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Africa Review



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14 November 1986

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14 November 1986

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[Redacted]

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Rwanda: Oasis of Stability [Redacted]

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[Redacted]

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Under moderate, pro-Western President Habyarimana, Rwanda is one of Sub-Saharan Africa's most politically stable countries, but it is vulnerable to Libyan meddling and periodic tensions with neighboring countries. [Redacted]

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Brief

Africa: Insects Still Threaten Crops [Redacted]

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[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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Africa Review

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Articles

**Mozambique-Malawi:
Tense Neighbors**

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Long-strained relations between Marxist Mozambique and conservative Malawi, a close friend of South Africa, have sharply deteriorated in recent months. In early November, thousands of Mozambicans stormed Malawi's High Commission in Maputo to protest alleged South African involvement in the plane crash that killed Mozambican President Machel and Malawi's purported support for the South African-backed Mozambique National Resistance (RENAMO) insurgents. Meanwhile, South Africa produced documents from the plane crash suggesting that Machel had been plotting with Zimbabwean leaders to overthrow Malawian President Banda.



Joaquim Chissano

Moderate Marxist . . . Machel loyalist . . . was Foreign Minister and Politburo member . . . ambitious, popular, has strong party base but lacks close ties to military . . . unlikely to advocate immediate negotiations with RENAMO . . . 47.

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In our view, Machel almost certainly was convinced that Banda was assisting the rebels, and he probably discussed with the Zimbabweans the possibility of destabilizing the Banda government. Despite Lilongwe's denials, evidence indicates that Malawian authorities at a minimum have turned a blind eye toward RENAMO activities in Malawi and Pretoria's efforts to resupply the rebels from Malawian territory. We believe that Mozambique's new leader, President Chissano, will share his predecessor's antipathy toward the Banda government and that bilateral relations are unlikely to improve as long as the insurgency persists and RENAMO operates in areas of Mozambique close to the Malawian border.

under Portuguese control. Such an arrangement would have given landlocked Malawi direct access to the Indian Ocean but would have been unsatisfactory to Mozambican nationalists.

- During the Mozambican independence struggle, Front for the Liberation of Mozambique (FRELIMO) soldiers who sought refuge in Malawi often were arrested or turned over to Portuguese authorities.
- After Mozambique's independence, the FRELIMO regime was among the forefront of black African governments denouncing Malawi's close ties to South Africa.

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Longstanding Animosity

Relations between Mozambique and Malawi have been strained for years, with many of the points of contention predating Mozambique's independence in 1975:

More generally, the conservative, pro-Western Banda has regarded the FRELIMO government as Communist and pro-Soviet, while Maputo has viewed him as reactionary, soft on apartheid, and out of step with the times.

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- in 1961 Banda suggested to Tanzanian President Nyerere that they partition Mozambique, which was then

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Chronology of Relations, August 1986 to Present

21-22 August	<i>Frontline summit concludes that Malawi's "military relationship with South Africa constitutes a serious regional threat."</i>		<i>Malawi begins repatriating 1,500 FRELIMO troops.</i>
11 September	<i>Leaders of Malawi, Mozambique, Zambia, and Zimbabwe meet in Malawi, where Machel accuses Banda of supporting Malawi.</i>	12 October	<i>Frontline meeting is held in Maputo. Machel charges that Lilongwe is supporting RENAMO and colluding with Pretoria. He proposes retaliatory measures.</i>
	<i>Malawian authorities reportedly ask RENAMO leaders to temporarily refrain from meeting in Malawi.</i>	17 October	<i>Malawian envoy John Tembo returns home after delivering personal messages from Banda in Maputo and Lusaka.</i>
	[REDACTED]	19 October	<i>Machel dies in a plane crash as he returns from a visit to Zambia.</i>
19 September	<i>Machel tours border provinces with Soviet and Cuban advisers, denounces Malawi's alleged territorial ambitions and support for RENAMO.</i>	20 October	<i>Malawi High Commission and airline office in Harare are stoned and firebombed amid speculation that South Africa was responsible for Machel's death.</i>
23 September	<i>RENAMO begins offensive in Malawian-Mozambican border areas, resulting in the flight of refugees and FRELIMO soldiers into Malawi.</i>	28 October	<i>Machel's funeral held in Maputo. Banda, an octogenarian, does not attend but declares a day of mourning in Malawi.</i>
26 September	<i>Malawian and Mozambican officials agree to establish a joint security commission to monitor activities in the border area.</i>	4 November	<i>Mozambican mob ransacks Malawian Embassy in Maputo.</i>
30 September	<i>RENAMO captures several border towns.</i>	6 November	<i>South Africa publicly alleges that Mozambican and Zimbabwean leaders had plotted to overthrow Banda.</i>
1 October	<i>US Embassy in Lilongwe estimates over 70,000 Mozambicans have crossed into Malawi to avoid border fighting.</i>	7 November	<i>Maputo and Harare publicly deny plotting to overthrow the Banda government.</i>

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Recent Charges and Denials

In early November, two days after the ransacking of the Malawian High Commission in Maputo, South African Foreign Minister Roelof Botha announced that documents taken from the plane in which Machel died revealed that Mozambican and Zimbabwean leaders in mid-October had plotted to overthrow Banda. The Mozambicans and Zimbabweans, according to the documents, planned to destroy Malawi's bridges to neighboring Tanzania and Zambia as a possible prelude to an invasion. The US Embassy in Pretoria reports that the military aspects of the plan were vague and, in any case, it was not to have been carried out immediately. Maputo and

Harare subsequently dismissed the documents as a South African fabrication designed to deflect public attention from mounting suspicions of Pretoria's involvement in the plane crash and its backing of RENAMO insurgents trying to seize power in Mozambique. Lilongwe, in an apparent effort to lessen tensions, has reacted cautiously, noting it will have to review the documents before officially commenting. [REDACTED]

In the months before his death, Machel had frequently asserted that he had conclusive proof, which he did not publicly reveal, of Malawi's support for RENAMO. In a mid-September meeting in

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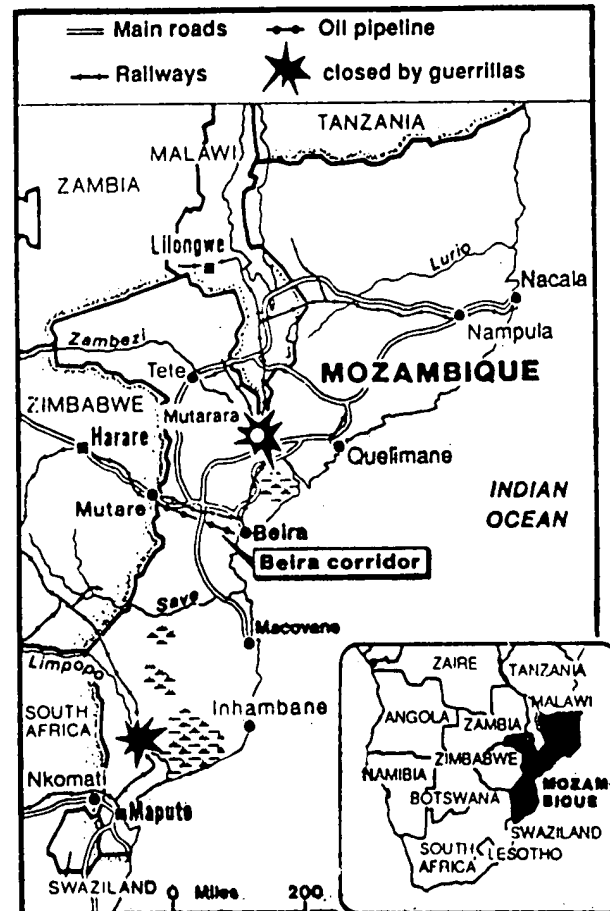
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Blantyre, Malawi, Machel, along with Zambian President Kaunda and Zimbabwean Prime Minister Mugabe, "read the riot act" to Banda, according to press and Embassy reports. On his return to Mozambique, Machel publicly threatened to close his country's borders with Malawi and to place missiles along the frontier—presumably to interdict aircraft carrying supplies bound for the insurgents—unless Malawi cut its ties to RENAMO. [redacted]

Machel chose to pressure Malawi, in our judgment, primarily because he believed that Lilongwe's increased support for RENAMO was enabling the insurgents to make substantial battlefield gains, particularly in Tete and Zambezia Provinces of central Mozambique. In the past two months, RENAMO insurgents have overrun virtually every district bordering Malawi and have captured a number of major towns along the frontier. The offensive has left the Mozambican Armed Forces and the 4,000 Zimbabwean troops supporting them in Mozambique on the defensive, even during the dry season, when government forces normally are presumed to have the advantage. [redacted]

In response, the Banda government repeatedly has publicly and privately denied any official involvement with RENAMO. It has suggested it would not be in Malawi's interests to back the insurgents, since they have severely disrupted major transport routes through Mozambique and forced Malawi to care for more than 70,000 refugees who have fled the fighting in Mozambique. [redacted]

In an apparent effort to demonstrate Malawian good will, Banda in late September dispatched a high-level delegation to Maputo headed by his closest adviser, banking official John Tembo. As a result of the visit, officials of the two countries agreed to establish a joint commission to monitor security matters. In early October, the Banda government also repatriated 1,500 Mozambican soldiers—together with their weapons—who had taken sanctuary in Malawi during the RENAMO offensive. Since then, however, a large number of soldiers and growing numbers of refugees again have crossed the border into Malawi to seek food and to avoid the fighting, [redacted]



Despite Banda's conciliatory gestures, Machel hosted a mid-October summit of Frontline leaders to discuss the deteriorating security situation in Mozambique and possible retaliatory measures against Malawi. On the basis of press reports, we believe the Frontline presidents for the most part accepted Machel's allegations, although Kaunda and Mugabe later announced individually that their governments would not cut trade or other ties to Malawi. Meanwhile, [redacted] Mozambican authorities agreed in principle to provide the Socialist League of Malawi, a small dissident group seeking to oust Banda, with bases in Mozambican provinces bordering Malawi. [redacted]

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The Question of Malawian Complicity

On the basis of Embassy [redacted] reporting, we believe the Banda government almost certainly is supportive of and sympathetic to the aims of the rebels. In our judgment, Lilongwe's longstanding differences with Maputo, extensive ties to Pretoria, and ideological affinity with the pro-Western insurgency have led it at the very least to turn a blind eye toward RENAMO activities and in some cases to provide unofficial support to the insurgents. [redacted] for example, that individual Malawian officials, particularly in the Army and the police force, are collaborating with RENAMO and South African agents for personal, ethnic, or monetary reasons. Moreover, we believe that Banda may see the long-term benefits of a RENAMO government in Maputo as outweighing the temporary dislocations and public embarrassment caused by supporting the rebels. [redacted]

[redacted] According to the US Embassy in Lilongwe, however, RENAMO personnel freely traverse the Malawian border, and [redacted] insurgents use Malawian territory as a nonhostile area in which they can resupply, get medical attention, and take refuge. A number of RENAMO officials, including some of the group's external representatives, also have been issued Malawian passports, according to the US Embassy in Lilongwe. [redacted]

Prospects

In our judgment, there is little likelihood of a significant improvement in Mozambique's relations with Malawi in the near to medium term. Moreover, Maputo is likely to renew its public attacks on the Banda government and once again consider retaliatory measures if, as is probable, the rebels make new gains during the rainy season, which is now beginning and will end in March. Nonetheless, we do not believe that Chissano, who will be preoccupied with consolidating his power, will be able to follow through on his predecessor's threat to fortify the



Hastings Kamuzu Banda

President for life . . . rabidly anti-Communist, anti-Soviet . . . has seen Malawi become African pariah in view of diplomatic and economic ties to South Africa . . . [redacted] . 88. [redacted]

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border. Nor do we believe that Mozambique could impose an effective economic blockade without Zambian and Zimbabwean cooperation. [redacted]

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For his part, Banda may attempt to improve his standing among his neighbors by claiming to tighten control over RENAMO activities in Malawi. We believe, however, that such actions will be largely temporary and symbolic. At the same time, Lilongwe is likely to urge RENAMO and its South African backers to pursue their insurgency inside Mozambique and as far as possible from the Malawian border and key Mozambican transportation routes serving Malawi. Given that RENAMO has scored the greatest successes and is most popular in central Mozambique, which adjoins Malawi, we believe there is little chance the insurgents will heed this advice. [redacted]

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South Africa: Black Labor Realignment

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The recent amalgamation of two black labor federations and the dissolution of a once vibrant multiracial labor group point to the continued politicization and consolidation of the South African black labor union movement. The merger of the Azanian Confederation of Trade Unions (AZACTU) and the Council of Unions of South Africa (CUSA), to be known for now as the CUSA/AZACTU Federation, will provide a new alternative for the non-white unions formerly affiliated with the now defunct Trade Union Council of South Africa (TUCSA). The new federation, however, is unlikely to present a challenge to the giant Congress of South African Trade Unions (COSATU), which was founded last November and now claims a membership of 660,000.

Most of TUCSA's black unions have announced that they will remain independent, but, in our judgment, some are likely to affiliate later with either COSATU or CUSA/AZACTU. Many of the white unions are likely to join the all-white South African Confederation of Labor.

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Radicals Unite

The long-awaited CUSA/AZACTU merger marks the formal culmination of a natural alliance between the two major labor advocates of "black consciousness," which holds that whites should be excluded from antigovernment movements. COSATU permits whites to hold important leadership positions, and differences over white participation were largely responsible for the failure of all the major labor groups to unite when COSATU was formed last year. Nevertheless, CUSA/AZACTU officials have insisted that they will continue to work for a merger with COSATU. The US Embassy reports that, aside from the black consciousness issue, the two federations' principles are compatible.

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Old-Style Group Falls Apart

Last month, the national executive of TUCSA, founded in 1954 and once at the forefront of organizing black unions, announced that the federation will cease to exist as of 2 December. Membership, which in 1983 had stood at over 500,000, had dropped by last August to about 150,000, according to the US Embassy, with over 100,000 leaving in 1986 alone. US Embassy reporting indicate that TUCSA's decline stemmed in part from the fact that its generally conservative political position and mostly white, Afrikaner leadership had fallen out of step with the increasingly radical black rank and file. Black union leaders were particularly critical of TUCSA's refusal to support May Day as a holiday, its opposition to the Soweto Day "stayaway" in June, and its statement that the state of emergency was "regrettable but necessary." While TUCSA's leadership was equivocating over the government's detention of hundreds of union leaders in August, for example, its largest black affiliate was calling for an end to the state of emergency and the release of all political prisoners, including Nelson Mandela.

The new federation has 23 affiliated unions and claims 248,000 members, although the actual number probably is closer to 150,000, according to the US Embassy. The Embassy further reports that both sides benefit from the merger. CUSA gains members in new industries representing a wider geographic area, while AZACTU can now tap CUSA's skilled leadership, including the highly regarded Phiroshaw Camay, who will serve as the group's general secretary.

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The US Embassy reported that CUSA appears to have pursued the merger primarily to strengthen its position vis-a-vis COSATU, while AZACTU was willing to federate largely on CUSA's terms in hopes that greater numbers would provide increased

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Federation	Year Founded	Membership ^a	Characteristics
Congress of South African Trade Unions (COSATU)	1985	660,000	Multiracial, but vast majority black . . . favors socialism . . . loosely allied with the antiapartheid United Democratic Front (UDF), but eschews formal political ties . . . outlook for membership growth appears very favorable.
Council of Unions of South Africa/ Azanian Congress of Trade Unions (CUSA/AZACTU)	1986	248,000	Amalgam of two exclusively black federations . . . CUSA, founded in 1980, has concentrated on workplace issues, mostly avoiding politics . . . AZACTU, founded in 1984, politically allied to black consciousness movement . . . prospects for some limited growth if new federation produces economic gains for members.
South African Confederation of Labor (SACLA)	1957	100,000	White . . . has traditionally taken a hardline attitude toward black workers and favored reserving certain jobs for whites . . . some softening in racial attitudes, however, probably because of white Mineworkers Union (MWU) leaving SACLA . . . growth outlook poor, but may regain MWU or attract white unions from defunct Trade Union Council of South Africa (TUCSA).

^a Estimates of membership are based largely on union claims and may overstate actual paid membership for some federations.

influence. Although CUSA is the larger and more pragmatic of the two groups, it has hardened its position on sanctions and foreign disinvestment since federation and reportedly has relinquished, at least for now, its affiliation with the pro-Western International Confederation of Free Trade Unions. AZACTU also has withdrawn its nominal affiliation with the National Forum, a black consciousness political group. General Secretary Camay told the US Embassy that the federation will avoid formal political affiliation but that federation membership in international labor organizations will be reconsidered at a future date. Member unions remain free to affiliate with any political group. [redacted]

Outlook

In our judgment, the black labor movement will continue to reflect major trends in black politics. As such, we believe most workers will gravitate toward COSATU-affiliated unions, which generally sympathize with the ideology of the politically dominant United Democratic Front. As a counter, we expect CUSA/AZACTU to espouse more radical rhetoric in the coming months in an attempt to satisfy its increasingly politicized rank and file and to attract new workers. At the same time, however, CUSA/AZACTU also is likely to concentrate on bread-and-butter issues and work toward an eventual merger with COSATU. [redacted]

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**South Africa: Implications
of Cabinet Changes**

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Extensive Cabinet changes announced by President Botha on 4 November portend little change in government policy, but further centralize executive power, streamline the government, and complicate election prospects. The reorganization came after a month of press speculation and affects only white members of the multiracial, general affairs, or national, Cabinet. Overall, the net result of the changes was to reduce the number of full Cabinet ministries by two, to 18, but to double the number of deputy ministers to 20. Among the most significant changes were the firing of unpopular Deputy Minister of Information Louis Nel, and the semiretirement of controversial Law and Order Minister Louis Le Grange, who now moves to the largely ceremonial post of speaker of Parliament. Botha also created a new ministry for the state-run broadcasting corporation that, together with the Information Department, is now directly under his office. Although economic portfolios previously spread among five ministries have been consolidated into two, the change is unlikely to affect policy.

In our judgment, the new Cabinet's composition reinforces the centrist, moderately reformist image of the ruling National Party and places more attractive spokesmen in sensitive positions. For example, Christoffel van der Merwe, Nel's replacement, is a former academic, diplomat, and ruling party information officer who is expected to be a more appealing and articulate government spokesman than the discredited Nel, according to press and Embassy reports. Le Grange, criticized for his handling of the police, is succeeded by his deputy, Adriaan Vlok, who has won high marks even from some nonwhite parliamentarians for being "approachable." Vlok now also relinquishes his simultaneously held position as Deputy Minister of Defense. Most of the 12 new deputy ministers, all drawn from the ruling party's parliamentary ranks, are considered to be *verligte* (enlightened) supporters of political reform. None, however, are at the liberal fringe of the National Party spectrum, and all are known for their party discipline and loyalty.

Domestic reaction to the Cabinet shuffle has been generally positive but restrained. On the negative side, some press and liberal opposition spokesmen have expressed little optimism that the newcomers will invigorate the Cabinet with bold new ideas for reform. Others in the press have indicated concern with Botha's "totalitarian" control over electronic media and government information, while Botha's failure to tap private-sector business expertise also has drawn criticism.

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The Cabinet changes create up to six new vacancies in the Parliament. According to the Embassy, many local observers now believe that Botha may choose to forego an early general election next April in favor of holding byelections, coupled with a referendum on black political rights. Most of the byelections, which almost certainly would be held much earlier than April, would be for relatively safe ruling party seats in Cape Province. In our judgment, however, the Cabinet changes, although giving no clear signal of Botha's election intentions, help lay the groundwork for a general election campaign. In a general election, better control over the media and the replacement of controversial Cabinet veterans by younger and popular figures would be an asset for the National Party. Moreover, several of the new deputy ministers represent districts where their Cabinet status would help turn back strong rightwing challenges.

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Rising Political Leaders

Adriaan Vlok

Vlok, 49, held posts in the Justice Department during the 1960s and also served as assistant private secretary to then Prime Minister John Vorster. He left the Prime Minister's office in 1970 to pursue business interests. Vlok assumed the posts of Deputy Minister of Defense and of Law and Order in 1985. [redacted]



The new Minister of Law and Order continues his rapid ascent within the National Party and, we believe, is a darkhorse candidate to succeed President P. W. Botha. Vlok has stated that the police should serve as a shield between the South African people and left- and right-wing extremists. In our opinion, despite his reputation for being "gentle and too nice," Vlok will not hesitate to use the security forces against black unrest. Vlok is viewed with suspicion by many police officials who suspect that, as a former military officer, he will favor the military over the police. [redacted]

[redacted]

Christoffel "Stoffel" van der Merwe

The new Deputy Minister of Information favors the government's policies of controlled political change. Van der Merwe, a National Party hardliner, supports racially segregated living areas and schools and the right to white self-determination. He also favors detention without trial and a crackdown on dissident labor and political organizations. [redacted]

Van der Merwe, 49, was the National Party spokesman prior to assuming his present post. Van der Merwe entered parliament in 1981 after serving as chairman of the political science department at Rand Afrikaans University. He traveled to the United States as an International Visitors Program grantee in 1978, and he served as a foreign service officer during the 1960s. [redacted]

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Sub-Saharan Africa: Budget Patterns for 1986/87

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The budgets of Sub-Saharan African countries indicate a general trend of austerity for fiscal year 1986/87. For most countries, planned government expenditures have fallen, after accounting for inflation. With few exceptions, anticipated tax revenues have grown only modestly, or have fallen in real terms, despite increased efforts at tax collection and additional tax measures.

- *Cameroon's* 1986/87 budget is in balance at \$2.3 billion, according to press reporting. The budget, however, is lower in real terms than that of 1985/86, having grown by 8 percent, compared with a 15-percent inflation rate.

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Although Sub-Saharan Africa's budget austerity creates economic hardship for its people, the austerity also reflects a general trend toward economic reform. Nearly all the countries of the region have budget deficits, but government officials are increasingly planning to reduce the deficits relative to gross domestic product (GDP), thus bringing them more in line with available domestic resources. In the meantime, the African governments will be relying heavily on foreign loans and grants in 1986/87 to finance the deficits.

Budgets Consolidating Recent Economic Gains

After good economic performances last year, some countries' 1986/87 budgets seek to consolidate the gains and to promote future economic expansion. For example, *Ivory Coast* has boosted its planned investment spending for 1986, after cutting it by one-third in 1985. In the wake of a 4-percent growth rate last year, *Kenya's* planned expenditures are up 16 percent to \$2.4 billion, compared with an expected inflation rate of 10 percent. Revenues are projected to grow by 25 percent to \$1.8 billion. The planned deficit of \$655 million is slightly smaller than the actual 1985/86 deficit. The budget contains strong support through duty concessions and new credit schemes for agriculture and private-sector economic activity.

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The degree of budget austerity varies among the African states. At one extreme, the better managed countries, or those that have suffered less from commodity price declines, have chosen to make smaller economic sacrifices. Even so, their budgets reflect a cautious approach, in our view.

Budgets Driven by Economic Reform

The budgets of most other African countries are providing a framework to accommodate and support substantial economic reform. For example:

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Balanced or Surplus Budgets

At least two of the better performing African countries plan to show a surplus or to balance their budgets in the current fiscal year:

- Following record revenues in 1985/86 because of sharply increased receipts from exported diamonds, *Botswana* has presented a conservative 1986/87 budget with a surplus of \$140 million. Revenues are expected to rise 18 percent in nominal terms to \$576 million; expenditures are programmed to grow by 17 percent to \$436 million, according to press reporting.

- *The Gambia's* budget incorporates IMF (International Monetary Fund) conditions agreed to in June in connection with a \$15 million standby arrangement. Revenues are projected to rise 22 percent, largely from improved collection methods and the boost in local currency export taxes caused by a 100-percent devaluation of the dalasi subsequent to its February 1985 floating. Measures to curb public spending include layoffs of some 750 permanent government employees and 340 daily-paid workers. Nevertheless, recurrent spending is projected to rise by 44 percent, contributing to an overall deficit of some \$23 million, about 18 percent of GDP. The Gambian authorities expect to finance the deficit from external grants and partly from a \$28-31 million World Bank structural adjustment loan.

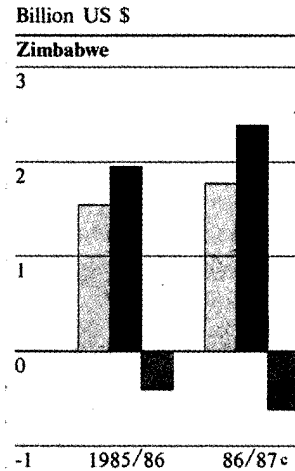
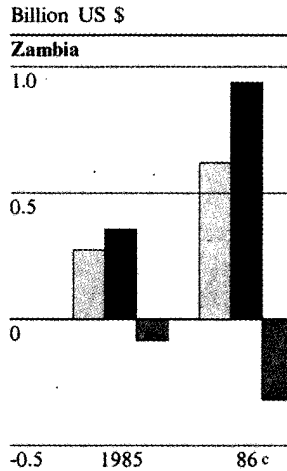
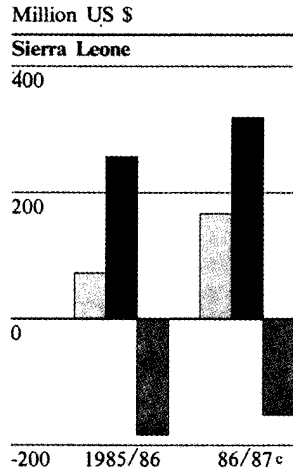
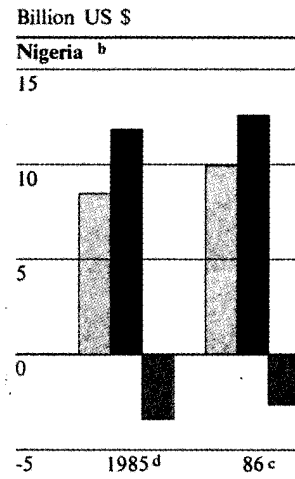
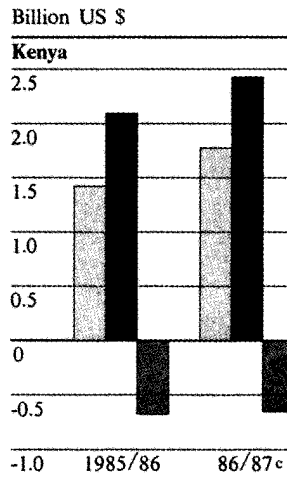
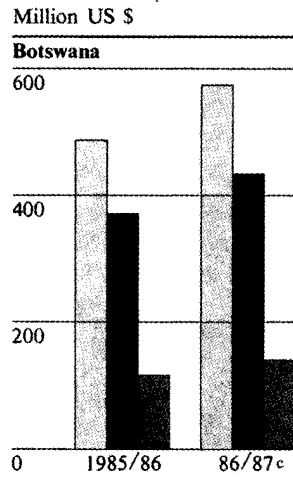
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Selected African Countries: Government Budget Profile ^a

Note scale change

- Receipts
- Expenditures
- Surplus/Deficit



^a Values in national currencies have been converted to US \$ at 1986 exchange rates.
^b Nigerian expenditures include revenue allocations to states.
^c Budgeted.
^d Estimated.

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- *Malawi* projects an overall budget deficit of \$44 million, after foreign grants of \$29 million. The deficit will be only 3.9 percent of GDP, however, compared with 6.2 percent in the 1985/86 fiscal year. Revenues are programmed to rise by 13 percent to \$310 million, while spending growth will be held to only 5 percent.
- *Nigeria's* 1986 budget, announced last December, called for a 22-percent reduction in the overall deficit to \$2.6 billion, after the allocation of a share of federally collected revenues to the states. The subsequent collapse of oil prices and receipts has caused a marked departure from the original program, with the budget situation tighter than before, in our view, particularly since the announcement in June of a two-year economic adjustment program.
- *Sierra Leone's* overall deficit is projected to fall to \$152 million in 1986/87, compared with \$184 million in 1985/86. A major element in the deficit reduction will be the abolition of gasoline subsidies that accounted for 50 percent of last year's deficit.
- *Tanzania's* 1986/87 budget contains sufficient economic reform measures to have facilitated a \$78 million IMF standby arrangement in August, as well as continued donor support. The budget calls for a 33-percent devaluation of the shilling and generous producer price increases of 30 to 80 percent. However, the programmed overall deficit will be \$543 million, which, on the basis of incomplete data, is substantially higher than that of 1985/86. Foreign grants and loans are expected to provide \$428 million toward financing the deficit.

Budgets Less Influenced by Economic Reform

In our judgment, the budgets of at least two countries do not reflect significant economic reform this year:

- *Uganda's* 1986/87 budget calls for a deficit of \$250 million, more than three times the previous record deficit of 1985/86. Planned spending is up by 119 percent, but below the expected inflation rate of 150 percent. Revenue increases are even smaller in real terms, being scheduled to rise by 90 percent.

According to press reporting, Kampala intends to finance the deficit by borrowing internally and through the sale of properties confiscated from Asian residents. Foreign donors are reportedly disappointed in Uganda's budget program and are skeptical about the means of financing the deficit.

- *Zimbabwe's* budget expenditures are programmed to rise by 22 percent to \$2.4 billion, well above the expected inflation rate of 15 percent, because of the government's social programs, military expenditures, debt service, and the costs of special events like the Nonaligned Movement summit last September. Revenues are projected to rise by 15 percent to \$1.8 billion. According to press reports, Harare faces limited prospects for revenue growth because of already high tax levels and an expected slowdown in economic growth to 3 to 4 percent this year, after growing by 7 percent in 1985.

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Impact of Commodity Prices

For a number of African countries, the actual budgets will depart substantially from the programs, because of the impact of declines in the prices of exported primary commodities with accompanying falls in government receipts. We believe that oil-exporting countries will be particularly hard hit because of their almost total dependence on oil receipts:

- *Angola* expects to lose roughly \$1 billion, with a 50-percent drop in export earnings this year, according to press reporting. As a result, the annual budget drawn up last December has since been cut in half.
- *Nigeria's* original 1986 budget was based on a \$25 per barrel oil price. Oil prices presently average \$14 per barrel after having slumped to \$10 earlier. Lagos's export earnings are expected to fall by 30 percent this year, according to press reporting.
- *Congo and Gabon* have announced cutbacks in planned expenditures.

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Non-oil-exporting countries have been both gainers and losers from commodity price movements:

- *Kenya's* 1986/87 budget reflects the double windfall of lower oil import prices and higher coffee export prices. Although coffee prices have declined from their first-quarter 1986 peak, they remain above last year's levels.
- According to press reporting, falling cotton prices have created a shortfall in *Togo's* 1986 budget, after an earlier projection of a surplus.

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The Political Fallout

In our view, although African states face political risks from budget austerity, and from economic reform measures in general, we do not expect the latest round of budget programs to trigger significant new waves of unrest in the region.

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In the past, there have been isolated protests against budget measures in countries like Congo, Ivory Coast, and Zaire, according to US Embassy reporting. Some critics of Nigeria's reform measures fear a loss of economic privileges, while socialist-oriented officials in Zambia and Tanzania reportedly do not favor the reduced role of government in economic activity implicit in budget reform. Nonetheless, we believe that African leaders will, for the most part, continue to implement budget austerity and other economic reforms, particularly because Western donors and international financial institutions regard these changes as requirements for the continued economic assistance that will help the African states to rehabilitate their economies.

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**Burkina: A Libyan
Surrogate?** [redacted]

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[redacted]

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[redacted] Burkina continues to serve at least as a temporary conduit for Libyan-backed dissidents in West Africa. Although we do not believe that Sankara is a pawn of Libya, he lacks funds to purchase arms from traditional suppliers and probably believes he has no choice but to rely on Libyan largesse to rebuild Burkina's shattered military, defeated by Mali last December. In exchange for these arms, Sankara probably is permitting Libya to use Burkina as a limited transit point for dissidents. [redacted]

Sankara's obsession with alleged foreign threats probably has encouraged him to bolster his military ties to Tripoli. In July, Burkina told several Western embassies that mercenaries undergoing training in Zaire would attack Burkina from Malian territory. Sankara also has expressed concern about Burkinan dissidents residing in Ivory Coast. Unable to convince France—Burkina's traditional arms supplier—to provide relatively sophisticated weapons, Burkina increasingly has relied on Libya. Since 1985, Libya has donated small arms and ammunition, an unknown number of anti-aircraft weapons, and seven Marchiatti SF-260 light attack aircraft, according to US Embassy and [redacted]. Moreover, we suspect that in October Libya financed Burkina's purchase of four Marchiatti 211s from the Italian manufacturer. [redacted]

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Bilateral Relations¹

Although Sankara privately has claimed to US officials that relations with Tripoli are strained over Qadhafi's broken promises of economic aid, press reporting indicates that Burkina maintains regular, high-level contact with Libya. In March, Pierre Ouedraogo, head of the Committees for the Defense of the Revolution,² represented Burkina at the International Conference on Imperialism held in Tripoli, and in April, Defense Minister Lingani visited the Libyan capital to demonstrate "solidarity" with Qadhafi following the US bombing of Tripoli. In addition, Henri Zongo, the regime's third-ranking official, paid a one-day visit in June, while President Sankara stopped over in Tripoli last October to meet with Qadhafi during a return flight from Moscow. In August a 55-man Libyan delegation led by the Information Minister visited Burkina for the anniversary celebrating Sankara's seizure of power,

For the near term, Sankara has little choice, in our judgment, but to remain militarily dependent on Tripoli. Burkina's SF-260s, for example, are flown and maintained by Libya, according to US Embassy reporting, although Burkinan pilots are undergoing training in Algeria and Libya. Hostilities could flare again between Mali and Burkina over the disputed northern region, even though the International Court of Justice's decision on the dispute is expected in December. If fighting does begin again, Sankara will almost certainly look to Libya for assistance, as he did last December. [redacted]

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Subverting Its Neighbors?

The fact that regional dissidents occasionally pass through Burkina has kept relations strained between Sankara and some neighbors. According to the US Embassy, Sankara has long suspected that more moderate neighbors oppose his "revolution" and are bent on subverting his regime. Ouagadougou claims, nevertheless, that Mauritanian, Nigerian, and Ivorian dissidents have been expelled when discovered in

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¹ The Committees are modeled on similar groups in Ethiopia, Cuba, Libya, and Ghana. They are intended to build grassroots support for the central government [redacted]

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Burkina, and Sankara continues to claim publicly that his regime neither harbors nor trains these dissidents. The weight of evidence, however, suggests that he probably allows them to stay in the country so long as their presence is not revealed. Although Burkina's neighbors have yet to establish proof of Sankara's involvement, one Ivorian official claimed recently that there is a growing consensus in West Africa that Burkina is actively involved in regional subversive activities. [redacted]



To date, Burkina's neighbors have limited their actions against suspected subversion supported by Burkina to occasional public and private criticism. Both Togo and Ivory Coast, however, could use their economic leverage against Sankara if they become more convinced that Burkina is a destabilizing force. Landlocked Burkina relies on a railroad through Ivory Coast and a highway through Togo for virtually all of its imports and exports, according to US Embassy reporting. Moreover, about one-third of Burkina's labor force works in Ivory Coast, providing Burkina with a safety valve for its growing population. Abidjan's expulsion of migrant workers alone would probably seriously threaten Sankara's regime. For the moment, Ivorian President Houphouet-Boigny believes that Sankara will "mature" and ultimately realize the importance of good regional ties, according to the Embassy. [redacted]

Outlook

In our judgment, the strong-willed and independent-minded Sankara is likely to stop short of becoming a full-fledged ally of Libya. In particular, the Burkinan

Mysterious Po

The military base at Po—10 kilometers north of the Ghanaian border—is under the command of Blaise Compaore, and houses the battalion-strength "Intervention Force," the National Commando Training Center, and an officers candidate school,

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[redacted] The US Embassy reports that almost all of Burkina's major weapons are stored at Po, out of the reach of potential Ouagadougou-based coup plotters. Until last November a small North Korean contingent stationed at Po provided training in small unit tactics and hand-to-hand combat.

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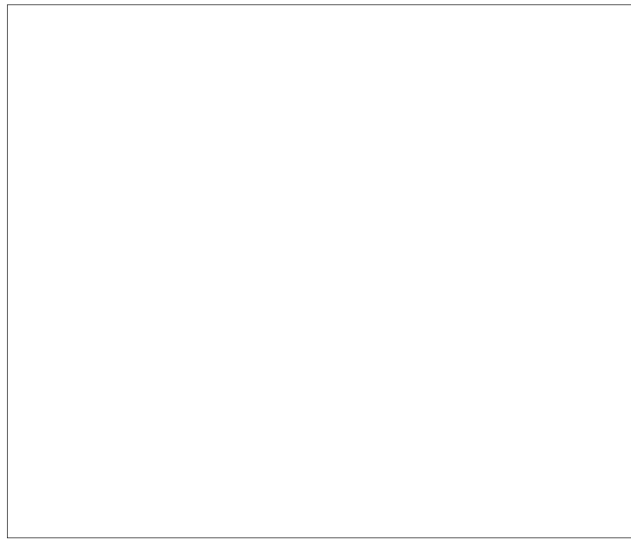
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[redacted] areas of the base, preventing them from confirming its statements that no dissidents are trained there.

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leader certainly will remain wary of Qadhafi's intentions and disappointed by what he sees as Libya's inadequate economic aid. Although he probably recognizes the political damage in being branded a pawn of Libya, he is unlikely to sever ties to Qadhafi. Sankara is susceptible to Tripoli's blandishments and, for the near term, will remain heavily dependent on Libyan military aid. As long as

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this military aid continues, Sankara will attempt publicly to downplay his connections with Libya while continuing to allow Burkina to be used as a transit point. In addition, he is likely to ease the concern of skeptical neighbors by relying on shuttle diplomacy by his key ministers, and periodically expelling small numbers of dissidents from neighboring countries to demonstrate his good faith.

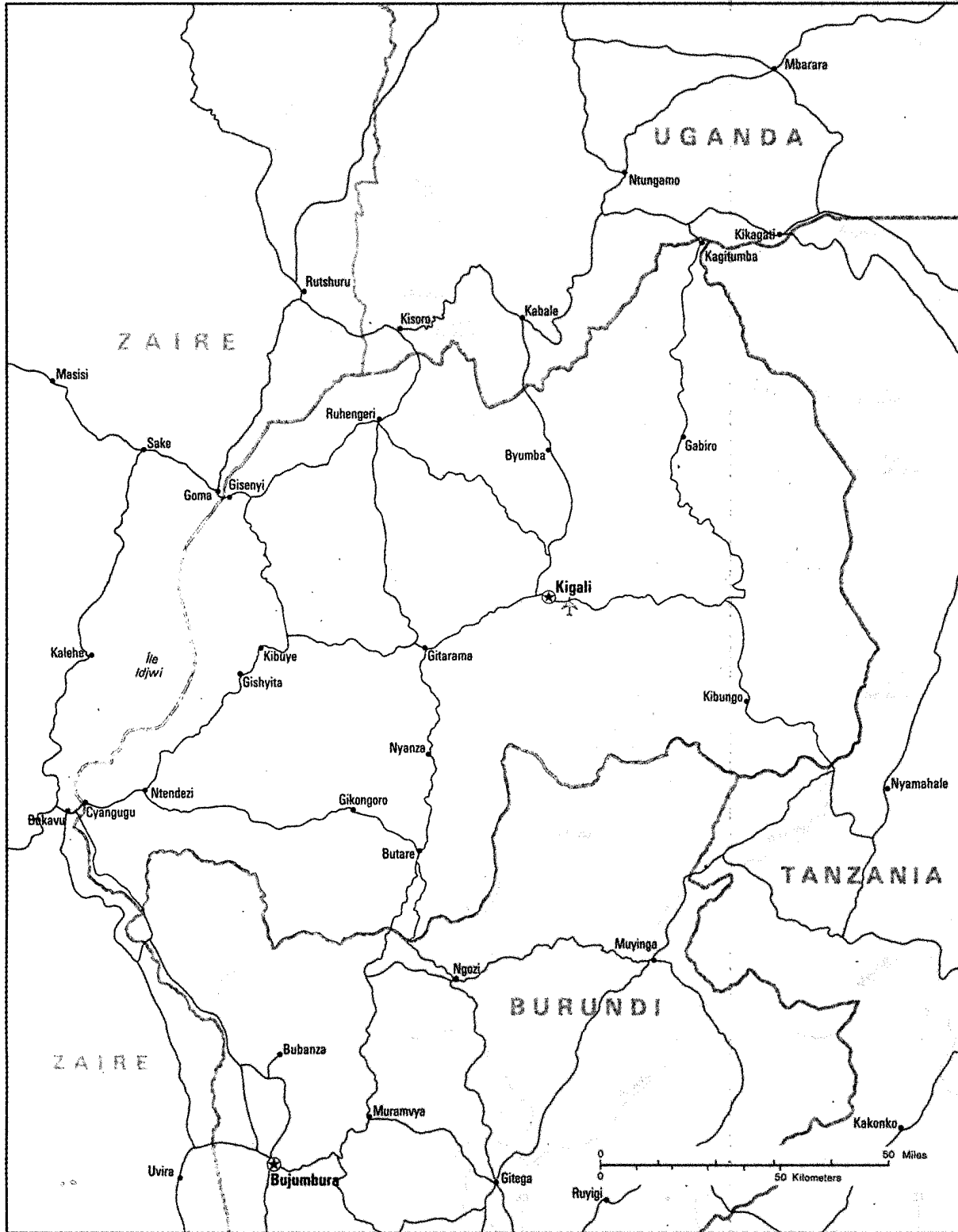
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Rwanda



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Rwanda: Oasis of Stability [redacted]

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Moderate and pro-Western President Habyarimana's leadership has made Rwanda one of Sub-Saharan Africa's most politically stable countries.

Habyarimana's government has remained free of significant corruption, effectively managed its scarce economic resources, and promoted cooperation between the two major ethnic groups, according to the US Embassy. Over the longer term, however, Rwanda must cope with a rapidly expanding population that is likely to produce social dislocations and test the President's leadership skills. Rwanda also will remain vulnerable to Libyan meddling, and to periodic tensions with neighboring Uganda and Burundi. [redacted]

Domestic Politics

A survey of US Embassy reporting indicates that 47 year old Habyarimana, who as commander of the Rwandan National Guard took power in a bloodless coup in 1973, faces little domestic opposition. He is founder of the sole party, the National Revolutionary Movement for Development, and was reelected to a five-year term as President in December 1983. Habyarimana's only challenge came in 1980, when his former security chief was arrested for coup plotting, according to Embassy and [redacted]

Unlike neighboring Burundi, Rwanda thus far has avoided major tribal violence, according to US Embassy reporting. According to academic studies, a revolt in 1959 by the majority Hutus—some 85 percent of the population—toppled the minority Tutsi monarchy, and some 150,000 Tutsis who feared persecution fled into neighboring Uganda and Burundi. Apart from the 1980 coup plot, in which the plotters reportedly planned to “eliminate” Tutsis from national life, few communal problems have surfaced, and the President, a Hutu, has consistently emphasized reconciliation between the two groups, according to Embassy reporting. The Embassy has reported that although the Tutsis—14 percent of the population—hold no key Cabinet or military positions, they thrive as businessmen in Rwanda's private sector. [redacted]

Religious Dissent

The US Embassy reports that one area of concern in recent months has been the government's crackdown on dissident religious denominations. Although 90 percent of the population is Catholic, and church-state relations historically have been good, the government reportedly fears that the proliferation of small Christian sects may undermine its efforts to create a Rwandan identity. Last October, some 300 members of the Jehovah's Witnesses, Abantu B'Mana (Men of God), and Abarokore (God's Elect) received sentences ranging from four to 12 years for belonging to unauthorized religious organizations. According to press reports, the members refused to sing the national anthem and participate in *Umuganda*, a system of community service which requires each Rwandan to work one day a week without pay. [redacted]

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A Passive Military

[redacted]—purged following the 1980 plot—has developed into one of the most professional and apolitical in Africa. The Army is paid regularly, and soldiers often work on civic action projects such as road maintenance, tree planting, and the construction of schools. The attache also has reported that both junior and senior officers appear loyal to the regime. The President, who is also the Minister of Defense, has created a 1,500-man Gendarmerie to counterbalance possible moves by the Army. [redacted]

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Ties to Libya

Relations between Tripoli and Kigali have been strained since the late 1970s, according to a survey of US Embassy and [redacted] In 1978 Kigali dispatched some 300 Army commandos to Libya for training, but they returned home the following year, angered by Tripoli's efforts at ideological indoctrination. During this period, Libyan promises of military aid never materialized, and

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Rwandans were annoyed by Qadhafi's support for Idi Amin in neighboring Uganda. In 1981 Rwanda sent about 200 soldiers to Tripoli for training, but again they were dissatisfied with living conditions and the "racist" attitudes of the Libyans, and returned home early, [redacted]

Despite these tensions, Rwanda maintains polite ties to Libya, in our judgment, hoping to avoid Libyan meddling in the country. According to the US Embassy, Libya has some investments in Rwanda, including a tea plantation and part ownership of the Meridien Hotel in the capital, but Kigali remains angered by Libya's failure to provide greater aid and its foot-dragging on planned projects. Although Qadhafi visited Kigali in May 1985, Rwandan officials claimed the visit was "imposed" on them, and we agree with the US Embassy that the Libyan leader failed to make inroads. Less than 1 percent of the Rwandan population is Muslim, and it is unlikely the Libyans will gain many supporters among the generally conservative society. Nevertheless, [redacted] an unknown number of dissident Rwandans currently are undergoing military training in Libya. [redacted]

Soviet Activities

US Embassy reporting indicates that the Soviet Union maintains a low profile and has little influence in Kigali. Although Rwandan authorities applauded Moscow for airlifting 2,000 tons of wheat during a food crisis in 1974-75, in recent years the USSR has failed to provide significant economic aid. The Embassy reports that Rwanda privately condemned the Soviet invasion of Afghanistan, and government officials are wary of Moscow's intentions in central Africa. The Soviet Union, however, remains the single largest source of scholarships—about 60 a year—and some Soviet teachers serve in Rwanda. [redacted]

Relations With Uganda

Maintaining good relations with neighboring Uganda has always been seen in Rwanda as critical to the country's survival. Almost all of Rwanda's trade transits Kenya and Uganda, and Rwanda is vulnerable to Kampala's political instability. When their common border was closed from February to May 1979—as a result of fighting in Uganda—trade

was disrupted, causing serious shortages of petroleum and basic commodities in Kigali, according to press reports. Relations have periodically been strained by refugee issues and, in October 1982, Rwanda closed the border after 28,000 Ugandans who were fleeing Obote's persecution entered the country, according to open sources. [redacted]

More recently, ties to the new Ugandan regime have improved somewhat, but tensions persist. Shortly after Museveni took power, Kigali feared that his ethnic ties to the Tutsi would prompt him to support efforts of the 110,000 Rwandan Tutsis living in Uganda to stir up unrest in Rwanda. The US Embassy reports that Museveni has backtracked on his offer to grant the Rwandan exiles Ugandan citizenship, however, and Kigali now fears that he may forcibly repatriate them. Rwanda opposes repatriation because of population pressures, but Museveni publicly has rejected this argument, according to the Embassy. Uganda's ties to Libya and Rwandan smuggling of goods across the border also remain bilateral irritants. [redacted]

Cool Ties to Burundi

Relations with neighboring Burundi are strained as well. According to the US Embassy, the two countries have yet to settle their differences over Burundi's occupation of the Rwandan Ambassador's residence last February. Burundi claims that the house, near the President's residence, was part of a security zone, and negotiations have been frozen over the level of compensation for the loss of property. The Embassy also reports that Bujumbura is irritated by Kigali's close ties to Belgium, their common former colonial power, while Rwanda is concerned about Burundi's warm relations with Moscow and Tripoli. Earlier this year, a dispute erupted over Rwanda's refusal to allow Burundian goods to transit its territory en route to Museveni's forces, according to the Embassy. Although some 240,000 Rwandan Tutsis reside in Burundi, the Bagaza regime does not appear to have encouraged them to engage in coup plotting. [redacted]

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Social Problems

Rwanda's annual growth rate of 3.8 percent a year makes overpopulation its most pressing problem, according to US Embassy and open sources. The population of 6.5 million is expected to double shortly after the end of the century, and Rwanda already has the highest population density in Africa—310 persons per square kilometer. According to open sources, Kigali has grown from 7,000 residents in 1962 to over 150,000, and is increasing by 9 percent a year. The US Embassy reports that the government strongly supports family planning and has initiated some birth control policies, but these efforts are likely to have little short-term impact. [redacted]

and has no petroleum reserves. There also are limits to foreign investment, given the high transportation costs and an inadequate infrastructure, according to Embassy and open source reporting. [redacted]

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Outlook

We agree with the US Embassy in Kigali that Habyarimana faces few immediate political challenges, particularly given the lack of organized opposition in either his ruling party or the military. His government, however, is likely to find it increasingly difficult to cope with its burgeoning population problem and to create jobs for school graduates. Moreover, a sudden influx of Tutsi exiles from Uganda could cause political tensions to rise. [redacted]

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The Habyarimana regime also will be hard pressed to cope effectively with the spread of AIDS. An estimated 15 percent of the population are carriers, [redacted]

The government, which has admitted publicly that the disease exists and which sanctions research, does not consider AIDS to be a health care priority, according to the US Embassy. [redacted]

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The Economic Scene

US Embassy reporting indicates that, since 1983, Habyarimana has pursued pragmatic economic policies. The Embassy reports that the external debt stands at a modest \$230 million, the debt service ratio last year was 6.8 percent, and inflation is running at a rate of only 1.7 percent. The government has encouraged the private sector and hopes to attract greater foreign investment, according to the Embassy. Moreover, the regime has strongly supported the agricultural sector and regularly raised producer prices. Last year, Rwanda had more than \$100 million in foreign reserves—enough for six months' worth of imports. [redacted]

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Over the longer term, economic prospects are more problematic. Rwanda's dependence on a single crop—coffee accounts for 70 percent of its export revenue—makes the country vulnerable to the fluctuating commodity market. Moreover, if current trends continue, Rwanda will exhaust its arable land by the year 2000, probably increasing malnutrition and dependence on food imports, according to the US Embassy. Rwanda lacks significant mineral deposits

Secret**Africa
Brief**

Africa**Insects Still Threaten Crops**

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A \$35 million multinational effort has prevented insects from destroying crops in East, Central, and West Africa, according to press reporting. The UN Food and Agriculture Organization estimates that in the Sahel region alone, extensive insecticide spraying may have saved enough grain to feed 1.2 million people this year. Only southern Africa currently faces a threat of insect damage. While spraying efforts may have prevented a catastrophe this year, Africa is not yet free of potential food shortages caused by its worst insect problem in 60 years. With next year's rains, eggs laid this year by record-sized insect populations will hatch. In addition, spraying in some West African countries was done improperly—actually increasing the likelihood of insect problems in 1987. To reduce the danger of food shortages next year and to avoid another costly rush to control insects, donor nations should presently be allocating funds and pre-positioning resources for insect control in 1987.

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14 November 1986*

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Angola Chronology

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October 1986

10 October

UNITA claims that it destroyed seven Soviet-made tanks and BTR personnel carriers in clashes with government forces by using specialized antitank weapons for the first time.

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President dos Santos and Soviet General Secretary Gorbachev exchange messages on the occasion of the 10th anniversary of the signing of the Treaty of Friendship and Cooperation between their countries. Both messages express the belief that the treaty will serve the cause of the development and deepening of the existing links between the countries, as well as peace in the rest of the world.

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16 October

Signing of accord between Angola and CEMA providing for the organization of multilateral cooperation and the creation of a joint cooperation commission is announced. The accord defines cooperative projects for the 1986-90 period.

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22 October

UNITA leader Savimbi, during visit to European Economic Community (EEC) Parliament, publicly praises US aid to his movement, saying weapons provided earlier this year by Washington have enabled UNITA to shoot down 29 government aircraft.

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After Savimbi's appearance, EEC Parliament narrowly passes a resolution branding UNITA "a terrorist organization."

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30 October

UNITA claims to have raided the airport in the oil-rich Angolan Exclave of Cabinda. The American oil company Chevron confirms an incident there.

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