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# Africa Review



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3 August 1984

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3 August 1984

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**Africa Review** 

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**South Africa: Attitudes of Black Workers** [Redacted]

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A recent academic survey of black factory workers in South Africa suggests that this important component of the labor force strongly supports continued foreign investment in South Africa. [Redacted]

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**Zimbabwe-Brazil: Major Arms Purchase** [Redacted]

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[Redacted]

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Zimbabwe's recent purchase of 90 Cascavel armored cars from Brazil for \$41 million is the largest defense acquisition by Harare since independence in 1980. [Redacted]

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*Articles have been coordinated as appropriate with other offices within CIA. Comments and queries regarding this publication may be directed to the Chief, Production Staff, Office of African and Latin American Analysis, [Redacted]*

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## Articles

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### South Africa: Colored and Indian Elections Preview

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The government's plan to co-opt Coloreds and Indians will face a major test later this month in the elections for the newly created Colored and Indian chambers in Parliament.<sup>1</sup> The government is hoping for a large voter turnout that it can use as evidence of support for its controversial new constitution due to be implemented in September. Many nonwhite groups in South Africa, angered by the exclusion of blacks from the new Parliament, are urging a boycott of the elections and some violence has already occurred.

#### Labor Party Favored in Colored Contest

The Labor Party—the oldest and predominant political group among South Africa's some 2.7 million Coloreds—probably will win a majority of the 80 Colored chamber seats in the elections on 22 August, although most of its candidates are not well known to the public. The best organized of the Colored parties, the Labor Party has branches nationwide and publicly decries violent methods of bringing about political change, according to the US Embassy. It is the only Colored party contesting all 80 seats, and four of its nominees running in unopposed districts already are guaranteed seats in Parliament.

The party's leader, Rev. Allan Hendrickse, has spearheaded an active campaign, and he recently told the press that he is optimistic that the new constitution will allow nonwhites to attain meaningful reforms. We suspect that the government is giving some covert financial assistance to the Labor Party.

The People's Congress Party (PCP) is the principal challenger to the Labor Party, although independents—some of them ex-Labor Party members who did not gain party nominations—will win some seats and make other races close. The PCP this spring claimed a membership of 3,000 but has greatly expanded its organization in the last few months and now looms as a strong competitor for control of the Colored chamber. The party has publicly promised to play an aggressive role in the Colored chamber by vigorously challenging apartheid.

Some 900,000 Coloreds have registered to vote, according to press reports, and we expect the voter turnout to be good. Forty-two percent of eligible Colored voters surveyed last year in Cape Province—where most Coloreds reside—said they would participate in the elections.

#### Close Indian Race

The Indian elections on 28 August will be a two-horse race. One main contender is the National People's Party (NPP) led by Amichand Rajbansi, chairman of the South African Indian Council (SAIC).<sup>2</sup> Although the US Consulate in Durban describes Rajbansi as a rather unpalatable and unscrupulous politician, a survey conducted in the Indian community last year by a respected South African academic indicated that Rajbansi is the most popular Indian leader.

<sup>2</sup> The government established the SAIC in 1964 and long regarded it as the only representative body for the Indian community at the national level. The first general elections for the SAIC were held in 1981 with a low voter turnout of about 10 percent.

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**Secret****New Parliamentary Elections**

Affiliation	Leader	Number of Candidates
<b>Colored</b>		
Labor Party	Allan Hendrickse	80
People's Congress Party	Peter Marais	59
Freedom Party	Arthur Booyesen	24
Reformed Freedom Party	Charles Julies	11
Independent		33
<b>Indian</b>		
Solidarity	J. N. Reddy	40 <sup>a</sup>
National People's Party	Amichand Rajbansi	38 <sup>a</sup>
Progressive Independent Party	N. Sewchuran	8 <sup>a</sup>
National Federal Party	?	3 <sup>a</sup>
Independent <sup>b</sup>		75 <sup>a</sup>

<sup>a</sup> Unconfirmed.<sup>b</sup> Some "independents" are in fact affiliated with parties.

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The NPP's stiffest competition will come from Solidarity, a party formed this past January with widespread support in the Indian business community, according to the US Embassy. There are few philosophical differences between Solidarity and the NPP: both desire a democratic, nonracial South Africa and intend to use their seats in Parliament to press for black political rights and for improvements in the general welfare of the Indian community, according to press reports. The ruling National Party, however, has given some limited assistance to Solidarity, apparently believing that its candidates—rather than Rajbansi and his cronies—would add more respectability to an Indian parliamentary chamber, according to the US Embassy.

The personalities of the candidates will be an important factor because the NPP and Solidarity platforms are almost identical and genuine party politics do not exist yet in the Indian community. The US Embassy reported last month that a large number of Indians were switching parties to get on a ballot.

We believe the NPP may win a slight edge in seats but agree with the US Embassy that the more important issue is voter turnout. Predictions by local observers have ranged widely, but we believe that the government will be satisfied with a turnout of at least 25 percent, and that the final tally probably will be much higher. The US Consulate in Johannesburg reports that more than 350,000 of the estimated 600,000 eligible Indian voters have registered for the elections. Both the NPP and Solidarity, however, have publicly accused the government of gross incompetence in administering the Indian voter rolls. Rajbansi told a US Embassy official that many Indians who had registered cannot find their names on the rolls.

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**Opposition to the Elections**

Clashes between nonwhite groups opposed to the new constitution and those who support it have broken out in recent weeks and some candidates have been targets of attacks. The United Democratic Front<sup>3</sup> has led the opposition to the tricameral Parliament, and its members have been accused of disrupting several meetings of the Labor Party and other groups that intend to participate in the elections. The homes of five Colored and Indian electoral candidates were hit with gasoline bombs in late July, according to press reports.<sup>4</sup>

In our view, violence is likely to escalate as groups urging a boycott intensify their efforts before the election dates. Members of groups that have condemned the new constitution may even seek confrontations with those entering the polling areas, despite recent government warnings that police will take quick action against any "anarchists" who try to disrupt the elections. Moreover, the African National Congress may attempt an attack against a symbolic target connected in some manner with the new constitution.

If the turnout of Indian and Colored voters is large, it may provide the impetus for the formation of more antigovernment groups with all black African memberships. Tensions between black and other nonwhite communities could increase, especially if the new Indian and Colored representatives in Parliament focus on the narrow concerns of their own constituents rather than pressing for reforms that will benefit blacks as well.

<sup>3</sup> The UDF was formed last year to oppose the proposed constitution. It claims to represent over 500 groups and 2 million individual members.

<sup>4</sup> A new group calling itself the South African Suicide Squad has claimed responsibility for many of these attacks, which have usually involved unsophisticated bottle bombs. The SASS appears to be a group of amateurs unconnected with the major guerrilla groups based outside of South Africa, according to press reports.



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**South Africa:  
The Cost of Namibia** [ ]

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In our judgment, the financial burden of Namibia is not now great enough to compel Pretoria to seek a quick political settlement. The territory's financial drain is increasing, however, and, although we do not believe that financial considerations alone will determine South Africa's desire for a settlement, we expect Namibia will become a much larger economic liability. We believe Prime Minister Botha's recent statements about the heavy financial burden of Namibia are intended to prepare white South Africans for the territory's eventual independence should Pretoria negotiate a settlement to its liking. Botha's remarks are also directed to the outside world to demonstrate Pretoria's sincerity and self-interest in pursuing an internationally acceptable settlement.

[ ]

**Budgetary and Other Financial Support to Namibia**

South Africa will provide Namibia with about \$310 million of financial support for fiscal year 1985,<sup>1</sup> according to press reports. This figure consists of \$220 million in direct budgetary subsidies, \$60 million for the operations in the territory of the parastatal South African Transport Services, and an estimated \$30 million in subsidies on Namibian imports. Pretoria also may provide subsidies through other parastatal operations, but we do not have such data. [ ]

**Interpreting the Botha Claim.** Prime Minister Botha, during his recent trip through Europe, claimed that South African support for Namibia in fiscal year 1985 will total \$450 million. In a judgment we share, South African economic writers have concluded that the Botha figure includes the \$310 million cited above (out of a total South African Government budget of \$17 billion), and approximately \$140 million in

<sup>1</sup> Namibia's 1985 fiscal year is from 1 April 1984 to 31 March 1985. [ ]

customs and excise duties collected by South Africa on behalf of Namibia, which is not a cost to the South African taxpayer.<sup>2</sup> [ ]

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**Security Costs**

In addition to Pretoria's direct financing, Botha has stated that the Namibian operations of the South Africa Defense Force cost his government between \$270 million and \$340 million in fiscal year 1984. We do not have the data to prove or disprove this claim. In our judgment, however, South Africa probably would continue to incur much of this expense for its own defense following Namibian independence. Moreover, there would be startup costs associated with establishing new defense installations along the South African-Namibian border. The claimed cost of Namibian military operations represents 10 to 15 percent of South Africa's defense budget. [ ]

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**Foreign Exchange Benefits and Other Remittances**

In addition to political and military interests in Namibia, South Africa has an important economic stake there. Pretoria earns foreign exchange from Namibia's exports, at least two-thirds of which flow through South African ports. While the amount fluctuates according to market conditions, Namibia exported over \$1 billion worth of goods in 1981, the last year for which data are available. South Africa keeps most of the foreign exchange from these exports and remits the earnings to Namibia in rand. [ ]

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<sup>2</sup> Pretoria allocates Namibia a \$170 million share of Southern African Customs Union duties based on the Namibian imports that come through South Africa. According to press reports, Namibian officials claim that only \$30 million of this share represents a subsidy. [ ]

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The South African economy also receives royalties, profits, dividends, and worker remittances from Namibia. The magnitude also fluctuates, but we estimate that it topped \$400 million annually during the late 1970s. [redacted]

**Trends**

The size of Pretoria's direct budgetary contribution to Namibia has grown dramatically from \$102 million in fiscal year 1981 to \$216 million for fiscal year 1985. Nearly one-third of this increase reflects changes in the accounting format for South African assistance to Namibia. Pretoria transferred to Windhoek certain spending obligations for items such as police and defense that previously did not appear in Windhoek's budget. Aside from this accounting change, the South African contribution has grown as domestic Namibian revenues have declined and Windhoek has had to increase its expenditures to support 11 ethnic, second-tier administrations established by Pretoria. Civil service salaries alone account for 60 percent of current expenditures in the Namibian budget. [redacted]

Namibian internal revenue has slumped primarily because of drought and depressed export prices. Real gross domestic product fell by 2 percent last year. The contribution of mining, fishing, and agriculture to gross domestic product dropped from 43 percent in 1982 to 34 percent in 1983, with a corresponding reduction in tax revenues. Taxes on the diamond industry, for example, contributed over half of total domestic revenue four years ago, but a fall in world diamond prices was largely responsible for lowering this share to 14 percent by fiscal year 1984. Prospects for a significant recovery of domestic revenues seem slender because, in our judgment, the markets for diamonds, uranium, and lead probably will remain fairly soft over the next couple of years. [redacted]

**The Debt Problem.** The deterioration of Namibian finances has raised Windhoek's outstanding debt from \$12 million in March 1979 to \$550 million in February 1984. We believe that nearly all of this debt is to South African financial institutions and presumably would be repaid in rand, not in foreign exchange. According to statistics published by the

Bank for International Settlements (BIS), Namibian debt to banks of BIS member countries totals only \$30 million. [redacted]

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Interest and capital repayment from the Namibian budget is projected to grow from \$63 million in fiscal year 1985 to \$122 million in fiscal 1987, according to press reports. In the absence of a significant economic recovery in Namibia, this growing debt service will necessitate much larger South African subsidies. [redacted]

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Moreover, South Africa has unconditionally guaranteed the debt accumulated since 1966 and potentially will be held accountable for at least \$550 million should an independent government repudiate the debt. An International Court of Justice opinion of 1971 states that, from the time of the revocation of its mandate in 1966, South Africa has had no authority to grant economic rights or create economic claims in respect to Namibia. An independent Namibia might decide therefore that a repudiation of this debt need not call into question its intent to honor its own debts, and thus need not close off credit. [redacted]

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Resolution of the debt issue could become an important point in future negotiations for Namibian independence. The potential future burden grows larger each day that the issue of Namibian independence remains unresolved. South Africa has continued to guarantee loans to Namibia in the hope that other parties will bear some portion of this repayment burden after Namibian independence. In this way South Africa is keeping down the size of its current budgetary support to Namibia. [redacted]

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**Somalia: Status of the  
Dissident Movements** [redacted]

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Serious internal problems continue to enfeeble the two antigovernment dissident groups in Somalia. Dissension among the leadership and dissatisfaction in the ranks have plagued both the Somali Democratic Salvation Front (SDSF), which numbers some 2,500 men, and the smaller Somali National Movement (SNM), which commands at most a few hundred hardcore adherents. Pressure from Ethiopia and Libya to merge the two groups has proved unsuccessful because of tribal and political differences. Even though neither the SDSF nor the SNM are likely to pose a strong threat to President Siad's government, the dissident groups probably will continue to harass isolated Somali garrisons and force Siad to deploy military forces in the central and northern regions. [redacted]

The SDSF's close ties to Ethiopia, its Marxist rhetoric, and its continuing almost exclusive association with the Majertain clan have prevented the group from attracting significant support among other tribes. The SDSF was formed in 1981 by merging the Somali Salvation Front—an earlier organization dominated by the Majertain clan—and two small Marxist exile groups. The merger was intended to broaden the tribal base of the Salvation Front and to give it a political character that would appeal to Marxist ideologues in the Somali Government and ruling party. The unification was brokered by Ethiopia and Libya, [redacted]

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[redacted]

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**The SDSF**

Infighting among the leadership of the SDSF, which draws its support primarily from the Majertain clan, has led to low morale and declining troop strength in the group. Many Majertain are now at loggerheads with Abdullah Yusuf, the Ethiopian-installed chairman, and his Omar Muhummed subclan. The tribal feud has increased since last year, when Yusuf ordered the arrests of several senior SDSF members who advocated a change in the SDSF leadership. Yusuf has come under heavy criticism in the SDSF for his arbitrary and authoritarian rule. Many in the group have defected, either taking advantage of an amnesty program Siad offered in 1982, or, [redacted] simply rejoining their nomadic tribal units or becoming bandits in the Ogaden. In the largest defection so far, 95 SDSF cadre surrendered in May to Somali authorities, bringing along tanks, weapons, and ammunition. This defection, apparently stemming from a factional dispute, probably has done further damage to Yusuf's position. [redacted]

Libyan and Ethiopian economic and military support enabled the SDSF to grow to its peak strength of nearly 5,000 men by early 1982, [redacted] By September 1983, however, SDSF strength had declined to less than 3,000. [redacted]

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SDSF continued to lose strength and now totals about 2,500. [redacted]

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**The SNM**

The second major anti-Siad group, the Somali National Movement, also has suffered from leadership quarrels and morale problems. Since its formation in 1981, the group has been unable to exploit tribal unrest among the northern Issaq, its

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primary supporters, because it lacks an effective military arm. Although military officers replaced the civilian leaders last December, they have been unable to expand significantly their operations along both the northern and southern Somali-Ethiopian border regions. They remain based in Ethiopia and rely on small cross-border operations to strike at isolated targets and to support intertribal fighting in the north.

[redacted]

The new military leaders appear no better equipped than their civilian predecessors to consolidate control of the organization. In talks with US Embassy officials outside Somalia, former SNM leaders have indicated that dissident troops are disappointed with the movement's failure to pose a serious threat to Siad. Although the military leadership promised to hold a convention last April, they reportedly have postponed it for fear that dissatisfaction among the rank and file could lead to their dismissal.

[redacted]

The SNM also has had difficulty obtaining military and economic assistance. Although it receives the bulk of its aid from Ethiopia and South Yemen, the group is not as strongly tied to Addis Ababa as the SDSF and does not receive as much Ethiopian assistance as that group. The conservative Muslim leadership moved its organization from London, where it was formed in 1981, to Ethiopia in 1982 in an effort to obtain more aid from Ethiopia and Libya. In January the new head of the SNM visited Libya and Syria seeking aid and indicated that the group plans to move away from its conservative religious views of the past. [redacted] If the SNM carries out this plan, it probably would further distance the group from its potential base of support in Somalia. [redacted]

**Prospects**

US Embassy reporting indicates that Tripoli and Addis Ababa apparently hope that a merger between the SDSF and the SNM would revitalize the dissidents and allow them to expand operations against Siad. The Libyans apparently have cut off funds periodically to express their displeasure over the failure of the groups to merge. Mengistu recently

levied harsh criticism against the SDSF for its failure to resolve its internal conflicts and demanded that it take immediate action to unite with the SNM,

[redacted]

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We believe Tripoli is likely to use the promise of increased aid to persuade the SNM to agree to a merger, but the Issaq, who deeply resent the domination of Somali politics by both Siad's Marehan clan and the previous Majertain regime, would be unlikely to join with the SDSF. The SDSF, for its part, appears willing to discuss a merger only if it retains control of the dissident movement.

[redacted]

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In our judgment, even if the dissidents could obtain more extensive support from Libya and Ethiopia by agreeing to some sort of political merger, they would be unlikely to consolidate their efforts. Moreover, both organizations probably will continue to suffer defections. Nevertheless, we believe the dissidents will maintain the capability to mount small hit-and-run raids intended to harass the Somali Army and police, as they did in 1983. In addition, tribal violence in the northern and central regions will continue to offer opportunities for the dissidents to exploit opposition to the Siad regime.

[redacted]

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## Angola: UNITA's Foreign Hostages

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Although many insurgent movements have seized foreign hostages during the course of a conflict, the use of this tactic by the National Union for the Total Independence of Angola (UNITA) is unique in scale and purpose. UNITA's military capabilities permit it to capture large numbers of foreigners in single operations. We estimate that UNITA has captured 250 to 300 foreigners over the past 18 months. The most spectacular operations occurred in March 1983, when UNITA seized 86 foreigners at Alto Catumbela, and in February 1984, when it captured 77 at a diamond mine in Cafunfo. UNITA uses these prisoners and the negotiations for their release to attract favorable international media attention and to gain international recognition—advantages not generally accorded anti-Marxist movements challenging indigenous, leftist, postcolonial regimes.

### Improved Capabilities

The upgrading of UNITA's military capabilities—from guerrilla to semiconventional units—and the expansion of its operations have allowed it to pursue this tactic with some success. UNITA has aimed some of its larger operations at agricultural, mining, and industrial complexes where foreign civilians are working as technicians or advisers. Furthermore, UNITA has used its well-developed logistic system to move prisoners in good order over hundreds of miles of difficult terrain to Jamba, UNITA's main base camp in southeastern Angola.

### Strategic Considerations

UNITA's President, Jonas Savimbi, has tailored the taking of hostages to the group's strategic goals:

- **Economic Sabotage.** UNITA seeks to drive away foreign technicians, who provide the expertise that the government desperately needs to revitalize the country's economy and to ameliorate social conditions. UNITA has repeatedly warned

foreigners living in Angola that it cannot guarantee their safety and has advised them to leave for the duration of the war. In line with this policy, UNITA has begun to require prisoners to sign, before their release, a statement that they will not return to Angola until the war is over.

- **Recognition.** UNITA insists on face-to-face negotiations for the release of prisoners with governments it deems to have paid insufficient attention to its interests. UNITA has even required high foreign officials to travel to Jamba to witness the prisoners' release and the accompanying propaganda extravaganza.
- **Publicity.** UNITA enhances its international image—tarnished by a continuing reliance on South African support—by bringing in journalists to interview foreign captives. As a rule, the prisoners have praised the group's military organization and acknowledged that they have been well treated by their captors. At the same time, their reports cast doubt on the Angolan Government's ability to provide effective security. Government military forces are portrayed as undisciplined, unreliable, and unwilling to stand and fight.

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### Short-Term Gains . . .

UNITA's leaders believe that the tactic of seizing foreign hostages has gained the group respect and de facto recognition from governments that count in the affairs of southern Africa. For example, the British envoy who recently traveled to Jamba to collect British prisoners stated that he was impressed by UNITA's organizational skills and the competence of

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**Major UNITA Hostage-Taking Operations, 1983-84**

Date	Location	Number and Nationality
12 June 1984	Quibala	3 Americans 8 Portuguese and Colombians
25 March 1984	Sumbe	10 Portuguese 3 Bulgarians
23 February 1984	Cafunfo	46 Portuguese 16 Britons 15 Filipinos
December 1983	Cacolo	18 Portuguese, Brazilians, Spaniards, Japanese, Poles, and Italians
13 November 1983	Cazombo-Cavungo	12 Portuguese 5 Britons 2 Canadians
September 1983	Cambondo-Calulo	27 Portuguese, Brazilians, and Spaniards
12 March 1983	Alto-Catumbela	66 Czechoslovaks 20 Portuguese

its armed forces. He also praised Savimbi's diplomatic skills and grasp of political realities. Similarly, Czechoslovakia, as a condition for the release of its nationals, issued a communique acknowledging that it had held negotiations with UNITA in Prague during which it had been informed about UNITA's struggle in Angola. [redacted]

The Angolan economy has suffered as a result of this tactic. A Czech official has reported that the few remaining Czech advisers—vital technical assistants—have been withdrawn either to Luanda or to areas far away from the fighting. According to a recent unsubstantiated report from the US Embassy in Gabon, dependents of Soviet advisers in Luanda are also being evacuated in large numbers in response to UNITA's threats. [redacted]

The captives have attracted media attention to UNITA. Many journalists have accepted invitations to travel to Jamba to witness the release of prisoners. Savimbi, in particular, has taken advantage of their presence to extol the virtues of UNITA—high morale, discipline, competence, and humaneness. The journalists have often filed reports substantiating this view of UNITA. [redacted]

UNITA's practice of taking hostages also appears to be consistent with the objectives of South Africa, UNITA's patron and principal military supplier. Pretoria has often served as the middleman between UNITA, the International Red Cross, and foreign governments in arranging the release of hostages. We believe that South Africa probably supports UNITA's tactic of seizing foreign nationals in the belief that it contributes to UNITA's growing international stature. [redacted]

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**. . . But Long-Term Risks**

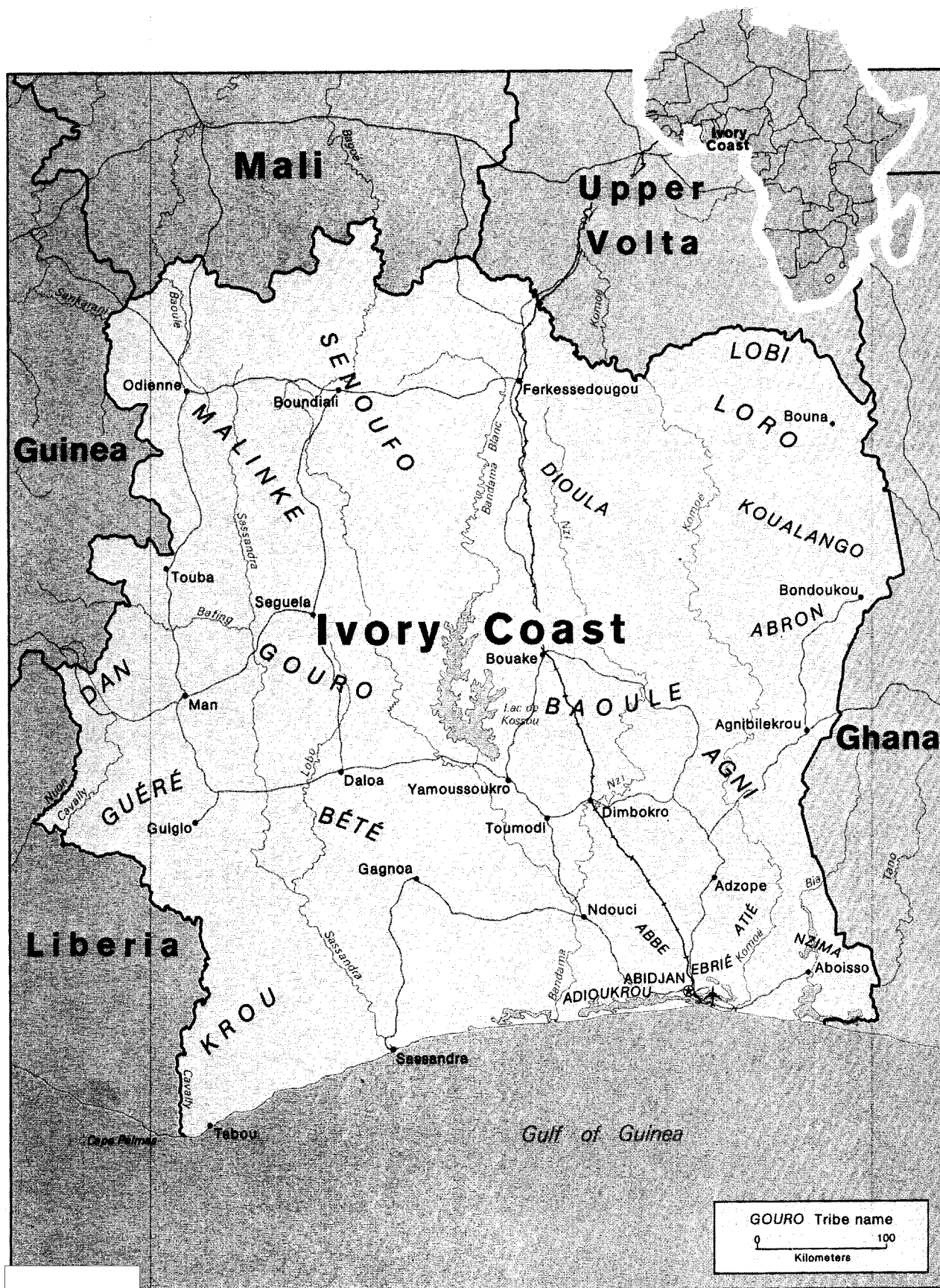
From the perspective of UNITA's overall strategy, however, we believe UNITA's assessment is too optimistic. In taking foreigners hostages, UNITA runs risks and expends scarce resources for payoffs that may not be as clear-cut as UNITA would have them:

- This tactic does little damage to the Angolan economy above what is already accomplished by UNITA's other acts of economic sabotage.
- International recognition in the long term, in our view, depends primarily on continuing military successes, not on the political payoffs UNITA has received so far from its foreign captives.
- Although UNITA has, by taking hostages, received media attention it would not have otherwise, in absolute terms the prisoners have prompted little international concern. Major Western news media still run stories on UNITA only infrequently.

Moreover, the continued use of this tactic could turn international opinion against UNITA. Should several captives succumb to the ordeal, or Cuban or government forces recapture them en route to Jamba, the resulting publicity could damage the image of a humane and competent organization that Savimbi seeks to convey

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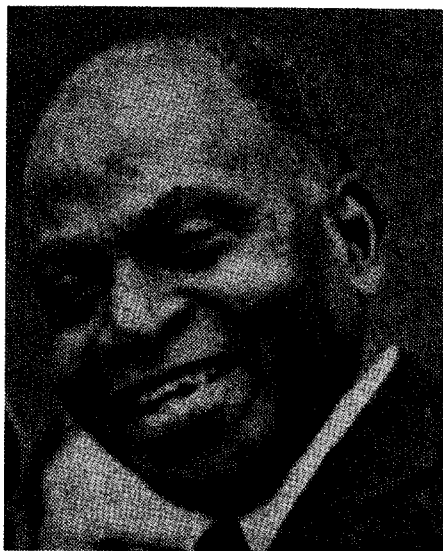
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## Ivory Coast: Growing Concern Over Unresolved Succession

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President Houphouet-Boigny—Ivory Coast's 78-year-old founding father and only president—continues to delay resolving the issue of who will be his designated successor despite mounting concern among politically aware Ivoirians. Events last April in Guinea, where a coup occurred before a successor could be picked for the late President Toure, and in Cameroon, where northerners mounted an unsuccessful coup against former President Ahidjo's chosen successor, have compounded fears among Ivoirians that their country's stability could quickly erode if Houphouet should die or become incapacitated before a legal successor is chosen. Houphouet created the post of vice president—who would serve as the president's legal successor—through constitutional amendment in 1980, but the position remains vacant and Houphouet has indicated that he does not intend to fill it until the next presidential election in 1985.



President Houphouet-Boigny

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### Transition: Influencing Factors

According to the US Embassy, political infighting among contenders for Houphouet's mantle has widened in the past year, increasing the possibility of a contentious transition should the presidency become vacant before 1985. In the event of Houphouet's death, the length of time required to fill the office and the smoothness of the change of leadership will be influenced by an interplay of several factors.

officials do not believe religion will become a major source of conflict during the transition, in part because Ivoirian leaders have been careful to prevent the spread of Islamic fundamentalism to Ivory Coast.

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**Ethnicity and Religion.** Although Houphouet has been careful to balance the allocation of political patronage among the country's 60 tribal groups, the US Embassy reports that many Ivoirians believe that his southern minority Baoule tribe has received more than its fair share of influential positions and wealth. We suspect that Ivoirian Muslims—the largest organized religion in the country—are unhappy with the present system. Christians dominate the government and business sector, although Muslims are double their number, representing at least 25 percent of the 8.9 million population. Embassy

**Economic Recession.** The country is in the fourth year of its worst economic slowdown since independence. Squeezed by low prices for exports, mounting external debt, and reduced economic activity, the country faces negative growth and another debt rescheduling in 1985. The government had to cut investments this year from \$605 million to \$425 million because of a sharp decline in tax revenues and oil receipts. It has had to lift subsidies on some consumer goods and hold

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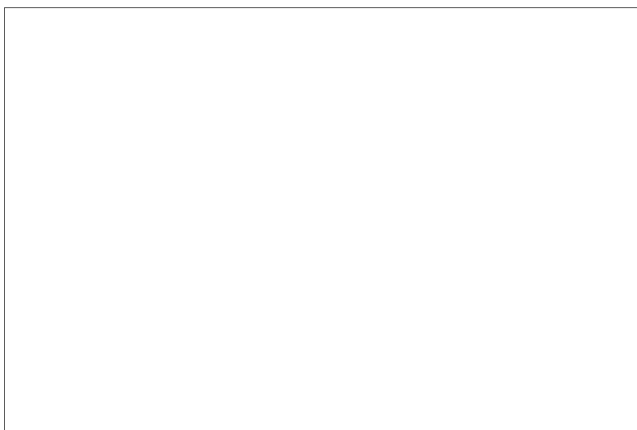
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a tight lid on salaries and benefits for public workers. In addition, the US Embassy reports that the local banking sector is in a bind because of unpaid loans and a flight of private capital. The Embassy believes that further increases in unemployment and cutbacks in government spending are likely in the short term. Although the slowdown is likely to continue over the next year, the Embassy points out that, if the current debt rescheduling proves successful and prices of coffee and cocoa—the country's two principal exports—continue to improve, an economic recovery could begin by 1986. [redacted]

**The Opposition.** Although there are no organized opposition groups inside or outside the country, the US Embassy reports that some Ivorians, particularly those among the younger generation, are unhappy with Houphouet's paternalistic rule and hope that a successor government will reduce the pervasive influence of France and adopt more progressive policies. The teachers' unions represent the closest thing to an opposition group, according to Embassy reporting. Last year both university and secondary school teachers joined with students in a strike that highlighted their economic grievances. The Embassy indicates that the rest of the labor movement is closely tied to the government, but is likely to become more politicized and restive in the post-Houphouet era—particularly in the event of a contentious succession struggle. [redacted]

**The Military.** Although the Ivorian armed forces have a reputation as one of Africa's most apolitical, the US defense attache believes that conservative senior officers might intervene if an unresolved succession struggle jeopardized public order or the country's economic life. Their aim would be to intervene only "temporarily" in order to oversee the installation of a new civilian leadership acceptable to the country at large. The US defense attache reports that Minister of Defense Jean Konan Banny convened senior officers after the Army takeover in Guinea to discuss implications for Ivory Coast. The officers allegedly agreed on the need to take control of the government if conditions threatened stability. Banny, 55, is considered by the US Embassy to be a darkhorse in the succession race. He is also a fellow Baoule tribesman and close friend of Houphouet.

Informed Ivorians regard him as an experienced administrator and politician, who could probably rally the military behind him if necessary, according to the Embassy. [redacted]



**The French**

Although Paris and Abidjan have maintained a mutually profitable relationship since Ivory Coast gained independence in 1960, the US Embassy points out that the French presence and influence are gradually declining because of poor economic conditions for French business interests<sup>2</sup> and Abidjan's efforts to bring growing numbers of educated Ivorians into positions held by French technicians. According to the Embassy, the size of the French community has dropped from a high of some 65,000 to about 37,000 in the past few years.

Although French advisers remain in almost every government ministry, the total number of cooperants will have dropped by one-third by 1985. Moreover, the Embassy predicts that the French presence will continue to decline in the post-Houphouet era [redacted]

Nevertheless, under a 1961 mutual defense accord—theoretically designed to protect Ivory Coast from external threats—France keeps a 450-man marine infantry battalion at Port Bouet airfield near Abidjan and about 90 advisers in the Ivorian military. The US

<sup>1</sup> There are about 2,400 NCOs and 600 commissioned officers in the 5,500-man Ivorian military. [redacted]

<sup>2</sup> The French own about 30 percent of Ivory Coast's manufacturing industry. [redacted]

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Embassy believes that, if a succession struggle threatened French citizens or economic interests, France would quietly support intervention by senior Ivorian military officers or intervene itself to restore order as a last resort. Moreover, the French military presence acts as a deterrent to coup plotting against

[Redacted]

**Potential Successors**<sup>3</sup>

Although no one individual can be identified as a leading candidate to succeed Houphouet, the US Embassy believes that the next president is likely to come from a relatively small group of figures in the existing political elite. The two leaders most often mentioned as contenders are former National Assembly President and secretary general of the country's only political party, Philippe Yace, and the current National Assembly President, Henri Konan Bedie. Yace, 64, is one of the few leaders with a political base made up of longtime party officials, former National Assembly deputies, and government ministers. Although these older generation individuals are currently out of power, they retain significant influence among the ruling elite. The Embassy reports that Yace also enjoys wide support among the general populace. He is a member of the small coastal Alladian tribe. Nevertheless, he

[Redacted] would have to contend with enemies he made during a period when he served as Houphouet's chief troubleshooter and hatchet man. [Redacted]

National Assembly President Henri Konan Bedie, 50, also has a political base composed of National Assembly deputies, businessmen, and younger members of the elite—many of whom were educated in the United States under Bedie's sponsorship. He has a reputation for competence and hard work, and as former Finance Minister is credited as instrumental in the country's past economic success. Although Bedie is a Baoule tribesman like Houphouet, the Embassy suggests that his popularity might transcend tribal loyalties. [Redacted]

[Redacted]

**Outlook**

With economic recovery at least a year away, we believe that a transition to new leadership before the elections in 1985 could be stormy. Jockeying and infighting probably would erupt among presidential contenders and their supporters in the political elite, leading to the strong possibility of a takeover by senior military officers. Unrest among less fortunate sectors of Ivorian society—students, labor, or the 2 million plus foreign workers—could coalesce around economic grievances in the absence of Houphouet's firm rule. A worst case possibility is that inexperienced, populist-oriented junior officers and enlisted men, who have benefited less from the current system, could attempt to exploit a succession struggle to seize power. [Redacted]

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Over the medium and longer term, however, the prospects for a smooth transition improve, in our view. The election should fill the succession void, and improvements in the economy may be apparent by 1986. If Houphouet remains in power after the election, a vice president would have time to establish or strengthen his political base and prepare for Houphouet's passing. [Redacted]

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Except in a worst case scenario, a change of leadership is unlikely to affect seriously Ivory Coast's excellent relations with the United States, afford real openings for the Soviets or Libyans, or drastically reduce French influence. All the identifiable civilian contenders and senior military leaders are moderate and pro-Western, committed to the existing political and economic system, and favorably disposed toward the French. A new Ivorian leader, however, probably would be less automatically pro-French than Houphouet and would move foreign policies toward the African mainstream of nonalignment, including some expansion of diplomatic and commercial ties with Communist and African socialist states. A new president may also be somewhat more critical of US policies in southern Africa, US reluctance to provide bilateral economic aid, and Washington's stance on the issue of guaranteed international pricing agreements for Third World agricultural commodities such as cocoa and coffee. [Redacted]

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### South Africa: Attitudes of Black Workers

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A recent academic survey of black factory workers in South Africa<sup>1</sup> suggests that this important component of the labor force strongly supports continued foreign investment in South Africa. The survey also indicates a high level of dissatisfaction and politicization. Most of the workers harbor militant attitudes tempered by an appreciation of the economic benefits offered by capitalism in general and by employment with US firms in particular.

Black workers, nonetheless, apparently are mindful of the constraints now facing the emerging black labor movement.<sup>2</sup> When the factory workers were asked what black trade unions should try to achieve, only 15 percent gave answers that included involvement in political or community activities. Some 70 percent, however, anticipate that black workers will eventually use their labor power to protest their political plight. 25X1

A somewhat surprising aspect of the survey is the overwhelming endorsement of US economic ties to South Africa. Three out of four workers surveyed favor continued foreign investment in South Africa, despite calls for disinvestment by numerous antigovernment black groups. The unpopularity of disinvestment seems to be a result of practical considerations: most black workers surveyed apparently doubt that disinvestment would succeed in forcing the government to alter its racial policies, and they believe that US firms in South Africa provide more training, pay, and fringe benefits than local companies.

<sup>2</sup> Since the government decided in 1979 to recognize black unions and allow their participation in collective bargaining, the new black labor groups have generally eschewed an active political role to avoid the government harassment that usually results when a black union strays from pursuing economic goals.

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The social and political frustrations of black workers are clearly evident in the survey. Sixty-six percent indicate that they are unhappy, angry, or impatient with their lot in general, and 60 percent believe their standard of living is worsening. Their frustrations have led many of them to adopt militant attitudes. For example, the majority of those polled disagree with the statement that blacks should be cautious in politics and not risk losing what they have gained, and 40 percent admit that they support the efforts of the ANC. Other surveys in recent years have also indicated the ANC is the most popular opposition group among South African blacks.

<sup>1</sup> The University of Natal surveyed 550 black factory workers—skilled, semiskilled, and unskilled—in various industrial areas of South Africa.

**Zimbabwe-Brazil:  
Major Arms Purchase** [redacted]

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Zimbabwe's recent purchase of 90 Cascavel armored cars from Brazil for \$41 million is the largest defense acquisition by Harare since independence in 1980. The deal—part of a five-year program announced in early 1983 to replace obsolescent army vehicles—includes spare parts as well as training for gunners, drivers, and maintenance personnel. The Cascavels will increase Zimbabwe's capability to conduct antidissident operations and to patrol its long borders, but they will do little to improve the odds against South Africa's far larger and better equipped forces.

[redacted]



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*Cascavel armored car* [redacted]

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The purchase almost triples Zimbabwe's inventory of armored cars, which now consists of an aging fleet of 45 South African Elands and 15 British Ferret scout cars. Although Prime Minister Mugabe announced that the vehicles will be assigned to a single new armored regiment, we believe they will be deployed in small numbers for antidissident operations in Matabeleland. The Cascavels enhance Zimbabwe's capability to protect truck convoys bringing food supplies from Malawi. These convoys have been attacked by guerrillas of the Mozambique National Resistance as they pass through Mozambique. Zimbabwe took over escort responsibilities from ineffective Mozambican troops several months ago.

deal. He told the US Ambassador in February 1984 that the Cascavels had been scheduled for delivery in two batches in order to spread the payments over two fiscal years, but that military officers conspired to have all 90 vehicles delivered at once.

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[redacted]

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officials to approve the purchase. If true, Army Commander Rex Nhongo, who headed the first Zimbabwean military delegation to visit Brazil in late 1981, probably was involved. Nhongo ignored a detailed staff study that recommended buying either the French Panhard or the British Scorpion armored cars, according to an informant with good access. He also replaced the author of the study with another officer who supported buying from Brazil.

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The new relationship with Brazil further diversifies Zimbabwe's sources for arms but complicates training and logistic support. The Cascavels are incompatible with equipment provided by Zimbabwe's principal suppliers—the United Kingdom, China, and North Korea—and will require special procedures and parts.

[redacted]

[redacted]

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**A Controversial Purchase**

The purchase was controversial because it has aggravated Zimbabwe's already severe shortage of foreign exchange. Finance Minister Chidzero, in particular, was angered by the Army's handling of the

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**Cascavel Armored Car**

<i>Armament</i>	<i>90-mm main gun of Belgium design manufactured in Brazil, 7.62-mm coaxial-mounted and optional 12.7-mm external machineguns</i>
<i>Engine</i>	<i>Mercedes Benz 6-cylinder diesel</i>
<i>Wheels</i>	<i>6</i>
<i>Crew</i>	<i>3</i>
<i>Maximum speed</i>	<i>100 km/hr (on roads)</i>
<i>Range</i>	<i>1,000 km (cruising)</i> <input type="text"/>

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**Outlook**

The military continues to explore possibilities for acquiring other major defense items, but, in our judgment, it will increasingly feel the pinch of budgetary and foreign exchange constraints. Army and Air Force plans to acquire costly items, including additional air transports, helicopters, and fighter aircraft, are likely to depend on the willingness of potential suppliers to provide concessionary financial terms—which many West European and Third World suppliers are increasingly reluctant to do. The situation might provide an opportunity for the Soviet Union to expand its incipient arms relationship with Zimbabwe, something which Harare has so far resisted.

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**Africa  
Briefs**

**South Africa**

**Deploying Advanced Artillery** [redacted]

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The military has placed its new G-5 155-mm towed artillery piece in a combat unit for the first time. [redacted]

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[redacted] The unit has deployed troops to northern Namibia in the past and is strategically located to defend South Africa's borders with Mozambique and Zimbabwe. The G-5 incorporates advanced ballistics technology— [redacted]

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[redacted]—which enables it to achieve a range of approximately 40 kilometers, superior to that of any gun in the hands of South Africa's neighbors. Defense Minister Magnus Malan told the South African Parliament in May that it will be 10 years before the armed forces are fully equipped with the G-5. A self-propelled version is scheduled to enter production in [redacted]

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**South Africa**

**Prime Rate Rises Further** [redacted]

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Major South African banks have raised their prime lending rate to a record high 22 percent—up from 16 percent one year ago. This increase follows credit-tightening moves by the South African Reserve Bank aimed at slowing economic growth, which in turn should reduce imports and buttress the South African rand. The rand has fallen to record lows relative to the dollar because of the weak price of gold—South Africa's leading export—and the strength of the dollar. The gold price is hovering around \$350 per ounce, down from \$395 as recently as March. The rise in the prime interest rate and the low value of the rand should constrict imports, but probably will cause inflation to rise from its current rate of 11 percent toward last year's peak of 15 percent. [redacted]

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