



**Director of  
Central  
Intelligence**

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# **Angola: Near-Term Prospects**

**Special National Intelligence Estimate**

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**SNIE 71-84**

**ANGOLA:  
NEAR-TERM PROSPECTS**

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**THE NATIONAL FOREIGN INTELLIGENCE BOARD CONCURS, EXCEPT AS NOTED IN THE TEXT.**

*The following intelligence organizations participated in the preparation of the Estimate:*

The Central Intelligence Agency, the Defense Intelligence Agency, the National Security Agency, and the intelligence organization of the Department of State.

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**SCOPE NOTE**

This Estimate assesses the probable course of events in Angola over the next year, focusing on the security situation, the political state of play in Luanda, Angola's economic prospects, and the UNITA insurgents' political and military capabilities. Although the Estimate deals primarily with specifically Angolan issues, it gives considerable attention to the prospective actions of those external actors—the Soviet Union and Cuba, the Frontline States, and South Africa—that heavily influence developments within Angola. In addition to estimating the outlook over the next year according to current trends, the Estimate also examines the likelihood and implications of greater Soviet and Cuban or South African involvement.

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## KEY JUDGMENTS

*The Angolan Government will continue to lose ground to the UNITA insurgents over the next year, particularly in the rural areas, although we do not expect dramatic net changes in the overall military situation. UNITA—which has 35,000 men under arms and conducts sustained guerrilla activities in 12 of Angola's 16 provinces—will continue to make advances, particularly in the northeast where the economically important diamond mines and coffee plantations are located, but UNITA will remain unable to defeat the Angolan and Cuban forces that hold the major cities and key garrisons. (Luanda has a 35,000-man Army and 65,000-man People's Militia, and Havana's military contingent numbers about 30,000, of which an estimated 23,000 are combat troops.)*

*Spreading insurgent activity will cause Soviet and Cuban backers to increase their already high level of support to the besieged regime. Cuban forces may be further augmented, and they are likely to become more actively involved in the fighting. The Soviets, who have warned the South Africans they will give Luanda all the support necessary to protect Angola's territorial integrity, will increase their commitment to the MPLA regime by sending more arms, supporting a more active Cuban role, and even increasing their advisory presence as conditions dictate. We believe that the Soviets have not yet decided how far they will go to preserve the MPLA regime. While we think Moscow will stop short of sending its own ground combat troops to Angola during the next year, there is a growing possibility it will send pilots, air defense crews, and additional advisers. The chances of intervention would increase if, in the long run, Cuban forces are unable to stabilize the military situation.*

*Despite the probable increase in Soviet and Cuban involvement in the Angolan conflict, we do not expect the insurgents to suffer major reverses. The additional Communist assistance, however, will probably slow the UNITA offensive and will improve the MPLA's capability to hold on to major urban centers.*

Moscow's growing military commitment to Angola reflects Luanda's importance to broader Soviet objectives: namely, undermining Western influence throughout the Third World, competing with the Chinese, promoting pro-Soviet change, and obtaining greater air and naval access in the region. Angola serves Soviet objectives in southern Africa by affording the USSR entree to the SWAPO and ANC insurgent



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groups, which supports Moscow's long-term objective of undermining the white minority regime in South Africa.

In our view, Moscow could maintain its current level of support, and even increase it significantly, without feeling pressured to reexamine its position in Angola. Havana, in addition to being ideologically committed to the MPLA regime, will follow Soviet preferences as long as the costs of its involvement in Angola do not rise precipitously, such as by a sharp rise in casualties.

*Angola faces an acute financial crisis as burgeoning investment costs in the petroleum and diamond sectors and a heavy debt service obligation for foreign military supplies and technicians consume almost all of the country's hard currency earnings.* Overall, GDP probably will drop at least another 5 to 10 percent over the next year as a result of Luanda's inability to increase imports of essential goods and the steady drop in economic activities as UNITA sabotage teams move farther north. Luanda's efforts to obtain financial relief, particularly from Western sources, are not likely to be very successful. The continuing economic decline in Angola probably will prompt Luanda to ask Moscow for further concessions in their bilateral economic relationship—such as delaying repayments for military assistance—which the Soviets are likely to grant.

*The political balance within the MPLA will remain delicate over the next year. Ideological factionalism and related racial tensions between mulattoes and blacks are major sources of friction within the regime that will continue to impede significant decisionmaking.* The military successes of Jonas Savimbi's UNITA over the past year, however, appear to have narrowed differences between principal MPLA factions—the mulatto-led, pro-Soviet, more ideological hardliners and the more moderate, pragmatic black nationalists—on the necessity for an increased military effort against Savimbi's insurgents.<sup>1</sup>

Although President dos Santos has reduced somewhat the power of the hardliners in the MPLA over the past two years—while undercutting the black nationalists even more—we still believe that no major decision can be made without the hardliners' agreement. Moreover, we believe that dos Santos cannot overly antagonize the hardliners even on lesser matters without running the risk of a move against him by this faction, particularly since we believe that the hardliners retain strong influence in the military and intelligence services.

<sup>1</sup> The Bureau of Intelligence and Research, Department of State, prefers the term "Lara faction" to "hardliners" and accepts the use of the term "hardliners" in the context of this paper only as indicating that this group in the Angolan Government has consistently advocated close ties with the Soviet Union and its Communist allies, that many within it appear committed to Marxist-Leninist ideology, and that the group as a whole opposes any form of political accommodation with UNITA. State/INR believes that, regardless of these labels, there are few in the government who would take exception to Angola's "hardline" position against South Africa and UNITA.

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UNITA's strategy is to force the MPLA into a negotiated settlement. UNITA's leaders apparently recognize that they cannot militarily defeat the MPLA regime as long as the Cubans and Soviets remain in Angola. However, *by crippling the Angolan economy and raising the cost of the conflict to unacceptable levels, the UNITA leadership believes it ultimately can force the MPLA to a negotiated settlement.*

The South Africans, for their part, probably are satisfied with the results over the past year of their policy toward Angola. At a minimum, Pretoria probably calculates that the inability of Luanda to part with Cuban troops has eased pressure on South Africa to agree to a Namibian settlement. Furthermore, South Africa also probably believes that time is on the side of the UNITA insurgents, despite increased Soviet and Cuban assistance. *Consequently, we expect South Africa to continue its current policy directions, to talk about negotiating with Luanda while keeping up the military pressure on the MPLA regime, with the long-term intention of driving its Soviet and Cuban backers out of Angola.*

Some South African policymakers, including senior military officers, wish to pursue an international settlement on Namibia that provides for a Cuban withdrawal from Angola. Some individuals may believe that UNITA can win a military victory over the MPLA. Pretoria would prefer a solution that included a Cuban removal, an MPLA-UNITA reconciliation, and the establishment of a non-SWAPO-dominated government in Namibia, but most of the leadership realizes that it is unlikely to attain all these goals.



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## DISCUSSION

## The Security Situation

1. *UNITA's Military Capabilities.* The insurgent National Union for the Total Independence of Angola (UNITA) significantly expanded its area of operations during the past year, and now conducts guerrilla activities in 12 of Angola's 16 provinces. UNITA also has established control over Angola's border with Zambia and more than half of the Namibian border, where its personnel act as customs agents and issue UNITA visas and travel documents. (See appended map.)

2. UNITA's forces have grown substantially since 1981 when it claimed to have 20,000 to 25,000 men under arms. UNITA's assertions that it now has some 35,000 active members probably are true. Slightly less than half of this force, approximately 15,000 men, is organized in conventional battalion-size units while the remaining 20,000 conduct hit-and-run, guerrilla-style operations. UNITA's troops are well trained, well organized, and well disciplined, and morale is high. Ovimbundu still predominate, but Western reporters who have traveled with the insurgents say that UNITA has been able to recruit a noticeable number of adherents from other tribal groups.

3. Although not self-sufficient, UNITA appears to be capturing substantial quantities of supplies—perhaps as much as half of its weapons—from Angolan Government forces. The insurgents' arsenal may now include more small-caliber artillery pieces and anti-aircraft weapons. UNITA reportedly operates a large fleet of trucks and maintains a large-scale communications network throughout its area of operations.

4. In addition to its territorial expansion and numerical growth, UNITA in recent years has demonstrated a growing capability to deploy battalion-size units in large-scale assaults on isolated government outposts. The largest single instance of such an attack occurred at the town of Cangamba in early August 1983, when an estimated 3,000-man UNITA force overran a 1,500-man Angolan garrison after a two-week siege. But another battle like Cangamba, where UNITA took heavy casualties, would be costly to the insurgents.

5. Nevertheless, UNITA still suffers from several significant limitations that are likely to keep the insurgents from rapidly escalating the scale or tempo of activity. Although the insurgents have shot down some helicopters and fixed-wing aircraft, UNITA still is vulnerable to airstrikes by ground attack fighters and helicopter gunships. UNITA also has been unable to acquire sophisticated antitank weapons, which its forces would need if they are to attack more heavily defended garrisons or convoys. As UNITA attempts to expand its operations into northern Angola, it will strain logistic resources and possibly encounter opposition from tribes not normally associated with the Ovimbundu-dominated insurgents. While these latter obstacles are not insurmountable, UNITA's advances into the northern areas are likely to be deliberate and measured.

6. *Insurgent Strategy and Tactics.* During the past year, UNITA effectively has disrupted Angola's three major rail lines and seriously hindered civilian and military traffic on the country's most vital highways and roads. Using hit-and-run as well as sabotage techniques, the guerrillas also have seriously damaged facilities supplying water and electricity to several of the country's largest cities and towns. UNITA initiates the vast majority of engagements with government forces, selecting favorable terrain and force ratios.

7. Although UNITA has surrounded some large provincial capitals, it has not yet launched concerted attacks against any of them. Nevertheless, Luanda is concerned about the security of Angola's more vulnerable cities and has committed additional air and ground forces for their defense. Although the threat posed by UNITA to the major cities ties down government forces, the insurgents' immediate objectives probably are to attack those economic targets not yet seriously affected by the war—coffee, diamonds, and petroleum. UNITA's near-term target probably will be the diamond mines in the northeast, followed by attempts to reach coffee plantations in the northwest, and finally oil facilities in the enclave of Cabinda.

8. UNITA's strategy is to bring the ruling Popular Movement for the Liberation of Angola (MPLA) to the negotiating table by means of combined military and

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economic pressure. Its leaders apparently do not believe they can inflict an outright military defeat on Cuban-Angolan forces because UNITA is not yet capable of challenging MPLA control over major urban areas. However, by gradually crippling the Angolan economy and raising the cost of the conflict to unacceptable levels, the UNITA leadership believes it ultimately can force the MPLA to a negotiated settlement.

9. **Government Forces.** The response to the insurgent threat by the Angolan Armed Forces—called the Popular Armed Forces for the Liberation of Angola (FAPLA)—has been largely ineffective in recent years, particularly since UNITA began its northern push. The 35,000-man FAPLA is basically an infantry force, with most of its relatively sophisticated equipment, including armor, operated by Cubans. The poor health and low educational levels of most of its recruits significantly hamper FAPLA's development as a militarily capable force, a situation unlikely to change soon in view of the inefficiency and weak infrastructure of the Angolan Government.

10. Angolan troops are spread widely through the large country to meet the diverse threats of UNITA, South Africa, and latent ethnic nationalism in the northwest and Cabinda. Unlike the Cuban forces, which occupy fairly large garrisons, Angolan forces generally are deployed in smaller units within villages and towns, at critical economic installations, and along strategic lines of communication.

11. Government efforts to deny UNITA a popular base of support by grouping the populace of some areas in protected villages and establishing regional military councils apparently have had little effect. Similarly, the government has reconstituted Popular Vigilante Brigades to free the estimated 65,000-man People's Militia from some local security functions, but neither force appears to have improved the government's efforts significantly.

12. FAPLA also appears to be increasing its use of foreign insurgent forces based in Angola. Reportedly operating alongside FAPLA are personnel of the South West Africa People's Organization (SWAPO)—and perhaps of the African National Congress (ANC). Likewise, opponents of the Mobutu regime in Zaire, organized in the Front for the National Liberation of the Congo (FLNC), reportedly are fighting in eastern Angola, albeit to little effect.

13. Despite significant foreign military assistance, the Angolan Army—which only recently started re-

ceiving concentrated training in counterinsurgency techniques—has little chance of mounting an effective campaign against the insurgents. The government offensive launched last October—augmented by recently delivered Soviet equipment, backed by Cuban-piloted helicopter gunships, and possibly involving Cuban ground units—appears to have hampered UNITA advances in the Malange area. The insurgents have continued to advance in the northeast. A far greater direct Cuban combat participation in counterinsurgency operations is required if the government is to make much headway.

14. **Cuban Presence.** The Cuban military presence currently numbers about 30,000 personnel, of which an estimated 23,000 are combat troops. A large number of these Cubans are located in brigade-size groups in the southern part of Angola; others serve as advisers and instructors, occupy positions on military staffs, man FAPLA's logistic system, and operate naval, air, air defense, and armored equipment. Although we believe the Cubans are involved in planning combat operations, the extent of their involvement is unknown. About 2,000 of these Cuban troops, including paratroopers, air defense personnel, and tank drivers, probably were sent to Angola within the past six months as security conditions deteriorated. Moreover, some of the several thousand Cuban military personnel reportedly withdrawing from Ethiopia may be redeployed to Angola, but so far we have no evidence of their arrival. We believe both the Cuban combat role and the levels of Cuban assistance could increase in the coming year without posing significant internal political or economic problems for Fidel Castro.

15. **Soviet Presence.** Soviet arms deliveries over the past several months have reached the highest level since the mid-1970s. There were seven Soviet seaborne military deliveries to Angola in November 1983 (as compared with the normal monthly level of two), and at least eight Soviet military heavy transport aircraft have flown to Luanda since August with unknown types and quantities of equipment on board. Included in recent deliveries have been air defense equipment, MI-24 Hind helicopter gunships, MI-8 Hip helicopters, additional AN-26 Curl transports and MIG-21 Fishbed fighters, and—introduced in January—MIG-23 Flogger fighters and numerous light-armored vehicles. Furthermore, the Soviets recently increased from two to 12 the number of aircraft in their AN-12 Cub medium transport detachment (the largest such detachment outside the USSR).

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16. Much of the sophisticated equipment—with the exception of the MI-24 gunships—will be of little direct use to counterinsurgency operations and seem designed primarily to meet the South African threat. Still, the USSR's delivery of helicopters and its transport detachment evidences a willingness to support increased combat operations against UNITA. The Soviet military presence is chiefly advisory and numbers an estimated 600 to 1,200 personnel. Soviets also serve on military staffs and as instructors and may assist in operating some Angolan air defense equipment.

17. *The South African Military Presence.* South African Defense Force (SADF) troops have been deployed inside southern Angola since the conclusion of Operation Protea in September 1981 and now operate in a salient stretching about 160 kilometers (100 miles) north of the border and over 320 km (200 miles) wide. In the intervening two years, the South Africans have hardened their defenses and improved the airstrips at their forward bases at Ngiva and Xangongo.

18. In early December 1983, South African forces (and possibly some units from the territorial forces of Namibia), perhaps totaling as many as 2,500, began widespread air and ground operations, some of which involved penetration of Angolan territory as far as 240 km (150 miles) north of the Namibian border. This operation was unprecedented in its heavy use of field artillery and air strikes against Angola's forward positions, as well as sweep operations against SWAPO. [redacted] in early January they engaged a large integrated Angolan, Cuban, and SWAPO force in the Cuvelai area, and claimed to have killed 324 men and destroyed 11 tanks while admitting to a loss of seven soldiers.

19. Pretoria's tactical goals appear to include not only the preemption of SWAPO's annual offensive—the announced objective of the South African offensive—but also the neutralization of some Angolan air defenses in the south. South African ground and air units have launched attacks on Mulondo, Cuvelai, Kassinga, and Cahama—all locations equipped with advanced Soviet-supplied radars, antiaircraft artillery, and missile systems. The South Africans also conducted a small bombing raid against the SWAPO base near Lubango, an implicit challenge to Soviet efforts to improve air defenses there over the past year.

20. If South Africa were to withdraw its forces from southern Angola, as it offered in December to do temporarily if Angola, Cuba, or SWAPO does not

exploit the situation, it still would retain enough units in a state of readiness at its Namibian staging bases to be able to reenter if it deemed this necessary. Pretoria also may anticipate UNITA's occupying large areas of its salient, so that the insurgents can serve as a tripwire in the event the Angolans or SWAPO attempt to reenter in force.

21. *Military Outlook.* Military activity probably will continue at high levels with neither insurgent nor government forces likely to achieve victory in the near term. UNITA will continue to exert strong military pressure on Angola's thinly stretched Army through attacks on poorly defended sites and economic targets. UNITA, however, will remain unable to challenge Angolan and Cuban forces holding major cities and key garrisons and, lacking adequate air defense capability, will also be unable to occupy strategic fixed positions without making its own concentrated forces vulnerable to attack by FAPLA airpower. The insurgents probably will make new territorial advances but will find it difficult to make major gains, particularly in the central regions where westward expansion would bring them up against major Angolan and Cuban garrisons. Scattered attacks on diamond, coffee, and possibly petroleum facilities can be anticipated during the next 12 months, and these will increase significantly the cost of the conflict to the MPLA. Increasing frustration with the conflict and concern over the suffering of the populace on the part of FAPLA members will cause individual desertions and defections to UNITA forces to continue. Further, the worsening situation could lead to some FAPLA unit revolts.

22. Since we believe that Moscow will remain strongly, though possibly not irrevocably, committed to maintaining the MPLA regime in power, a continued heavy Soviet arms flow to Luanda is expected. We also believe that the Cubans, perhaps augmented by new arrivals, will become more directly involved in Angolan operations—although not on a sufficient scale to roll back the insurgent forces.

23. We believe that the Soviets have not yet decided how far they will go to preserve the MPLA regime. While we think Moscow will stop short of sending its own ground combat troops to Angola during the next year, there is a growing possibility it will send pilots, air defense crews, and additional advisers. The chances of intervention would increase if, in the long run, Cuban forces are unable to stabilize the military situation.

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24. Increased military aid from Moscow will strengthen the government's defensive positions, but will not immediately improve FAPLA's counterinsurgency capabilities. Angola's armed forces already possess more sophisticated arms than can be effectively absorbed or operated, and more equipment would not rectify the Army's overriding problems of poor leadership, performance, and morale. If coupled with greater Soviet assistance, however, a more active Cuban combat role could help check major UNITA moves and contribute to the achievement of a new military equilibrium.

### The Internal Situation

#### The MPLA

25. *The Political State-of-Play in Luanda.* The political balance within Angola's ruling, Marxist-oriented Popular Movement for the Liberation of Angola remains delicate. Ideological and ethnic factionalism continues to be a major source of friction within the MPLA regime that has significantly impeded decision-making. UNITA's military successes over the past year, however, appear to have narrowed differences between the two principal party factions—the mulatto-led, pro-Soviet, more ideological hardliners and the more moderate, pragmatic black nationalists—on the necessity for an increased military effort, buttressed by expanded Soviet and Cuban assistance, against Jonas Savimbi's UNITA insurgents.

26. President Jose Eduardo dos Santos, a black who had been a compromise choice after Angola's first President died in 1979, has been attempting to strengthen his position vis-a-vis the major party factions by undercutting the competing factions. He has succeeded in removing some pro-Soviet mulatto hardliners from the government and replacing them with moderate blacks and pragmatists more sympathetic to his policy preferences. Similarly, the President has taken steps to weaken the black nationalists by removing their most strident leaders from positions of power within the government and party. The MPLA Central Committee's decision in December 1982 to grant dos Santos "special powers" to deal with the "national emergency" seems to be part of his design to increase his influence at the expense of the factions.

27. Dos Santos has assembled an "inner circle" of confidants who are not closely aligned with either major faction. This group probably includes Minister of Interior Manuel "Kito" Rodrigues, Deputy Foreign Minister Venancio da Moura, Minister of Defense

Pedro Maria "Pedale" Tonha, and Minister of State Security Juliao Mateus Paulo "Dino Matross." Other members may include from time to time Vice Minister of Defense Antonio dos Santos "Nдалu" and Political Bureau member Roberto de Almeida, an influential moderate black.

28. But dos Santos cannot make major policy decisions without the approval of a larger and more diverse "ruling group" of perhaps 10 or 12 key party leaders drawn from the party's Central Committee and Political Bureau as well as from the cabinet. This larger collection of key personalities is, we believe, Angola's top policymaking body. It includes members of dos Santos's inner circle, other moderates and pragmatists—such as Minister of Planning Lopo do Nascimento, a black—as well as some of dos Santos's ideological and ethnic opponents. Reporting from various sources suggests that hardline leader Lucio Lara, also party secretary, and former Defense Minister Iko Carreira, both mulattoes, are currently the most important hardline members of the decisionmaking group. Carreira, however, is a known opportunist and his position is subject to change.

29. The Soviet- and Cuban-backed, mulatto-led hardliners are more cohesive and better disciplined and organized than their black nationalist rivals. Because of their favored status under Portuguese colonial rule, mulattoes as a group are better educated and more politically experienced and sophisticated; the key hardline leaders are seasoned political manipulators and infighters. Moreover, Moscow and Havana can be expected to use on behalf of the hardline faction the leverage they have as the military underwriters of the regime. During dos Santos's visit to the Soviet Union last May, for example, he was told that Lucio Lara should not be harassed.

30. The party's other major faction is a loose collection of black nationalists, some of whom are often referred to as the Catete Group. We have not been able to identify the current leaders of the Catete Group and, in view of recent trends in Luanda, the radical black nationalists may have to lay low temporarily and regroup. Some of the faction's former adherents, such as Political Bureau member Evaristo Domingos Kimba, apparently have been co-opted by the President. Others, like Vice Minister of Defense Joao Luis Neto, dos Santos has sent abroad for "training," or assigned to provincial posts in the interior. One potential bright spot for the black nationalists has been the dramatic rise to a position of major influence over the past 18 months of Minister of Planning Lopo

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do Nascimento, a prominent black who is believed not to be a member of the Catete Group.

31. Despite the tensions that probably have resulted from the nationalists' losses of government and party positions, we believe dos Santos's policy preferences generally accord with those of the nationalists and he probably recognizes that they are potentially supported by the majority of the numerically superior blacks within the MPLA, as well as by the urban and rural blacks and the black rank and file in the armed forces and in the People's Militia. So far, however, black leaders have been unable to mobilize this latent support.

32. Although dos Santos has somewhat reduced the hardliners' power over the past two years, we believe that, still, no major decision can be made without their agreement. We believe that dos Santos's inner circle is currently in the ascendancy, but the President probably cannot overly antagonize the hardliners even on lesser matters without running the risk of a move against him by this faction, particularly since we believe they retain important influence in the military and intelligence services. Although direct evidence of the relationship between Moscow and hardline leader Lucio Lara is not available, we believe that Soviet and Cuban desires probably are filtered into the ruling group through the hardliners led by Lara—as well as through Moscow's and Havana's direct dealings with dos Santos.

33. *The MPLA's Agenda.* The hardliners, who realize that a departure of Cuban troops would mean the end of mulatto influence in the Angolan Government, categorically reject a Cuban withdrawal as the price for a Namibian settlement and favor a military solution to the UNITA insurgency. We believe that the mulatto-led hardliners oppose reconciling with Savimbi because they are afraid that, if Savimbi were brought into the government, he would enter into an alliance with the black nationalists in the MPLA or, with his charisma and political skills, gain a dominant position in his own right—moves which in either case would spell the end of mulatto influence in Luanda.

34. The black nationalists, until recently at least, were prepared to consider a substantial reduction in the Cuban presence as the price for a Namibian settlement. The nationalists have been willing to force SWAPO to be more flexible in negotiations over Namibia and have favored using the threat of a reduction in Angolan support to accomplish this. Some members of the black nationalist faction also have

expressed a willingness to seek a political accommodation with Savimbi. We believe, however, that the military momentum UNITA has generated in recent months, probably has triggered concern among the black nationalists, who may now believe that a withdrawal of Cuban forces at this juncture would give Savimbi's forces a decisive advantage on the battlefield. For this reason and because the nationalists probably do not want Luanda to appear to be knuckling under to external pressure, we believe they would favor a very gradual drawdown of Cuban troops but only if they thought that Savimbi could be contained militarily and dealt with politically.

35. The MPLA as a whole is probably dissatisfied with Soviet Bloc economic aid. [REDACTED]

[REDACTED] suggests that both the pro-Soviet hardliners and the black nationalists agree on the desirability of gaining US diplomatic recognition for Angola; both recognize that greater Western economic and technical assistance and investment are needed if Angola is to reverse its steep economic decline. The hardliners insist, however, that, despite the worsening economic situation, the withdrawal of Cuban troops—is too heavy a price to pay for such assistance. Both factions favor supporting anti-South African and anti-Mobutu insurgents, but the black nationalists apparently believe that Angola's national interests have been too readily sacrificed in the past and now favor a more moderate foreign policy.

36. *Economic Pressures.* Growing security and financial problems in recent years have deepened the economic decline that began with the abrupt departure of the Portuguese in 1975 and the onset of civil war. Agriculture has reverted largely to a subsistence level, as the fighting has cut off major producing areas in southern Angola from key urban centers. World prices for petroleum, the country's major export, have dropped in recent years, depressing foreign exchange earnings. As a result, imported spare parts and other inputs are in short supply, cutting industrial output to around 20 percent of capacity and forcing many plants to shut down altogether.

37. These pressures also are presenting the government with an acute financial crisis. The problem recently has come to a head as burgeoning investment costs in the petroleum and diamond sectors and a heavy debt service obligation for foreign military supplies and technicians consume almost all of the country's hard currency earnings. Even though Moscow reportedly has agreed to a three-year moratorium on repayment of about \$750 million in loans for

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military hardware supplied between 1976 and 1982, Luanda has not been able to meet its remaining obligations to the Soviet Union and its allies or to Western creditors. Luanda is bartering oil for vital food imports, and reportedly wants to pay part of the debt owed to Cuba for military and economic assistance in oil rather than hard currency.

38. Overall GDP probably will drop at least another 5 to 10 percent over the next year as a result of Luanda's inability to increase imports of goods—restoring depleted stocks of industrial raw materials, intermediate goods, fertilizers, machinery, and spare parts probably would require at least a 40-percent increase in imports—and the steady drop in economic activity as UNITA's sabotage teams move farther north. Food production is likely to continue declining, as farmers flock to the cities or resort to subsistence agriculture. This will make the dos Santos regime even more dependent on food imports and further strain an already overtaxed transportation system.

39. The rising demand for imports comes at a time when a big chunk of Luanda's export receipts is being used to pay off various service costs. Although new oil production will boost oil sales this year to around \$1.6 billion, Luanda reportedly agreed to turn over about one-fourth of this amount to the USSR and Eastern Europe to pay for Communist military and economic assistance. Most of the remaining oil revenues already have been mortgaged to cover petroleum investment costs for a gas injection project in Cabinda. Luanda also probably will have to make some gesture to stem the burgeoning backlog on short-term debt to keep open the credit lines that finance most of its nonmilitary imports. Finally, we will be watching for further indications of accelerated capital flight as members of the Angolan elite become more anxious about their own future.

40. Luanda's efforts to obtain financial relief, particularly from Western sources, are not likely to be very successful. Private creditors have become increasingly reluctant to extend loans because of the uncertain situation, lags in repayment of trade credits, and the failure of Angolan officials to provide accurate financial data. A more recent cause of concern has been the large, unexplained Angolan cash withdrawals from several Western banks. Western donors—including France, Brazil, Portugal, Italy, and Spain—have indicated that they will limit their support to government-guaranteed trade credits, a few investment loans, and some food aid.

41. In the absence of any substantial aid, we expect Luanda to ask Moscow for greater concessions in their bilateral military and economic relationships. The USSR is likely to modify the moratorium on repayments for military equipment to include some deliveries in 1983 and 1984. Moscow, however, will press Luanda to continue cash payments for Soviet and Cuban personnel in Angola and for spare parts and repairs. Moscow, moreover, probably will insist on repayment of Angola's overdue commercial debt, although the Soviets also will be sensitive to indications that Luanda is running into problems paying for food and other essential goods and services needed to keep the government in power.

#### The Oil Question

42. A critical element in Luanda's staying power is the uninterrupted flow of oil exports. Oil revenues currently account for over 85 percent of Luanda's foreign exchange, a share that is certain to rise as output from newly developed oilfields off the coast of Cabinda comes onstream. Angola's expected sales of about \$1.6 billion in 1984 and the prospect of more in future years will ensure Luanda's ability to pay over the long term for Cuban troops and Soviet hardware. The importance of the oil industry operated and financed by US and other Western companies makes it an inviting target for some type of military action by UNITA. We doubt that UNITA can carry out a coordinated attack against Angola's various production facilities without South African or other highly skilled foreign assistance, but a small number of trained commandos probably could destroy a number of offshore production platforms. Also vulnerable to sabotage is the system of pipelines that carry crude from the platforms to an onshore facility where water, sand, and other impurities are separated out before the oil is pumped out to a loading buoy. Hitting the pipelines would shut down production for about a week. Repairing damaged production platforms would take considerably longer, and the facilities would be very costly to rebuild.

43. Sabotage of the petroleum facilities could prompt a decision by the Western companies to pull out temporarily. Such a move, however, almost certainly would result in Soviet pressure to take over the fields. While the Soviets can repair damage to pipelines or the loading buoy, we do not believe they have the technical expertise and operating equipment to rebuild or replace offshore production platforms.

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## UNITA

44. **Organization and Leadership.** Jonas Malheiro Savimbi remains UNITA's unchallenged leader as party president and commander in chief of the Armed Forces for the Liberation of Angola (FALA), UNITA's military wing. In addition to its estimated forces of 35,000, UNITA may have another 30,000 unarmed and untrained supporters or adherents, a number that probably includes the families of the fighters as well as other civilians living within UNITA-controlled areas.

45. A 17-member Politburo is the top party organ. The leading officials after Savimbi are party Secretary General Miguel N'Zau Puna, a long-time Savimbi associate, and the military chief of staff, Demostenes Chilingutula. Puna is a Cabindan, and the UNITA leadership includes a few other non-Ovimbundus as well.

46. UNITA in affect governs southeastern Angola and has established rudimentary, but well-run, health and educational services and agricultural enterprises, as well as a police force. UNITA's priorities at present, however, are on its military effort.

48. UNITA appears to lack other figures with Savimbi's broad personal appeal, international recognition, and exceptional leadership abilities. His removal through death or incapacitation would be a severe setback. We do not believe UNITA would wither away, however, but it would be considerably weakened and disorganized at least in the short term. Ultimately, it could emerge as a more inflexible movement seeking an all-out military victory rather than a negotiated solution. UNITA might also become more heavily influenced by South Africa without a leader of Savimbi's stature to maintain a degree of independence. This view of Savimbi's importance to

UNITA is shared by leaders in Luanda, and MPLA-, Cuban-, or Soviet-backed assassination attempts are a real possibility, especially during Savimbi's travels abroad.

49. **Political Objectives.** UNITA's stated goal is to end the MPLA's monopoly on political power in Luanda and, through sustained military pressure, to ensure that no government that does not include UNITA can rule effectively. Eventually, in UNITA's view, the MPLA will be forced to negotiate an end to the conflict and share power with the insurgents. UNITA, however, probably is uncertain about the final form of a negotiated settlement. Savimbi foresees a coalition central government with power shared among tribal and regional groups. Savimbi also has said that, with the ethnic orientation of Angolan politics, the formation of a single party would not be possible at present.

50. UNITA currently rejects the concept of a federal system that would limit UNITA to the territory it now controls in southern and southeastern Angola, in effect creating a buffer state between South Africa and a truncated Angola. We also believe UNITA would reject any MPLA proposal to grant UNITA a role in any government that excluded Savimbi. UNITA's attitude, however, may be hardening in view of the MPLA's continued refusal to negotiate and UNITA's own sustained military successes. We believe, for example, that UNITA at one time might have been willing to accept a share in the government proportional to its ethnic representation in the country but now probably wants more.

51. **The South African Connection.** We believe South African assistance to UNITA probably fueled UNITA's recent advances. Although we lack detailed evidence, we believe that South Africa's direct support to the guerrillas has been substantial and has increased in recent years. In addition, Pretoria's periodic military incursions into southern Angola and its creation of a "buffer zone" there indirectly have benefited UNITA by tying down substantial numbers of Cuban and Angolan forces in defensive positions near the South African-controlled zone.

52. South African aid has included arms and ammunition, military training, fuel, spare parts, food, medicines and medical treatment, and exchange of intelligence. Senior South African officials meet periodically with Savimbi, and we believe there is a continuing close liaison. Savimbi has openly acknowledged that UNITA accepts aid from South Africa,

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although he has not been candid about the extent of its assistance.

53. South African material assistance has been critically important to UNITA because of its magnitude, regularity, and reliability. We believe that UNITA's military advances over the past year were materially aided by increases in South African support. If South African aid to UNITA were to cease or be reduced sharply

the insurgents probably would be required to scale back the level of their military operations. However, UNITA would remain a viable insurgency, controlling at least the southeastern portions of Angola, as well as continuing to operate in central and eastern Angola, since UNITA continues to capture a substantial amount—perhaps as much as half—of its arms and ammunition from the Angolan Army. Moreover, UNITA earns a small amount of foreign exchange through diamond and ivory smuggling which it uses to purchase supplies on the international arms market.

54. Although Savimbi works closely with Pretoria, we believe that both Savimbi and South Africa recognize that theirs is a marriage of convenience only. Savimbi is not now Pretoria's puppet, but his independence from South Africa is clearly limited by UNITA's dependence on South African support.

55. **Other Foreign Contacts.** UNITA has received aid in the past from a variety of diverse sources, but such assistance has fallen off in recent years as more governments have recognized Luanda. France provided arms, supplies, and training, but apparently cut off its aid after the Socialists came to power in 1981. Morocco provided training and small arms, helped funnel assistance from other donors to UNITA, and facilitated contacts between UNITA and Arab countries, but reportedly followed France's lead in cutting off assistance. Saudi Arabia provided considerable financial aid, but has not done so since the late 1970s. China provided training to UNITA leaders in the 1960s and furnished substantial quantities of small arms and other supplies in the late 1970s, but Beijing has established diplomatic relations with Luanda and probably no longer assists UNITA.

56. Western-oriented black African nations evidently have cut back support that had included facilitating shipments of foreign supplies to UNITA-controlled areas, furnishing UNITA with travel documents, and allowing UNITA open representation

in their capitals. There is some evidence that Zaire still permits UNITA to operate on its territory, or at least turns a blind eye to a small UNITA presence.

57. There have been recent signs that some countries may be moving to establish unofficial or informal contacts with UNITA. Zambia is said to be initiating contacts with UNITA representatives in Europe, and Congo is reported to be extending feelers. The Congolese have also been urging the MPLA to reach an accommodation with UNITA. Although Savimbi is unlikely to receive any immediate public support or materiel assistance from these renewed contacts, the insurgents will be encouraged by the new signs of acceptability. UNITA representatives abroad report a greater openness on the part of certain European and African nations toward UNITA.

## The External Actors

### The Soviet Union

58. Moscow's growing military commitment to Angola reflects Luanda's importance to broader Soviet objectives—namely, undermining Western influence throughout the Third World, competing with the Chinese, promoting pro-Soviet change, and obtaining greater air and naval access in the region. Angola serves Soviet objectives in southern Africa by affording the USSR entree to SWAPO and the ANC, which supports Moscow's long-term objective of undermining the white minority regime in South Africa. Angola also provides the Soviets with the capability to monitor and exploit any unrest in neighboring Zaire.

59. The USSR traditionally has displayed its commitment to the MPLA through the provision of military assistance. Since 1975, when Soviet arms, logistic support, and Cuban troops helped bring the MPLA to power, Moscow has signed military accords worth some \$2 billion, of which \$1.3 billion has been delivered; this support has been essential to the regime's efforts to consolidate its power. As the security threat has increased during the past two years, from both UNITA and the South Africans, the USSR has provided more and better military equipment. Soviet advisers may also be assuming a more active role, possibly including some command and control functions.

60. Soviet calculations about Angola may be further affected by Moscow's perceptions that it faces a renewed US challenge to its influence around the globe. In an authoritative statement on 5 January, TASS charged that recent South African incursions were "directly linked to the stepped-up aggressiveness

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... of US imperialism and to acts of lawlessness perpetrated by it against ... Grenada, Lebanon, and Nicaragua." A related consideration for Moscow is the "prestige factor." Angola remains a symbol of the USSR's superpower status, of Soviet willingness and capability to project power to distant areas. A failure to support Angola—which in 1976 signed a Soviet Friendship and Cooperation Treaty—would damage Moscow's credibility among other Third World clients and belie Moscow's claims of a growing pro-Soviet tilt in "the world correlation of forces."

61. We believe these various considerations will lead Moscow to escalate its military commitment to the MPLA regime as conditions in Angola dictate. Soviet officials already have told the South Africans they will give Luanda all the support necessary to protect Angola's territorial integrity. Future steps could include the provision of more military hardware, new augmentations of Cuban troops, a more offensive-minded Cuban troop posture against the UNITA forces, and/or increased Soviet advisory support and involvement in planning and directing Angolan military operations. We believe that the Soviets have not yet decided how far they will go to preserve the MPLA regime. While we think Moscow will stop short of sending its own ground combat troops to Angola during the next year, there is a growing possibility it will send pilots, air defense crews, and additional advisers. The chances of intervention would increase if, in the long run, Cuban forces are unable to stabilize the military situation.

#### Cuba

62. Havana's involvement in Luanda has won respect and prestige for Fidel Castro in the Third World, burnished his image as a major revolutionary figure, and enabled him to play a far greater international role than Cuba's size and importance would normally allow. Moreover, the financially strapped Cubans earn hard currency by charging Angola for the services of Cuban troops and civilian personnel. Angola is also an important outlet for Cuba's surplus labor, and a return to Cuba of the approximate 36,000 military and civilian personnel now stationed in Angola would aggravate Havana's already serious unemployment problem. Perhaps the most important factor, however, is Castro's need to provide a return to Moscow for the \$4-5 billion in economic assistance it renders to Cuba annually. By serving Soviet policy goals in Angola, Havana helps justify the USSR's massive assistance program for Cuba.

63. Havana, in addition to being ideologically committed to the MPLA regime will follow Soviet preferences as long as the costs of its involvement in Angola do not rise precipitously. Nonetheless, the Soviets probably could veto a Cuban pullout from Angola—motivated by a dramatic rise in Cuban casualties—unless Castro was convinced that failure to do so would seriously threaten his own regime. At this point, even Moscow would reassess its position—that is, whether a continued Cuban presence in Angola was worth risking instability in a far more important client, Cuba. Given current trends, however, Havana's troops could remain in Angola for years. Without a total collapse of the MPLA, the Cubans probably see little prospect for a change in their current role. They could even increase the Cuban military presence substantially if Moscow and Luanda provided the right incentives.

#### South Africa

64. Pretoria's military involvement in Angola dates from the 1975-76 Angolan civil war, when its preferred contenders for power, UNITA and the Front for the National Liberation of Angola (FNLA), were forced back into the bush by Soviet- and Cuban-backed MPLA forces. Pretoria's worst fears were realized when Angola became a safehaven for SWAPO and ANC guerrillas, formed close links to the USSR and Cuba, and declared its intentions to become a Communist state. South Africa now sees an opportunity to reverse this development and appears determined to help secure for Jonas Savimbi a share of political power. This objective, which Pretoria apparently sees as obtainable in the long term, may be one of South Africa's prerequisites to a settlement in Namibia.

65. Some South African policymakers, including senior military officers, wish to pursue an international settlement on Namibia that provides for a Cuban withdrawal from Angola. Some individuals may believe that UNITA can win a military victory over the MPLA. Pretoria would prefer a solution which included a Cuban removal, an MPLA-UNITA reconciliation, and the establishment of a non-SWAPO-dominated government in Namibia, but most of the leadership realizes that it is unlikely to attain all these goals.

66. While Pretoria realizes that it could not control an Angola led by Jonas Savimbi, it probably is convinced that a government in which he participated would be useful in attaining other strategic objectives: namely, the neutralization of SWAPO as a military

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force, the end of the ANC's military presence in Angola, and the reduction or end of the largest Soviet and Cuban presence in southern Africa. Helping Savimbi take power also would serve as a serious warning to other states in the region that South Africa was prepared to commit major military assets in order to impose acceptable political and economic arrangements throughout southern Africa.

67. South Africa has been stressing military action as the leading instrument of its Angolan policy. But it has not totally abandoned its diplomatic track, having engaged in abortive bilateral talks with Angolan leaders at Cape Verde in late December 1982 and February 1983, and offering recently to withdraw its forces temporarily from Angola if Luanda, SWAPO, or Cuba does not exploit the situation. At this juncture, however, these initiatives appear to be a sideshow. Pretoria is sufficiently confident of UNITA's military capabilities, buttressed by South Africa, to believe the MPLA will be forced sooner rather than later to negotiate.

#### The Frontline States

68. Angola's fellow Frontline States (FLS)—Tanzania, Mozambique, Zimbabwe, Zambia, and Botswana—have become virtual bystanders in the Namibia-Angola equation. The Contact Group initiative and the deteriorating economic and security situation in the region have tended to shunt aside the FLS. FLS ineffectiveness in dealing with the complexities of the Angolan situation also reflects the weaknesses of the individual member states—particularly the preoccupation with the grave economic difficulties each faces—and serious differences among them over the appropriate course of action for Luanda.

69. As a group, the Frontline States continue to support the MPLA position that the Cuban troop withdrawal question should not be linked to Namibian independence. Nonetheless, Mozambique and Zambia have advised the MPLA leadership to be more flexible on the Cuban issue, and have even suggested talking directly to South Africa about a possible deescalation of the fighting. Only President Nyerere of Tanzania, the FLS chairman, remains adamantly opposed to contacts between any Frontline State and Pretoria. The States also are divided in their positions regarding UNITA. Although the group remains formally united in its support of the MPLA as the legitimate government of Angola, Zambia and, to a lesser extent, Botswana believe that, in view of the obvious inability of the MPLA and its Communist allies to defeat Savimbi's forces on the battlefield, an eventual political accommodation will be necessary.

70. Finally, even the one proposal introduced by an African state to find a way out of the Angolan impasse—the suggestion by former Nigerian head of state Shagari that the Cuban troops be replaced by an African peacekeeping force—did not emerge from the Frontline group. The Nigerian proposal was a non-starter; but the continuing inability of the FLS either to produce new initiatives or to exert much influence on any of the major actors suggests that the States will continue to play a minor role, particularly so relative to the central importance of their role in the Zimbabwean independence negotiations.

#### Outlook

71. On balance, we do not expect the situation in Angola to change very much over the next year, although security and economic conditions will continue to deteriorate. UNITA will continue to make advances, particularly in the northeast, but probably will remain unable to challenge Angolan and Cuban forces holding major cities and key garrisons. Spreading insurgent activity, however, will deepen the MPLA's sense of peril and cause its Soviet and Cuban backers to continue their high level of military assistance to the besieged regime. Consequently, despite the ebb and flow of the insurgency and of Communist involvement, we believe the overall military situation will continue over the next year.

72. We think it is likely that the Cuban forces will be increased and that the Cubans will become more actively involved in counterinsurgency operations, preferring to at least challenge UNITA in vital parts of the countryside rather than adopt a nationwide "enclave" strategy. We do not expect the Cubans to become sufficiently involved in the fighting to inflict major reverses on the insurgents, anticipating rather that they will do only enough to help prevent the MPLA regime from losing significant new ground to Savimbi's insurgents.

73. Because we expect the overall military situation to persist over the next year, we do not anticipate that Moscow will face crucial decisions on its commitment to the MPLA regime. The Soviet Union can maintain its current level of support, and even increase it significantly, without feeling pressured to reexamine its position in Angola. Moscow will increase its military commitment as security conditions dictate, including sending more arms, extending more credit, encouraging Cuba to send more troops and adopt a more active combat role, and increasing its advisory role.

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74. As long as President dos Santos moves cautiously, he probably can survive. Divisions within the MPLA will not prevent him from continuing negotiations with the United States and with South Africa. Nonetheless, it is unlikely that dos Santos can move decisively away from current policy directions in the near term because of serious divisions within the ruling party, the unstable security situation, and the pressures being exerted on him by the USSR.

75. Despite the probability that the standoff between dos Santos and his party opponents will persist over the near term, the power equation in Luanda could change dramatically and with little warning. The continued deterioration in security and economic conditions in Angola could prompt disgruntled pro-Soviet hardliners to engineer a palace coup. Dos Santos's apprehensions about such an eventuality may have contributed to the hardening of his position on UNITA and on a Cuban withdrawal. As long as dos Santos moves cautiously, he probably will remain in power. His chances of being deposed increase significantly if he moves in policy directions that threaten the influence in Luanda of mulatto-led, Soviet-backed hardliners. The possibility that the black nationalists, perhaps in league with disaffected elements of the Angolan Army, would take over the government seems remote, partly because we believe that the hardliners have increased their influence in the government's security forces as Soviet and Cuban military assistance has increased over the past year.

76. UNITA has little alternative but to keep on fighting. Savimbi undoubtedly knows that, as long as the hardliners maintain their strong position in the MPLA, the only negotiations over power sharing in Angola that could occur would be over his dead body.

Moreover, continued military pressure from the insurgents probably will cause black moderates in the MPLA to be almost as wary of negotiations as the mulattoes.

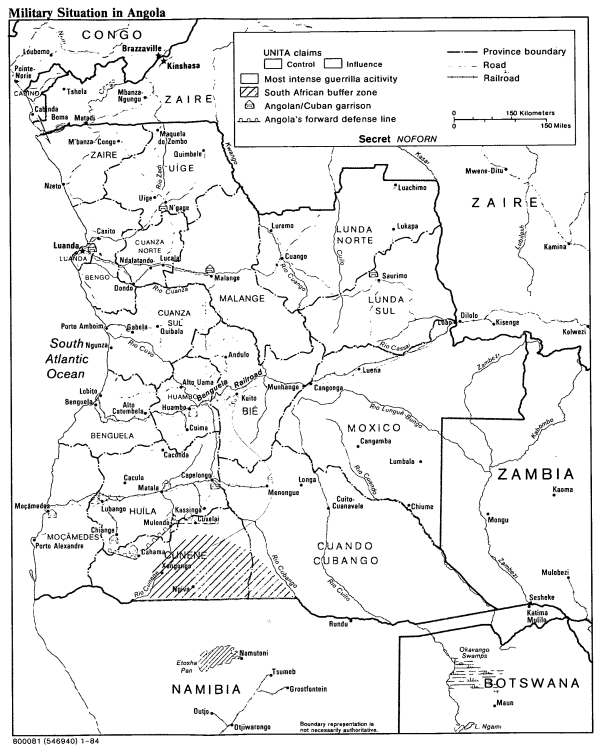
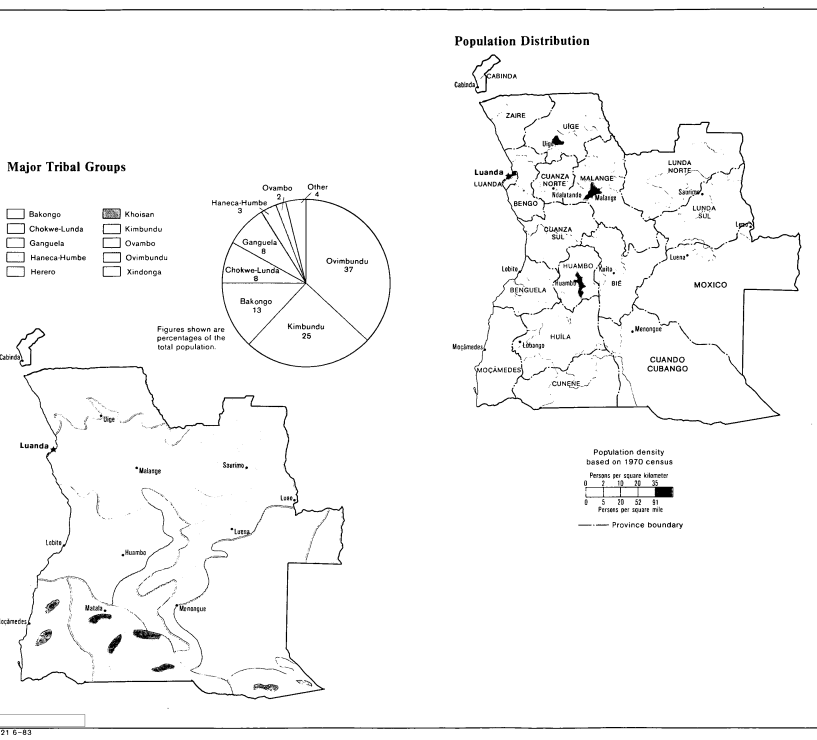
77. The South Africans, for their part, probably are satisfied with the results over the past year of their policy toward Angola. At a minimum, Pretoria probably calculates that the inability of Luanda to part with Cuban troops has eased pressure on South Africa to agree to a Namibian settlement. Furthermore, South Africa also believes that time is on the side of the UNITA insurgents, despite increased Soviet and Cuban assistance. A recent South African military intelligence estimate concluded that UNITA is now the dominant armed force in Angola and that more Soviet and Cuban involvement would only turn Angola into the Soviets' "Vietnam in Africa." Consequently, we expect South Africa to continue its current policy direction, to talk about negotiating with Luanda while keeping up the military pressure on the MPLA regime with the long-term intention of driving their Communist backers out of Angola.

78. The possibility exists, of course, that the violence might escalate in Angola to the point of large-scale, open warfare between South Africa and Angolan-Cuban forces, an eventuality that could greatly deepen Soviet involvement in Angola. From this perspective, the year opened ominously with reports of Soviet threats warning Pretoria and UNITA to back down and the first significant engagement since September 1981 between South African forces and Cuban- and Soviet-assisted Angolan soldiers. Nevertheless, we believe that both Pretoria and Moscow want to avoid such a conflict, and that their struggle for influence in Luanda will continue much as it has since the Angolan conflict began in 1975-76.



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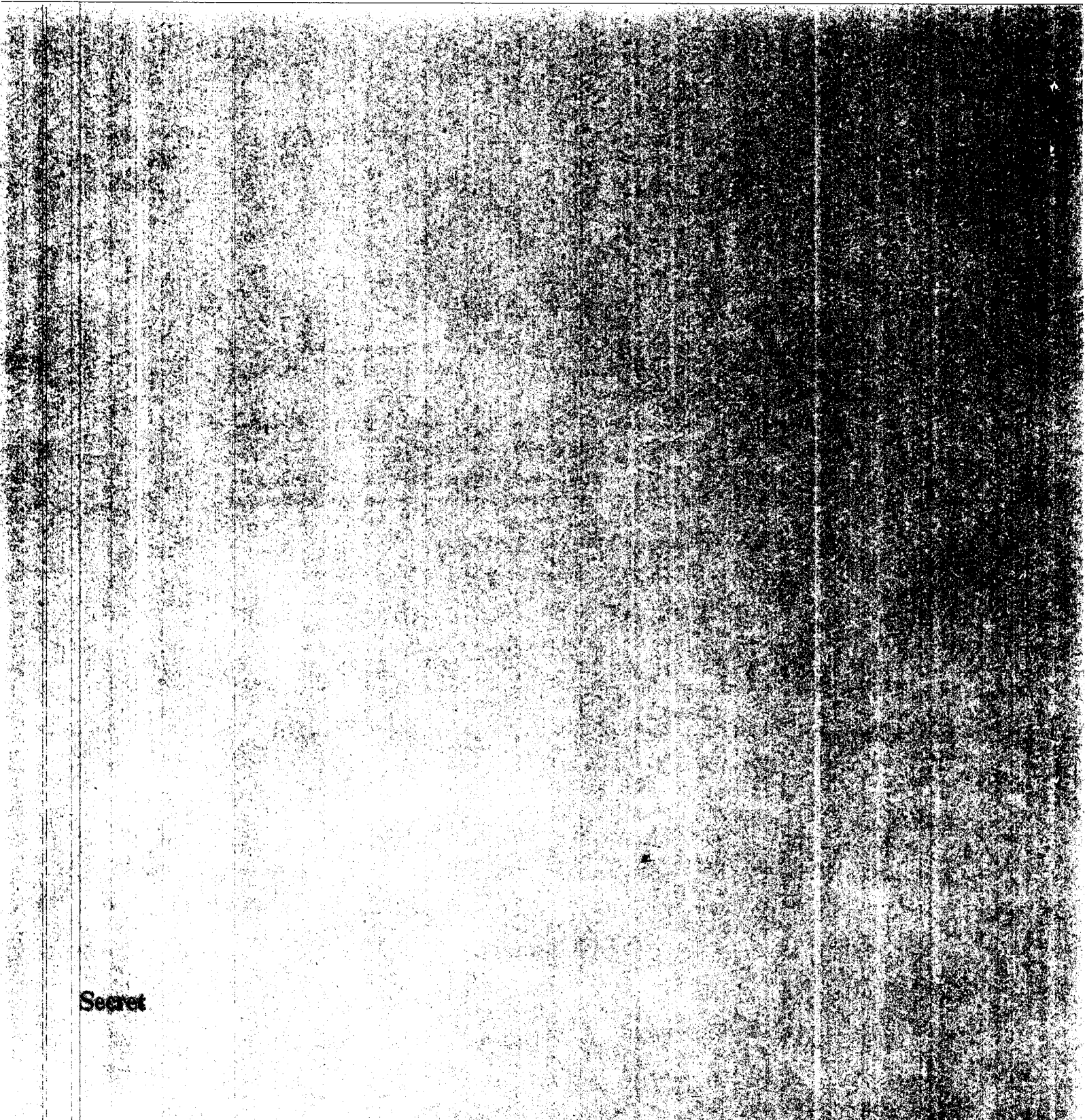
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