because it was a major Third World power that accepted without criticism Angola's continuing dependence on the Soviet Union and Cuba and because the two countries shared the same language and had a long history of bilateral trade. Moreover, from Angola's standpoint, Brazil was a potential source of replacements for some of the 400,000 Portuguese managers, technicians, and workers who left Angola at the time of independence. For its part, Brazil was pursuing an ambitious foreign policy at the time designed to gain influence in the Third World—especially in lusophone Africa—and then thought it had financial resources to invest in such a policy. [redacted]

The relationship has nevertheless not yielded the results that both sides had expected at the time of independence. When Angola's expectations were not met, Luanda turned to Argentina in late 1982 as an alternative source of aid. [redacted]

Angolan-Brazilian Expectations

The economic relationship with Brazil was well established although Angola was still under Portuguese rule, but this had largely lapsed by the 1960s. In April 1976, however, Brazil sought a new beginning by sending a trade mission to Luanda that sold \$40 million in trucks and buses to Angola and bought Angolan coffee. [redacted]

[redacted] Several months later, Brazil extended a \$310 million line of credit to Angola to finance exports, [redacted] By 1980 Angola's trade with Brazil began to come into balance as Luanda began swapping oil for a growing amount of Brazilian imports. [redacted]

The political relationship also produced at least some of the limited benefits Luanda apparently sought. Brasilia could be counted on to denounce South

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Africa's escalating aggression against Angola and to support Namibian independence. If there was an Angolan complaint, it was probably that Brasilia did not denounce South Africa as vocally or as long as Luanda would have liked. [redacted]

Stagnation

By late 1981 the bilateral relationship appeared to be stagnating. Brazilian exports to Angola were beginning a decline, and, [redacted] Luanda had largely depleted Brazilian credits by early 1982. Apparently in an effort to revive the relationship, a senior Angolan delegation led by then Foreign Minister Paulo Jorge visited Brasilia in February 1982 where, [redacted] he requested at least \$500 million in new credit to finance continuing trade and expressed an interest in purchasing Brazilian military hardware. [redacted]

[redacted]

Brasilia apparently demurred on military sales but considered providing \$500 million in new credit after Jorge's visit, although the ultimate amount granted for trade is not clear. [redacted] the two countries subsequently engaged in various forms of commercial swaps and that Brazil may have extended credit for several loans. [redacted]

Several months after Jorge's visit, the aid relationship appeared to take a dramatic leap forward when Brazil agreed to participate with the Soviet Union in building the massive Capanda hydroelectric project. A Brazilian firm was slated to provide engineering services, build the powerhouse, and install transmission lines for the project. Of the total cost of \$2 billion, Brazil was to invest some \$450 million—in return for partial payment in oil. [redacted]

Brazilian firms, meanwhile, were aggressively pursuing new areas of commerce in Angola. Brazil's state petroleum company, Petrobras, participated with the Angolan state oil company and Belgian and British firms in exploring for offshore oil in an offshore Angolan oilfield, according to press accounts. A Brazilian supermarket chain sold food supplies to about

one-sixth of Angola's population. Brazilian firms were also involved in hotel construction and were bidding to supply storage tanks for the oil refinery in Luanda. [redacted]

Since the peak in Brazilian-Angolan relations in 1982, the economic relationship has continued to provide Angola only small benefit. Brazilian exports to Angola have continued to decline, and Angolan exports of oil to Brazil increased dramatically in 1983, causing a continuing trade imbalance. The Capanda hydroelectric project has so far not materialized because of Angolan foot-dragging. [redacted]

[redacted] the Angolans feel that the Soviets forced the project on them, and, therefore, they have been hesitant to start it. [redacted]

Brazil, meanwhile, appears to remain interested in cultivating Angola despite Luanda's hesitance in moving ahead with the Capanda project. [redacted]

[redacted] Brazil is now willing to sell arms to Angola and is willing to issue a credit line of up to \$60 million to finance the sale. [redacted]

[redacted] interested in the sale as a way of lessening his government's dependence on Soviet arms. Brazil also announced the renewal of a \$250 million line of credit to Angola following a September 1984 visit to Rio de Janeiro by Angolan economic czar Lopo do Nascimento. [redacted]

[redacted]

Argentina. We believe that Angola began to eye Argentina as an alternative source of aid in late 1982 and began to court better relations with Buenos Aires in early 1983. [redacted]

[redacted]

[redacted] Luanda was disappointed that its commercial relations with Brazil had not developed as the Angolans had expected and that the level of Brazilian economic assistance had remained low. [redacted]

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The relationship, however, has been slow to develop. The two countries have not established embassies, although they have exchanged trade delegations. Trade has been modest and Argentina's interest in Angola appears slight. A senior Angolan economic figure nevertheless traveled to Buenos Aires in September, where we believe he made a renewed pitch for increased aid and trade.

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