

Central Intelligence Agency



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DIRECTORATE OF INTELLIGENCE

13 September 1983

Cape Verde: Pereira's Problems

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Summary

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President Aristides Pereira visits Washington at a time when his ministate faces an exceptionally bleak economic situation and is the object of Soviet and Libyan pressure to gain military access to its main port and airfield. Moscow and Tripoli are attracted by Cape Verde's strategic location at the crossroads of central Atlantic sea and air lanes, 400 miles off the coast of West Africa. A moderate leftist, Pereira tries to maintain a strictly nonaligned foreign policy, faces no serious domestic opposition, and is firmly in control of his one-party government.

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This memorandum was prepared West Africa Branch, Africa Division, Office of African and Latin American Analysis. It has been coordinated with the Directorate of Operations. Questions and comments are welcome and may be directed to the Chief, Africa Division,

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We believe Pereira wants to strengthen Cape Verdean-US relations which were given a boost last year by Vice President Bush's visit to the islands. Pereira will want to discuss southern African issues as well as his concern over Libyan destabilization efforts in Africa. He will offer to continue to facilitate US efforts to promote a dialogue between South Africa and Angola over Namibia. In an attempt to persuade Washington to increase economic assistance above the current annual level of \$2 million, Pereira is likely to point to his role in arranging two previous rounds of Angolan-South Africa talks in Cape Verde. [redacted]

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Cape Verde's Economic Woes

About one-third of Cape Verde's 300,000 people depend on subsistence agriculture for a living, but the US Ambassador reports that last year the country produced only 10 percent of its food needs. With agricultural production dormant, rural employment is dependent on public works projects underwritten by foreign aid programs. The country suffers from repeated and lengthy periods of drought, an absence of significant raw materials, overpopulation, and substantial unemployment. [redacted]

[redacted] the socialist-oriented government is the largest employer. It controls banking, commodity imports, transportation, the press, schools, and most medical services. Most stores and shops, however, remain privately owned. [redacted]

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We believe that Cape Verde's traditional negative trade balance is worsening. The US Embassy reports that in 1982 the value of imports exceeded exports by a ratio of 40 to one. The Embassy reports that international loans have not been sufficient to implement the government's fairly realistic economic goals. We believe the country will be forced to continue to rely on remittances from emigrants abroad--\$20 million annually from the United States--and massive international aid to stave off economic disaster. [redacted]

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Political Scene

Pereira is an experienced, pragmatic, and realistic politician. He is a respected nationalist who helped found and then lead the African Party for the Independence of Guinea-Bissau and Cape Verde (PAIGC)--the organization under whose banner independence was won from Portugal. He was reelected to a new five-year term as party leader and President at a party convention in 1980. Pereira presides over what one US Embassy officer describes as a Marxist-oriented, benign, consultative dictatorship. [redacted]

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US Embassy reporting indicates that Pereira faces no serious political challenges, despite the country's economic plight and the existence of a pro-Soviet element in Cape Verde's internal politics. The steady exodus of the more disgruntled Cape Verdeans to the US is one important safety valve. The influence of the pro-Soviet faction--which favors closer ties to the Soviet bloc--has been kept in check by the high prestige of Pereira. His hand has been strengthened by his close links with the leadership of the country's 2,000-man Army, which Pereira led during much of the revolutionary struggle against the Portuguese. [redacted]

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Three years ago, Pereira purged the cabinet of most pro-Soviet radicals and consolidated the control of his moderate leftist faction over the party and the government. These developments paved the way for subsequent modest efforts by Pereira to liberalize the country's Marxist orientation. Pereira continues, however, to closely monitor pro-Soviet Foreign Minister Silvino da Luz, who seems to have shifted in recent years to a more pragmatic line on the issue of diversification of the country's sources of economic and military assistance. Several minor underground opposition parties exist and students occasionally demonstrate, but these groups are only occasional annoyances rather than active threats to Pereira. [redacted]

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Foreign Policy Concerns

Cape Verde's extreme poverty, strategic location, and complete dependence on foreign assistance and remittances make it vulnerable to external pressures and enticements. Pereira has thus far managed to balance relations with the West and the East. Cape Verde, for example, allows commercial aircraft from the USSR, Cuba, and South Africa to refuel at its major airfield. While maintaining friendly ties with Communist states and engaging in militant posturing against the West in international forums, Pereira's government is quietly working to foster a closer relationship with Western nations to ensure continued aid flows. We believe, Pereira's behind-the-scenes role since the late 1970s in hosting periodic talks on a Namibian settlement is indicative both of the Cape Verdean leader's multifaceted foreign policy, and his desire to be seen as an important African leader. Pereira is proud of his role as the current Chairman of the Permanent Inter-state Committee on Drought Control in the Sahel (CILSS), an organization that groups together nine Sahelian states. He will address the UN General Assembly this month in his capacity as CILSS Chairman. [redacted]

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Cape Verde's ties with Communist countries began in the early 1960s when the Soviets became the principal source of arms and political support for the Cape Verde/Guinea-Bissau struggle against the Portuguese. Moscow still supplies the bulk of Cape Verde's military needs, and there are 10 Soviet military advisers attached to the Army. Relations with Cuba are friendly, and, under the terms of a 1975 civil air agreement, Cuban troops

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in civilian dress are allowed to transit Cape Verde enroute to and from Angola. [redacted]

Nevertheless, relations since independence have not developed wholly to Moscow's satisfaction. In addition to loosening the ruling party's ties to the USSR and to Moscow's ideological line, Pereira has, despite repeated Soviet requests, refused naval base rights to Moscow and air transit rights to Tripoli for aircraft carrying military equipment to Central America. [redacted] 25X1

Cape Verde's relations with Portugal--based on the ties of culture, family, language, and history--are still important and have warmed considerably in recent years. By 1980, Portugal--despite burdensome economic, social, and political difficulties--had provided Cape Verde with over \$5 million for construction projects, university scholarships, and transportation improvements, in addition to over 50 technical advisers. A visit by President Eanes to Praia in 1980 and a return visit by Pereira to Portugal the following year resulted in additional technical assistance and a number of fishing agreements. [redacted] 25X1

Cape Verde has been motivated to develop better relations with Portugal because of dissatisfaction with Eastern bloc financial and military assistance. The US Embassy reports Cape Verde is unhappy over obsolete Communist-supplied equipment provided at exaggerated prices, racist behavior by the Soviet advisers, and poor technical and military training. The Embassy reports that Pereira's visit to Portugal in June 1981 resulted in a military agreement ending Cape Verde's policy of accepting military assistance exclusively from Soviet bloc countries. [redacted] 25X1

US Interests

Cape Verde's cordial relations with the US are rooted in historical ties between their peoples. Many local residents feel a bond with America through relatives or friends who are among the some 300,000 Cape Verdeans in the US. Cape Verdeans began migrating for economic reasons to the US--mainly the northeast--early in the 19th century and emigration continues at a rate of about 1,700 a year. [redacted] 25X1

US private investment in Cape Verde is minimal. US assistance in 1982 amounted to about \$2 million, a reduction from previous annual levels of \$3 million. The assistance includes a three-year PL-480 title II program, providing about 15,000 tons of corn annually, and agricultural research assistance. The US Embassy reports no new aid commitments are contemplated this year. [redacted] 25X1

US interests and goals in Cape Verde are principally to deny the Soviets and their allies permanent military installations, while maintaining US access to airports and harbors on an as needed basis and

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encouraging Cape Verdean movement toward more genuine nonalignment. The US Embassy reports that two visits to Cape Verde by Vice President Bush in 1982 went far toward improving relations strained by US support for Portugal during the fight for independence. [redacted] 25X1

Issues Pereira May Raise

In our view, President Pereira is likely to center his discussions with US officials on his country's dependence on the West for aid and his concern over declining US aid levels. We believe he will point to the important role US aid plays in offsetting Soviet attempts to gain influence through their military assistance agreements with Cape Verde. In our judgment, he is likely also to point to continuing Soviet and Libyan pressure on Praia for military access to Cape Verdean facilities. [redacted] 25X1

We believe Pereira will indicate his concern over the continued lack of progress on a Namibian settlement between South Africa and Angola. In addition, he is likely, in our view, to express worry over the potential for growing South African aggressiveness in southern Africa, particularly in Angola, Lesotho, and Mozambique. The US Embassy in Praia reports Pereira visited Angola and Mozambique in early September specifically to prepare himself for discussions with US officials during his visit to Washington. [redacted] 25X1

In our judgment, Pereira is likely to be quite critical in private discussion of Libya's role in Chad and elsewhere. We doubt, however, that Cape Verde will take a strong anti-Libyan stance in the UN or other international forums. In a recent press interview Pereira was only mildly critical of Libya and moderately supportive of Chadian leader Habre's legitimacy as head of state. US Embassy reporting indicates Pereira fears the possibility of Libyan subversion in retaliation for his continued refusal to allow Libyan arms flights to transit Cape Verde enroute to Nicaragua. [redacted] 25X1

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SUBJECT: Cape Verde: Pereira's Problems [redacted]

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