



**Directorate of
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Africa Review



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28 November 1986

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*ALA AR 86-023
28 November 1986*

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Africa Review

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President Doe's government lacks determined and able economic leadership to deal with longstanding fiscal and financial problems and is unlikely to gain a substantial rebound soon in the exports market, which would be necessary to reverse the economic decline.



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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,
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Articles

South Africa: Education Crisis [Redacted]

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Education remains a highly politicized issue for black South Africans and continues to spark unrest in the townships. Militant youths have used school boycotts to protest the poor state of black education and the inadequacies of the government's reform program. Although in recent months, parent groups, civic associations, and even some student activists have become concerned about the long-term consequences of the school crisis, Pretoria's controversial new restrictions on black schools issued last July once again have resulted in widespread boycotts, violence, and school closings. For the third consecutive year, end-of-year examinations have been disrupted by militant youths. School boycotts almost certainly will continue because of Pretoria's penchant for provocative actions and because they are one of the few means of protest readily available to blacks under the state of emergency. [Redacted]

Although the return of students in January was linked to black demands that the state of emergency be lifted and security forces be withdrawn from the townships, the NECC declared at its founding conference that students should stay in school even if Pretoria did not meet these conditions.¹ The NECC, however, supported the SPCC's demands for the unbanning of the Congress of South African Students, release of detained students and teachers, removal of troops from the townships, and improved education facilities. NECC leaders argued that they had achieved a substantial victory when the government subsequently agreed to negotiate with them on education issues even though all of the SPCC's demands were not met. [Redacted]

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Moderates Take a Stand

As school boycotts and disruptions spread, US Embassy reporting indicated that many parents and students became concerned over the implications of the boycotts and believed that even an inadequate education was better than none at all. In many communities local education crisis committees gained widespread support and rejected the rallying cry of militant youth—"liberation before education." Following a conference of several black organizations last December, most students returned to schools in January. In March the National Education Crisis Committee (NECC) was formed by the Soweto Parents Crisis Committee (SPCC) and other civic action groups, and since then has been at the forefront of attempts to restore stability to black education. [Redacted]

While many of their demands are political in nature, the NECC and SPCC have generally attempted to separate education from political action, and have argued that student boycotts are not essential to the revolution. The two groups believe that "liberation before education" ultimately works against political activism, and also that students in schools can be more easily organized for political action than children out of school. To this end, the NECC has articulated three primary goals:

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- Keep students in school.
- Develop a new curriculum for black schools.
- Continue negotiations with the government on both the general crisis and individual problems. [Redacted]

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¹ Although the original state of emergency in selected magisterial districts was lifted in March, Pretoria imposed a nationwide state of emergency on 12 June. [Redacted]

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The State of Black Education

Despite the government's determination to create "separate but equal" education, black schools and black performance remain substantially inferior to that of whites. Senior government officials have admitted publicly that it will take at least 10 years to achieve parity in education. Minister of Education and Development Aid Gerrit Viljoen admitted in May that government expenditures on black education are only 20 percent of what they are for whites. Funding is unlikely to increase significantly given the economic recession. In addition, black demographic trends place additional strains on educational resources; the number of black pupils, including those in the homelands, increased from nearly 4 million in 1976 to more than 6 million in 1985. [redacted]

The inequity in funding levels is reflected in the poor quality of black education and higher student dropout rates. According to government figures, 93 percent of black teachers are underqualified. The teacher-student ratio for blacks is more than twice that for whites. Although school attendance is compulsory for whites until age 16, it is not compulsory for blacks. Nearly half of school-age black children outside the homelands do not attend school, and of those that do, fewer than half finish primary school. According to an academic study, for every 100 black students who began school in 1973, only 10 finished secondary school in 1984, and of those, five failed their final exams. [redacted]

Pretoria Takes a Hard Line

Despite the success in getting students back in school, new tough security regulations and the government's failure to deliver on many of its promises, such as the rebuilding of schools and provision of free books and stationery, have increased black frustration and have led to further boycotts. Pretoria has become particularly aggressive since the reimposition of the state of emergency in June and appears determined to end all political activity in the classrooms. The government has closed troublesome schools and has attempted to control students' access to those that remain open by having the Department of Education

and Training—responsible for 7,000 black primary schools and 330 black secondary schools—reregister all pupils and issue student identification cards. Thus far, more than 300,000 students have refused to reregister and have been barred for the rest of the academic year. Other students have burned identity cards, and have been prohibited from entering school grounds by security forces stationed at schools to enforce the new rules. [redacted]

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At the same time, the government has adopted a hard line toward the NECC and local education crisis committees. Deputy Minister for Education and Training S. J. De Beer, who had met with NECC and SPCC members several times in the past, refused to meet with NECC representatives in July to discuss the new school regulations. De Beer accused the NECC of trying to politicize education and of using "innocent children for ulterior motives." In addition, Pretoria has begun to apply security regulations to the NECC. The US Embassy reports that five of the NECC's nine executive members are in detention and two more have gone into hiding. Police raided the group's offices in Johannesburg in early November. [redacted]

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Reporting from the US Embassy and press sources indicate that government attempts to remove politics from the classroom by squeezing out the radicals have backfired, and that school boycotts have resumed. These same sources note that student activists continue to hone their skills as organizers, and the Department of Education and Training admitted publicly in October that the boycotts have become better organized and more effective, despite the crackdown under the state of emergency. According to press reports, more than 80,000 students were participating in boycotts in Transvaal and eastern Cape Provinces in October. Over 70 mostly secondary schools in Soweto and eastern Cape Province have been closed for the rest of the academic year because of low attendance. The Embassy estimates that most students above the fourth grade in eastern Cape Province are not in school. In addition, militant youths continue to harass those who do attend school. Radical youths attacked students in Soweto last

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The Case of Pace College

Pace College, a private commercial school in Soweto established by the US Sullivan Code signatories and run by the American Chamber of Commerce of South Africa, closed in October following nearly nine months of political turmoil, violence, and growing anti-US sentiment among blacks. The school, once a model for technical and commercial training for blacks, was condemned by radical youths and adults as an elite school that catered to its US business sponsors at the expense of the political struggle. In March student political and quasi-political groups became more active on the campus, threatening and assaulting teachers. In September radical students, in the presence of the school's executive director, burned an American flag at an assembly called to discuss the school's future. Confronted with growing violence and donor unwillingness to continue sponsorship, the school administration decided to suspend operations. Negotiations on the school's future are under way with black leaders in Soweto in an attempt to ensure that any successor institution will have the full support of the community.

joint action against apartheid and the state of emergency. Among the activities under consideration are nationwide protests against the closing of black schools. The NECC is unlikely, however, to sanction the use of school boycotts.

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Despite the calls for new protests, parents and community leaders will probably attempt again to normalize the school situation before the new term begins in January to prevent students from falling yet another year behind. Black leaders will also seek to educate youths informally. For example, Anglican Church officials in Port Elizabeth are planning an alternative education program in church facilities for blacks in the area—many of whom have not been in school for three years, according to the US Embassy. The NECC and similar groups, however, will have difficulty convincing students to return to school. Pretoria's detention of the group's leaders and its refusal to negotiate with the NECC almost certainly has undermined its influence and discredited moderates within the organization.

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month when they attempted to write yearend exams. The government has announced that it will not postpone or reschedule exams—as it did last year—for those unable to take them because of intimidation or violence.

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Outlook

In our judgment, Pretoria's policies virtually guarantee continuation of the crisis in black education. The government is unlikely to lift the harsh restrictions on black schools because it considers them breeding grounds for rebellion and radicalism. Although Pretoria probably will make some attempts to improve the physical conditions of schools and to modify the curriculum during the coming school year, these actions are unlikely even to scratch the surface of black demands. Black groups will continue to confront Pretoria on the school issue. Last month, for example, the NECC, together with the multiracial United Democratic Front and the Congress of South African Trade Unions, announced a new campaign of

South Africa: Reformed Church Resolutions

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A series of controversial resolutions passed at last month's synod of the white Dutch Reformed Church—generally known by its Afrikaans acronym NGK—have altered the church's theological direction and brought it closer to mainstream white political views as defined by the ruling National Party. At its quadrennial convention the church rejected theological justifications for apartheid, took a progressive stand on equality in the workplace, supported basic human rights, opened membership of the church to all races, and accepted the principle of mixed marriages. Conservatives have strongly criticized the synod's decisions, but church leaders probably will be able to avoid large-scale defections to more conservative churches or a formal split on liberal and conservative lines.

Pivotal Synod

Last month's decision that apartheid cannot be justified on scriptural grounds marks a watershed in the history of the Dutch Reformed Church. In the past, the church justified political separation of races by pointing to God's creation of distinct races. Church leaders sought to avoid completely alienating their conservative followers by having arch-segregationist Prof. Carel Boshoff draft the resolution, by avoiding outright condemnation of apartheid, and by indirectly condoning some forms of racial separation, such as Pretoria's homeland policy. According to the US Embassy, divergent groups within the church were able to agree to the resolution because its ambiguous wording allows a variety of interpretations.

In addition, the NGK has attempted to paper over differences with its sister Colored Mission Church, headed by the Rev. Alan Boesak, by calling for talks. The Mission Church's recent decision declaring apartheid a heresy has threatened to force a split between the two churches because they have adopted conflicting doctrines. The NGK has also sought to ease tensions with the Mission Church by referring contentious issues to a commission that will make its recommendations at the next synod in 1990.

Offending Islam

The synod's resolutions were partly overshadowed by the public furor over the church's declaration that Islam is a false religion. The decision immediately sparked loud protest from the country's Islamic community, with Indian parliamentarians calling for an apology and retraction of the statement. Two Islamic groups, the Call of Islam and the Muslim Youth Movement, organized demonstrations and rejected Dutch Reformed Church (NGK) overtures to discuss their differences. Unrest in the Muslim community in Cape Province turned violent when protesters refused to stop their march on an NGK church in Cape Town. President Botha was even forced to step in to calm the situation and distance his government from the debate, stating that South Africa guarantees freedom of faith and worship. Although tempers have cooled for now, relations between the NGK and the Islamic community are unlikely to improve.

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Open Membership but Internal Apartheid

Diverse reporting indicates that the most bitter synod debate centered on a proposal that the racially-based members of the Dutch Reformed "family of churches" be allowed to unify their membership, thereby eliminating the church's internal apartheid structure. The synod, however, rejected the proposal and decided that the Dutch Reformed family should remain divided into separate white, Colored, black, and Indian churches under the umbrella administration of the white NGK. The proposal reportedly was rejected only after hours of acrimonious debate between conservative members and reform-minded theologians, many of whom represented more liberal areas in the western Cape. In a separate decision, however, the synod did allow individual churches to open their membership to all

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NGK Family of Churches ^a

	Membership
Dutch Reformed Church (NGK)	1,693,640
Colored Mission Church (NGSK)	678,380
Dutch Reformed Church in Africa (Black)	1,103,560
Reformed Church in Africa (Indian)	3,900 ^b

^a Based on 5-percent sample of 1980 census.

^b Estimated.

[Redacted]

... races. This motion passed despite efforts by conservatives to insert provisions that would have permitted local church councils to investigate and reject individual membership applications, according to press reports. [Redacted]

The impact of the open membership decision probably will vary, because NGK membership is determined strictly on a regional basis. An individual must reside within a particular area to become a member of a given church, and in most cases, the racial restrictions imposed by the Group Areas Act will prevent the emergence of racially mixed congregations. Nevertheless, the synod's decision sanctions the integrated congregations that exist in areas such as Cape Town, where slack compliance with and enforcement of the Group Areas Act has resulted in racially-mixed residential areas. [Redacted]

Labor Relations

As part of its more activist posture, the NGK also passed a progressive declaration on labor relations, calling for equal pay for equal work regardless of race and the eventual elimination of migrant labor. The synod criticized migrant labor, which represents a substantial part of the South African work force, for hindering the development of a strong middle class and harming family life. The church also condemned discriminatory job reservation policies and supported the improvement of worker facilities and access to labor unions. [Redacted]

Outlook

The synod's decisions reflect greater NGK sensitivity to political issues, and bring its doctrines and policies more in line with mainstream white attitudes. The church's new racial policies, for example, parallel the platform and limited reforms of the National Party government, which has labeled discriminatory apartheid "outdated" but has continued to organize political institutions along racial lines. Similarly, the NGK's separate sister churches for whites, Coloreds, blacks, and Indians correspond to Pretoria's racially-based "own affairs" structures in government. [Redacted]

Conservative white reaction to the synod's decisions has yet to run its course. The leader of the far-right Herstigte Nationale Party expressed outrage at the decision and predicted that liberal ministers would now invite nonwhite clergymen to preach in their churches and that the church's next move would be to unify the white and nonwhite churches. Other key rightwing politicians criticized the synod's decisions and accused the NGK of opening the door to nonwhite leadership of the church. [Redacted]

By charting a careful course, however, the NGK appears to have avoided—at least in the short term—large-scale desertions or a formal split. The endorsement of the synod's decisions by many key conservative theologians, such as Carel Boshoff, will undoubtedly work to reassure uneasy white members. Reforms tend to be applied unevenly throughout the country once approved, and some conservative churches are likely to try to ignore NGK proclamations. Nevertheless, the recent reforms make it inevitable that tensions will grow, especially if, as we expect, some nonwhites attempt to join all-white congregations and some liberal ministers invite nonwhites to preach at services. A few local churches with very conservative memberships almost certainly will consider joining the ultra-conservative Reformed Church. Most member churches, in our judgment, are unlikely to leave the NGK unless future synods advocate an even faster pace of reforms that outdistance mainstream white attitudes. [Redacted]

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Zimbabwe-USSR:

Expanding Ties [redacted]

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Traditionally cool relations between Zimbabwe and the USSR have warmed significantly since Prime Minister Mugabe's official visit to Moscow last December. In the past year, there has been a flurry of bilateral exchanges, and late last month a Zimbabwean delegation headed by Deputy Prime Minister Muzenda went to Moscow to discuss the purchase of military equipment and civil aircraft. The Zimbabweans are probably pursuing closer bilateral ties at this time principally because they believe that Moscow can assist them with security needs. For their part, the Soviets have carefully cultivated Mugabe and other Zimbabwean leaders in hopes of expanding their influence at the expense of the United States, the United Kingdom, and other Western countries.

[redacted]

In our judgment, Harare is unlikely to break with the West or to tilt dramatically toward the Soviets any time soon, and we see little prospect of a rapid expansion in bilateral trade or economic ties. Nevertheless, the declining security situation in southern Africa, for which Mugabe holds the West in large part responsible, almost certainly will create new opportunities for Soviet involvement and influence in Zimbabwe.

Historical Differences

Bilateral relations have been strained since Zimbabwe gained independence in 1980. Mugabe and other members of his Zimbabwe African National Union (ZANU) resented exclusive Soviet support for Joshua Nkomo's Zimbabwe African People's Union (ZAPU) during the liberation struggle. According to the US Embassy in Harare, Mugabe remained suspicious of Soviet intentions and, probably correctly, viewed Moscow as slow to sever its special relationship with Nkomo. Although formal diplomatic relations between Harare and Moscow were established in 1981, the Zimbabweans delayed opening an embassy in Moscow until December 1984, and Mugabe did not visit the USSR until a year later. In the meantime, Zimbabwe expanded ties to Communist countries

such as China, North Korea, Romania, and Yugoslavia, which had aided Mugabe and ZANU when he and his party colleagues were in exile.

[redacted]

More Recent Fence Mending

Mugabe's two-day trip to Moscow last December indicated that Harare was finally willing to let bygones be bygones. During the visit, Mugabe signed two general agreements—one on economic and technical matters, and the other on party-to-party exchanges—neither of which specified levels of cooperation or procedures for implementation. Most important, the Soviets privately assured Mugabe that they would respond positively to Zimbabwean arms requests, according to the US Embassy in Moscow.

[redacted]

Embassy reporting indicates that there has been a series of exchanges of military delegations since Mugabe's visit to Moscow. On several occasions, the Soviets reportedly have demonstrated weapons to visiting Zimbabwean defense officials, expressed willingness to sell military equipment and spare parts, and discussed the possibility of Soviet training for the Zimbabwean Army.

the delegation headed by Muzenda that recently went to Moscow probably discussed the purchase of an improved air defense system and additional arms for the more than 5,000 Zimbabwean troops fighting Mozambican National Resistance (RENAMO) insurgents in neighboring Mozambique. Although the Soviets shipped light arms and ammunition to Zimbabwe in March 1983, the Zimbabweans have traditionally looked to the United Kingdom and other Western countries for military assistance. The Mugabe government also has considered purchasing Soviet commercial aircraft, according to the US Embassy in Harare.

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Major Bilateral Contacts in the Past Year

December 1985 *Mugabe visits Moscow; signs agreements on economic and party cooperation.*

January 1986 *Soviet military delegation visits Harare to present draft agreement on defense cooperation.*

February 1986 *Senior Soviet government official Yuri Youkalov visits Harare to discuss Moscow's disarmament proposals.*

March 1986 *Zimbabwean military delegation led by Army Commander Nhongo and Minister of State for Defense Kadungure travels to Moscow to return Soviet visit in January.*

June 1986 *Zimbabwean subministerial delegation visits Moscow to explore purchase of Soviet commercial aircraft.*

August 1986 *Soviet Deputy Foreign Minister Anatoly Adamishin visits Harare on the eve of the Nonaligned Movement (NAM) summit to deliver a message from Gorbachev.*

October 1986 *Zimbabwean Foreign Minister Mangwende delivers the Harare Appeal on disarmament to Gorbachev.*

High-level Soviet Foreign Ministry official Mikhail Sytenko visits Harare to deliver a personal message from Gorbachev.

Zimbabwean delegation headed by Minister of Industry and Technology Ndlovu visits USSR to discuss expanding trade and technical cooperation.

Zimbabwean delegation led by Transport Minister Ushewokunze visits Moscow to explore purchase of Soviet commercial aircraft.

Nhongo leads delegation to Moscow to prepare for arms talks to follow.

Zimbabwean military and security delegation headed by Deputy Prime Minister Muzenda departs for Moscow to discuss arms purchases.

November 1986 *Soviet Ambassador to Zimbabwe Ter-Gazaryants delivers Gorbachev's formal response to the Harare Appeal.*

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Economic and Cultural Ties

Bilateral economic and cultural relations also have warmed in recent years. Harare and Moscow concluded a trade agreement in January 1984 that afforded each state "most favored nation" status but did not set targets for trade or specify commodities to be sold. According to the US Embassy in Moscow, the Soviets would like to export more machinery and equipment to Zimbabwe and to import from Zimbabwe greater quantities of raw materials and foodstuffs. At present, however, Zimbabwean trade with the USSR and Eastern Europe is minuscule. The US Embassy in Harare reports that in the 12-month period ending in April 1985, trade with Bloc countries amounted to only about 2 percent of Harare's overall trade. [redacted]

The Soviets have not provided Zimbabwe with significant amounts of economic assistance. Since Zimbabwe's independence, the Soviet Union's major aid program has consisted of academic scholarships, probably designed to realize future political benefits. According to the US Embassy in Harare, there were about 100 Zimbabwean students in the USSR as of December 1985. Most were in five-year study programs pursuing degrees in technical fields. The same source reports that Zimbabwean students generally regard training in the USSR as inferior to that offered in the United States and the United Kingdom. Those studying at Soviet institutions frequently complain of poor living conditions, racial problems, and Soviet favoritism toward followers of Nkomo. [redacted]

In recent years, the Soviets also have increased their cultural exchange programs with Zimbabwe. The US Embassy in Harare has noted that most are carried out under the auspices of semiofficial Soviet organizations and are designed to build links to Zimbabwean trade unions, womens' and youth groups, political organizations, and the media. [redacted]

Zimbabwean Motives

In our judgment, security concerns have been the foremost factor impelling Harare to move closer to Moscow. South Africa's raids on African National Congress (ANC) targets in Harare last May demonstrated Zimbabwe's vulnerability to a military

strike from Pretoria. Zimbabwe lacks a sophisticated air defense system or advanced fighter aircraft to ward off South African raids. In addition, the Zimbabwean Army, which has become increasingly bogged down in neighboring Mozambique, will need additional arms if, as Mugabe has publicly pledged, it is to provide even greater military assistance to Mozambican President Chissano's new government. Harare's commitment at home to outfitting and training a newly created 6th Brigade also could partially explain Zimbabwe's willingness to seek weapons from the Soviets. [redacted]

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The Mugabe government also probably favors expanded ties to Moscow now because ZAPU no longer poses as great a dissident threat as it did several years ago and because the Soviets have become highly circumspect in any dealings they have with Nkomo and his followers. Harare, at least publicly, has come to accept Moscow's position that the assistance the Soviets earlier provided Nkomo was intended only to speed Zimbabwean independence and that the recipient was of less consequence. Privately, Mugabe and close aides almost certainly remain suspicious of Soviet intentions and do not find this explanation completely adequate. [redacted]

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In addition, Mugabe may regard intensified dealings with Moscow as timely because relations with Washington are strained over southern African and other issues. In an apparent effort to exploit this situation and advance Moscow's interests, General Secretary Gorbachev in recent months has been particularly solicitous of Mugabe, sending him a number of personal messages in Mugabe's capacities as Prime Minister, ruling party leader, and Chairman of the Nonaligned Movement (NAM). According to the US Embassy in Harare, such attention has fostered the impression that Moscow, to a greater extent than Washington, is open and responsive to Zimbabwean and NAM concerns. [redacted]

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Soviet Intentions

Embassy reports suggest that Moscow has gone to considerable lengths in recent years to improve its relations with Harare. The Soviets appear to have

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concluded that ZANU will be in power for the indefinite future and that the wisest course they can pursue is to be supportive. More generally, Soviet policy toward Zimbabwe appears consistent with the general policies of Gorbachev, who since coming to power in March 1985 has sought to expand Soviet influence in the Third World by singling out a few Third World leaders, such as Mugabe and Argentine President Alfonsin, for special attention. [redacted]

In Zimbabwe, as elsewhere, the Soviets have sought to develop agents of influence. They have successfully befriended several key party and government officials—most notably Information Minister Shamuyarira—and have enlisted them to promote Moscow's interests. [redacted]

[redacted] the Soviet Ambassador to Zimbabwe frequently wines and dines Shamuyarira, [redacted]
[redacted]
[redacted]

The leftist leanings of Shamuyarira and other senior ministers have made the Zimbabwean media more receptive to Soviet approaches and have facilitated Moscow's efforts to place pro-Soviet and anti-Western stories in the press. The country's leading newspaper, *The Herald*, for example, in recent years has carried stories on alleged US military links to South Africa, US plans to deploy cruise missiles to South Africa, and CIA responsibility for the AIDS virus. Even in the absence of Soviet influence, however, many stories appearing in the Zimbabwean media probably would have a decidedly leftist and anti-Western bent. [redacted]

Moscow almost certainly believes that closer ties to Harare, most notably resulting from Soviet arms assistance, will better enable the Kremlin to pursue its broader aims in southern Africa. We believe that these include fostering pro-Soviet regimes and liberation movements, as well as reducing Western influence in the region. The Soviets effectively use their unambiguous opposition to South Africa's internal and external policies to burnish their image in Zimbabwe and other black African states. Moscow also has encouraged Harare to take tougher stands against US policies on southern Africa, including US-sponsored regional diplomacy. The joint Soviet-Zimbabwean communique issued at the end of

Mugabe's visit to Moscow last year and many of Mugabe's subsequent speeches—probably consistent with his own views—have reflected such criticisms of the United States. [redacted]

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Prospects

In our view, the gradual improvement in Zimbabwean-Soviet relations over the past year probably will continue and perhaps accelerate, particularly in the political and security spheres. Long before the recent rapprochement, ZANU had adopted Marxist-Leninist slogans, and, with the notable exceptions of the Afghanistan and Cambodia issues, Harare in practice already has aligned itself with the Soviets on most Third World questions. Mugabe's security concerns and aspirations to build a socialist Zimbabwe almost certainly will provide additional opportunities for the growth of Soviet influence, probably including a major arms supply arrangement and more frequent party-to-party exchanges between ZANU and the Communist Party of the Soviet Union. Anti-US propaganda and rhetoric will increase in Zimbabwe if, as is likely, the Soviets succeed in developing further contacts and become more deeply involved in Zimbabwean and regional affairs. [redacted]

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Nevertheless, Mugabe's desire to secure Western aid and his need to take into account the views of more moderate members of his government militate against a precipitate tilt toward Moscow. Mugabe almost certainly will continue to harbor suspicions of the Soviets, and he and many ZANU members will remain cautious in their dealings with Moscow in view of past antagonisms. [redacted]

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[redacted] In addition, Mugabe, although a professed Marxist, is a strong nationalist and probably would like to maintain a respectable political distance from both Moscow and Washington. [redacted]

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We see little prospect that Zimbabwean-Soviet economic ties will expand rapidly in the near term. There is little demand for Zimbabwe's exports in the

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USSR, and the Zimbabweans reportedly are skeptical that the Soviets can supply the manufactured and industrial goods they need on terms competitive with British, American, and other Western firms. In particular, according to Embassy reporting, they fear that the Soviets will try to sell them products of substandard quality. [redacted]

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The potential for countertrade also is limited, the Embassy reports, because Harare realizes that many of its exports, including tobacco and minerals, can command hard currency on international markets. In addition, Zimbabwean officials have not been pleased with barter deals they have entered into with Moscow in the past, [redacted]

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They reportedly have concluded that the Soviets often use such arrangements to take advantage of their African and Third World trading partners.

[redacted]

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At the same time, according to the US Embassy in Moscow, Gorbachev is disinclined to spend freely in the Third World, preferring to marshal Soviet resources for defense and domestic needs. To the extent that Moscow commits resources to Africa, Angola, Ethiopia, and Mozambique are likely to take priority. As a result, Moscow in the foreseeable future will not attempt to supplant the West by providing significant economic aid to Zimbabwe. [redacted]

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Angola: Savimbi's West European Initiative

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UNITA leader Savimbi, bolstered by his successful visit to the United States last January, has launched a campaign in Western Europe designed to gain increased military and political support. Although his trip to Paris and the European Parliament in Strasbourg in October provided international media exposure, it failed to win increased diplomatic recognition or pledges of new aid for UNITA. In our judgment, UNITA's ties to South Africa and West European economic and diplomatic relations with Luanda will continue to pose serious obstacles to any efforts to gain additional public assistance and recognition.

considerable debate in Paris and drew protests from President Mitterrand and several domestic interest groups. In addition, the European Parliament narrowly passed a resolution branding UNITA a terrorist organization and condemning US support.

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On the Road Again

Savimbi's trip received broad media exposure in Western Europe and probably won additional supporters for UNITA in conservative circles. In an informal gathering of conservative members of the European Parliament, talks with conservative business and political leaders in France, and numerous press interviews, Savimbi stressed UNITA's willingness to begin a dialogue with Luanda without preconditions.

Luanda, with support from the USSR, Cuba, and other Frontline States, mounted a substantial effort to undermine Savimbi's trip and to head off any increased European support for the insurgents. Press reports indicate that Luanda vigorously sought to draw attention to Savimbi's ties to South Africa as well as to Western Europe's diplomatic and economic relations with Luanda. Angola reportedly threatened to reduce ties to any country whose officials met with Savimbi. Ambassadors to European countries from the Frontline States lodged their own protests and European Communist movements also condemned the visit.

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Prospects

In our judgment, Savimbi's ties to South Africa will make it difficult for him to gain significant new political and military support over the next year in Western Europe. The South African connection gives Luanda considerable propaganda ammunition to use on European public opinion and is likely to constrain most European governments from additional public involvement with UNITA. Angola's diplomatic and commercial ties to Europe—including French, British, Portuguese, and Belgian interests in Angola's lucrative oilfields—also work against UNITA.

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Savimbi's failure to convince West European governments to meet with him on an official basis, however, overshadowed his successes. Although he went to Europe with high expectations of meeting French Prime Minister Chirac, British Prime Minister Thatcher, and German Chancellor Kohl, he was not formally received by any government. London's and Bonn's refusals to agree to even unofficial meetings forced Savimbi to cancel scheduled stops in England and Germany. His off-the-record meetings with French officials also created

In our judgment, Savimbi probably believes his ability to win new assistance in Western Europe depends on presenting UNITA as a legitimate black African

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¹ The Republican Party is the largest component of the Union for French Democracy that governs in coalition with Chirac's Gaullist Party.

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ALA AR 86-023
28 November 1986

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liberation movement. To achieve this goal, Savimbi during the next year is likely to:

- Continue attempts to arrange official meetings with senior officials in France, the United Kingdom, West Germany, and Portugal, or, at the very least, meet with these officials covertly.
- Mount a media campaign designed to convince the West European public that, despite Savimbi's acceptance of South African aid, he is a black nationalist and not a puppet of Pretoria. At the same time, Savimbi is likely to stress that UNITA has broad ethnic support within Angola and a viable political organization capable of running the country, while the regime in Luanda has little popular support, is unable to administer the country, and has failed to provide an economic livelihood for the people.
- Attempt to focus attention on the large Soviet and Cuban presence in Angola in an effort to undercut Luanda's "black nationalist" and "anticolonialist" credentials. In addition, he is likely to focus attention on the role that oil revenues play in maintaining Cuban troops and the payments for unprecedented levels of Soviet arms, in order to put public pressure on European businessmen to reduce ties to Luanda.
- Make battlefield gains, particularly in the north, to bolster claims that UNITA cannot be defeated militarily. Savimbi probably believes that once West European governments realize this fact, they may be more willing to make open political contacts with UNITA.

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Tanzania: The Troubled Tourism Industry

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Tanzania is losing millions of dollars annually in potential tourism revenues that could ease the country's chronic foreign exchange shortage. Ill-advised government investment regulations, overreliance on an inefficient public sector, and inattention to wildlife preservation are primarily responsible for the underdevelopment of the tourism industry. Meanwhile, poaching, which is taking a tremendous toll on Tanzania's wildlife, could become a political issue tied to President Mwinyi's anticorruption campaign.

Land of Unseen Beauty

Tanzania probably still has the largest concentration of game left in Africa, and the great game parks and reserves of the north (Serengeti, Manyara, Ngorongoro) and the south (Ruaha, Mikumi, Selous) comprise nearly a quarter of the country. Its major land formations, including the Great Rift Valley, the Ngorongoro Crater, and Mount Kilimanjaro, are natural tourist attractions which, along with Tanzania's exceptional wildlife viewing opportunities, could attract 400,000 tourists annually, according to Tanzanian authorities. Tanzania attracted its highest number of tourists—178,000—in 1974, however, and the number of visitors has declined dramatically since 1977 when the Kenyan-Tanzanian border was closed upon the demise of the East African Community, a loose union comprising Tanzania, Kenya, and Uganda. The combined circuit of Tanzanian northern safari grounds and Kenya's southern parks had been the major tourist attraction in the region. In the past several years, Kenyan tourism has predominated because Kenya's tourism industry relies on private safari tour operators who consistently outperform the state-owned Tanzanian Tourist Corporation (TTC), which controls the industry in Tanzania.

What's Wrong?

Dar es Salaam has consistently failed to address serious problems that have contributed to the decline and lack of development of the industry. Tanzania's mismanaged economy has led to chronic shortages of basic goods such as fuel, light bulbs, and soap; and

lowering the standards and raising the prices of tourist accommodations that cater primarily to Westerners. In addition, tourism was severely hurt by the drastic fuel shortages in the fall of 1985, when a short cab ride from Kilimanjaro airport to the nearest hotel was as high as \$100. Potential visitors also are likely to be dissuaded by the rise in dread diseases in Tanzania, including cholera, plague, and chloroquine-resistant malaria, caused by the government's inability to administer its once effective public health program.

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The TTC—a responsibility of the Minister of Natural Resources and Tourism, Getrude Mongella—is a typically corrupt and inept parastatal, in our view. It oversees all tourist activities and owns 80 percent of all tourist hotels and lodges, the majority of which operate at a deficit according to tourism trade journals. The government's rigid trade and currency restrictions and excessive redtape have squeezed out tourist-oriented private enterprise. This contrasts with Kenya, where competition to attract hard currency has led to a proliferation of safari tour companies, luxury lodges, and innovations such as safaris by balloon. Although the TTC announced an expansion program several years ago, we believe that Tanzania's economic difficulties have caused the government to divert tourism development funds to more vital sectors of the economy.

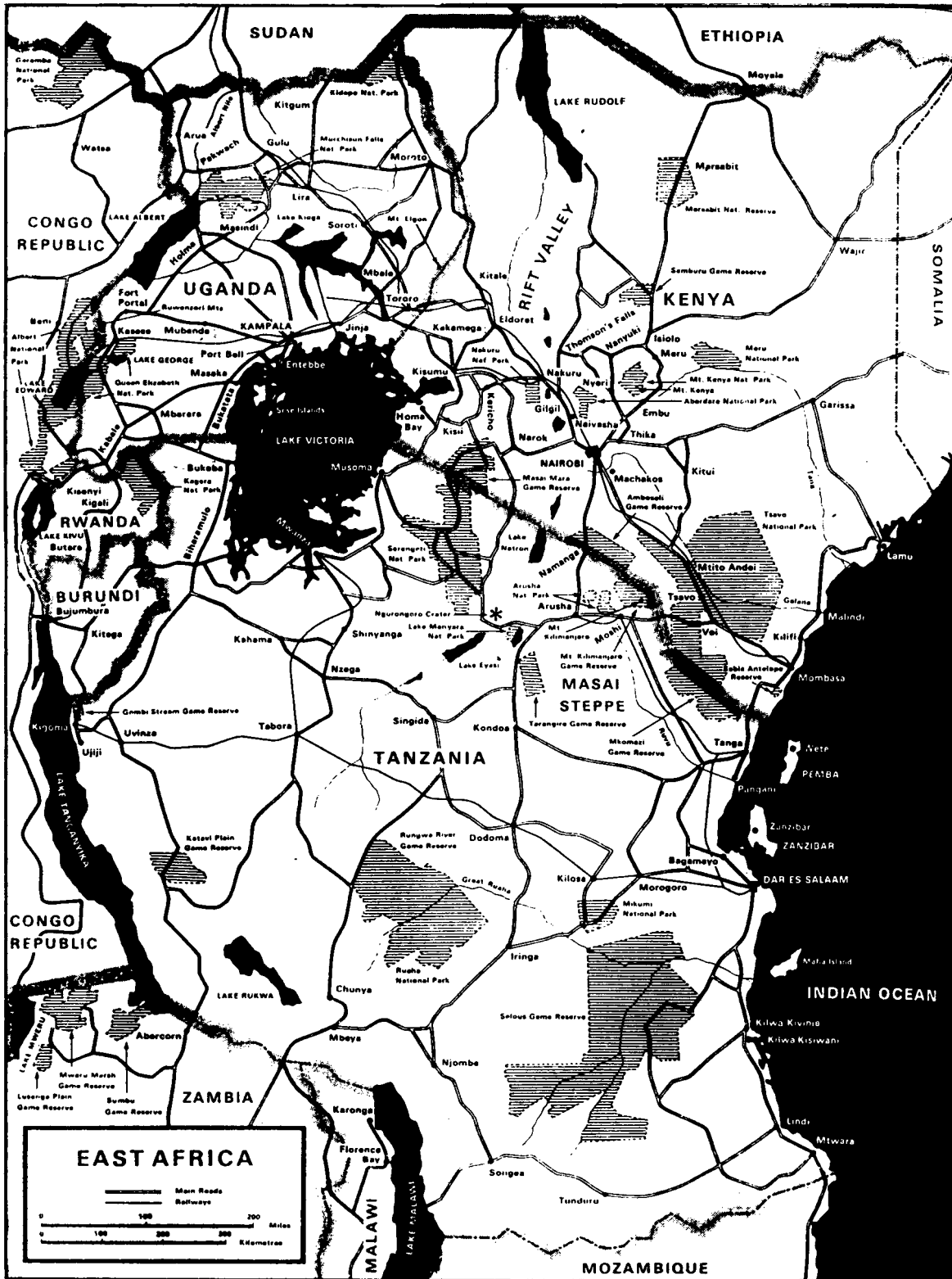
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Game park entry and hunting fees in Tanzania are probably among the highest in East Africa, discouraging all but the most determined and well-heeled hunters and wildlife observers. Access to the game parks is difficult. The rudimentary roads and transportation networks often are in disrepair and fuel supplies are sporadic.

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Ministers of Natural Resources and Tourism—Mwinyi served in this position during 1982-83—have provided indifferent leadership. Reflecting the government's ignorance of tourism's earning potential and continued adherence to socialism, Mongella recently warned that Tanzania “will not develop

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Tanzania-Kenya: Tourism Statistics

	1980	1981	1982	1983	1984	1985
Earnings (million US \$)						
Tanzania		20	15-16	13		12 ^a
Kenya	57.8	63.0	82.6	86.4	106.4	146.3
Number of visitors (thousands)						
Tanzania	84	81	71	60	50 ^a	60 ^a
Kenya	282.1	270.5	267.3	250.8	349.2	413.9
Hotel bed capacity						
Tanzania			4,479	4,973	4,973	
Kenya	8,325	8,526	9,011	9,207	9,204	9,025

^a Estimated.

Source: Country Profiles, Economist Publications, Ltd.

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tourism solely as a commercial enterprise and will not sacrifice its natural heritage merely for money.”

Spending for park upkeep and wildlife preservation is kept to a minimum. For example, only \$200,000 is spent annually to manage the Selous game reserve—the largest in Africa, measuring 320 kilometers from north to south—and there are only three vehicles available to patrol for poachers, according to the US Embassy in Dar es Salaam. The Embassy reports that the poachers' activities are open and well-organized and they can bribe any government officials, probably including the small, underpaid staffs of rangers in the parks.

Poaching: A Political Problem

Poaching has soared to unprecedented levels in recent years, and criminals are intensifying their poaching in fear that Mwinyi's crackdown on corruption soon will prohibit their lucrative activities. The network of poaching probably is as entrenched in Tanzania as other forms of corruption. Criminals have coordinated support within the police, the military, and the government,

Conservationists are urging Dar es Salaam to undertake an antipoaching campaign because a recent study revealed that unchecked poaching has caused a dramatic decline in Tanzania's elephant and rhino populations, according to Embassy reporting. The study indicated that poachers have smuggled out 490,000 kilograms of ivory worth \$49 million and \$3 million in rhino horns from the Selous reserve alone over the past four years.

We agree with the conservationists' assessments that the high level of poaching threatens the already small amounts of hard currency that the tourism sector

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Ministers of Natural Resources and Tourism, Past and Present



Gertrude Mongella

Minister since 1985 . . . only woman on ruling party Central Committee . . . close to former President and current party Chairman Nyerere . . . [redacted] lacks background and experience for tourism portfolio . . . narrow political base centered in party women's organization . . . former Minister of State in Office of the Prime Minister . . . primary interests are social welfare, health and community development . . . from Ukerewe Island, not far from Nyerere's home village . . . 41.

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Paul Bomani

Minister during 1984-85 . . . currently Minister of Agriculture and Livestock Development . . . member of ruling party National Executive Committee but not of Central Committee . . . took few, if any, initiatives while Minister of Lands, Natural Resources, and Tourism, despite apparent sympathy for much-needed reform [redacted] according to US diplomats . . . has considerable support in party's "old guard" . . . Ambassador to United States (1972-83) . . . was leading candidate for Prime Minister in 1985 . . . trusted colleague of Nyerere's, from Nyerere's home region of Musoma . . . 61.

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Clement George Kahama

Minister during 1983-84 . . . currently Ambassador to China, North Korea, and Vietnam . . . competent and hard working [redacted] . . . close to Nyerere but political influence has been on decline since 1970s . . . early member of ruling party . . . during 1966-83 masterminded plans (now stalled) to transfer national capital from Dar es Salaam to Dodoma . . . built up power and influence as head of Capital Development Authority during 1970s, [redacted] . . . Minister of State for Capital Development during 1980-83 . . . 57.

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Ivory, shown here for legal sale in Dar es Salaam, is the poachers' major profit earner. Tanzania Today

earns. Reduced animal populations will discourage tourists who are drawn to the wildlife of the Serengeti and Selous parks. In addition, depletion of the elephant and rhino populations will create environmental problems that will require substantial amounts of money to reverse, as well as impacting negatively on other animal species.

Tanzanian officials, including Mongella, are considering a detailed plan by conservationists to combat poaching, and, according to an Embassy source, will highlight poaching in Mwinyi's continuing public campaign against official corruption. The source maintains that the Ministry of Natural Resources and Tourism has sufficient evidence to remove several officials, including the recently demoted regional commissioner of Morogoro region (where the Selous park is located) and other senior officials who have close ties to former President and current ruling party Chairman Julius Nyerere.

Party Secretary General Kawawa, a prominent supporter of Nyerere and opponent of Mwinyi's recent reform moves, may also be involved in the poaching network.

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Outlook

Tourism is unlikely to operate up to its full earning potential, in our view, because of the government's failure to address the problems confronting the sector. We believe that the government does not have the resources or interest to pursue long-term projects such as wildlife preservation; it prefers to concentrate on quicker moneymaking schemes, and Dar es Salaam does not seem aware of tourism's substantial moneymaking potential. Moreover, despite Mwinyi's International Monetary Fund (IMF) recommended economic reforms, the government is not moving effectively to eliminate the thicket of currency and trade restrictions that hamper private-sector participation needed to boost investments and innovation in the industry.

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We believe that Mwinyi may publicly proclaim a crackdown on poaching, but this will be a largely symbolic gesture despite the lobbying efforts of Western conservationists. Mwinyi's crackdown on poaching is likely to run into the same problems he has encountered in tackling other forms of corruption:

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- [Redacted]

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- Mwinyi probably does not want to anger Nyerere, who still carries considerable political weight, by seeming to persecute the former President's cronies.

- Tanzania lacks the financial resources to wage a war on poaching and has earmarked new funding from the IMF and the World Bank for more immediate needs.

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[Redacted]

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Liberia: A Troubled Economy [redacted]

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President Samuel Doe has been unable to remedy Liberia's growing financial problems, and we agree with the US Embassy that the economic decline may shortly overshadow political developments. The government has lurched from crisis to crisis, lacking determined and able economic leadership to tackle longstanding fiscal and financial problems. To reverse the decline, Liberia would need a substantial rebound of its exports market, but we do not anticipate this in the near term. Doe appears unwilling to impose severe austerity measures needed to turn the country around, and he probably will be looking to Washington to be more accommodating to Liberia's plight. [redacted]

The Economic Situation

Last year the Liberian Government agreed to introduce long overdue economic reforms, including civil service retrenchment, cuts in government spending, and turning over public corporations to the private sector, but implementation has been sporadic at best. The US Embassy reports that the government lacks the ability to impose greater fiscal discipline and end extrabudgetary expenditures. We agree with the US Embassy that Doe has made servicing the payroll his top priority—in an attempt to retain the loyalty of the military and civil servants—rather than introducing politically risky economic reforms. [redacted]

Liberia is unable to pay its mounting international debts. Last January the International Monetary Fund (IMF) declared the country ineligible for new loans, blocking access to their facilities until all outstanding debts to the IMF are paid, which total more than \$100 million, according to press reports. Liberia's fiscal year 1986/87 budget, announced last July, totals \$366 million, an almost 24-percent increase over the previous budget of \$296 million. We agree with the US Embassy that the allocation for debt servicing—only \$52.2 million—will do little to tackle the country's escalating debt arrears and the estimated foreign debt of \$1.1 billion. [redacted]

Roots of the Economic Crisis

Liberia has faced steadily growing economic problems since the 1970s. The country's dependence on iron ore exports, which usually account for at least half of the country's export earnings, make the economy highly vulnerable to fluctuations in world prices. International demand for ore began to drop in 1973 and the world steel market slump produced a huge stockpile in Liberia's main iron export port, Buchanan. The rubber industry also suffered from low productivity and slack international demand in the 1970s. Moreover, the Tolbert regime borrowed heavily overseas, and in 1979 spent \$20 million for the one-week Organization of African Unity summit held in Liberia, according to press reports. When Doe seized power in April 1980, he inherited about a \$650 million external debt and found only \$5 million in the treasury. [redacted]

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Doe's initial haphazard economic policies worsened the financial situation. One of his first acts was to execute a number of prominent Americo-Liberians, including President Tolbert. The executions prompted an exodus of Americo-Liberians, depleting the skilled labor pool and spurring large-scale capital flight. His decision to double civil service salaries and quadruple military pay in 1980 cost the government \$45 million, and in his first eight months in power, the government spent \$1.2 million on travel expenses, according to press reports. The imposition of a general price freeze on rents and all commodities in 1980—while not fiscally prudent—won Doe popular support. From 1981 to 1985, his preoccupation with real and imagined threats to his regime diverted him from dealing with economic problems and long-term development planning, and he relied on temporary, stopgap measures, according to US Embassy reporting. [redacted]

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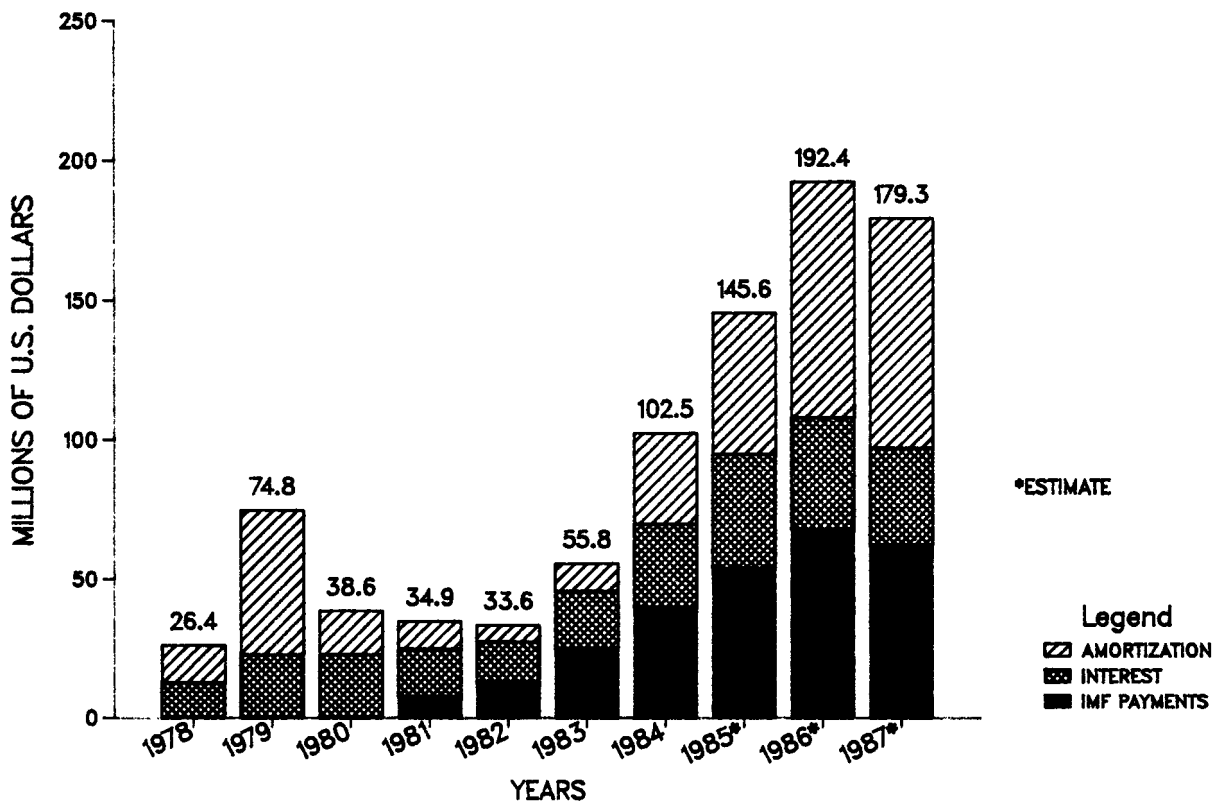
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CHART 2
LIBERIA: MEDIUM AND LONG TERM DEBT SERVICE



Projections for export revenue are based on the CIA's econometric model of Liberia. Debt data are based on IMF estimates and may differ from other data.

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The Local Business Community

The US Embassy reports that a growing number of Liberian businesses have gone bankrupt and the remaining ones increasingly lack faith in the government's policies. According to an Embassy estimate, of 250 firms surveyed in 1983, 26 percent are bankrupt or have ceased operations, and 30 percent have reduced their work force. USAID estimates that the number of firms in the Monrovia area alone has dropped by 50 percent since 1980. Moreover, the Indian and Lebanese communities, which control an estimated 80 percent of retail and

wholesale trade, are cutting back their operations, reducing inventories, and laying aside plans for expansion.

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Which Currency?

Doe publicly states that Liberia will maintain the US dollar as legal tender, but the US Embassy reports that the country is gradually and probably permanently drifting to a de facto local currency. Since 1982 Liberia—in an effort to finance its

deficits—has minted and circulated its own coins, in denominations up to \$5, which are theoretically exchanged at par with the US dollar. In the past year, moreover, Doe has released an increasing number of Liberian coins to pay government salaries. The Embassy reports that US dollar notes are being hoarded and traded at a premium as they become scarce, and in Monrovia some merchants, who lack faith in the unbacked Liberian currency, will accept only US notes. [redacted]

Doe will almost certainly refuse to adopt the Liberian coins as the only national currency for at least the next few months. The US Embassy reports that Liberia lacks the estimated \$100 million needed to “buy” the Liberian coins out of the system, and return the country to the US dollar standard. If Liberia went off the US dollar, a lower-valued local currency would help make commodity exports more competitive, but Doe probably believes this move would be politically embarrassing and highlight his inept economic policy. [redacted]

Restrictions on Foreign Business

To alleviate the growing foreign exchange shortage, since April Liberia has required exporters to surrender 25 percent of their foreign exchange earnings to the National Bank of Liberia, which reimburses them in local currency through the Liberian banking system. The US Embassy reports that some companies believe this violates the terms of their concession agreements. In recent months, Doe has accused some exporters of ignoring the foreign exchange requirement, and in mid-September the government temporarily embargoed iron ore shipments from mining companies until the payments were made, according to Embassy reporting [redacted]

We agree with the US Embassy that this strategy—“creeping expropriation”—may drive out the foreign businesses and fuel even greater capital flight. The government probably believes that it must move against these companies to gain control of increasingly scarce foreign exchange. The US Embassy reports that the two predominant foreign banks may leave Liberia, partly as a result of this policy. Major US banks are drawing tentative plans to cease operations in 1987 or 1988 if the economy does not improve. [redacted]

Prospects for the “Productive Core”

Iron Ore. The US Embassy reports that prospects are poor for the iron ore sector, the country’s largest source of foreign exchange, with exports valued at \$279 million last year. The world market for iron ore is guarded at best, according to press reporting. One mining consortium, the National Iron Ore Company, closed its operations in Liberia in 1985. The Liberian-American-Swedish Mining Company (LAMCO), which is managed by Swedish businessmen but 75 percent of which is owned by Liberians, will exhaust its deposits of high-grade ore within five years and will have to find new markets for its lower-grade ore, according to the US Embassy. Bong Mining, a joint venture of West German and Italian steel companies and the Liberian Government, mines low-grade ore that will be exhausted by the mid-1990s. [redacted]

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The Rubber Sector. The outlook for rubber, Liberia’s second-most important foreign exchange earner, is also problematic. The US Embassy reports that international rubber prices are stagnant and are likely to remain at an alltime low. The country’s rubber industry is dominated by four concessions, three of them US owned (Uniroyal, Firestone, and Liberian Company) and one Malaysian (Gutherie), none of which are increasing their investment or expanding acreage. These companies produced about 90,000 tons in 1985, or 2 percent of the world rubber market, and their exports were valued at \$77 million. Firestone, which accounts for two-thirds of the country’s production, claims it has lost \$20 million since 1984 and has hinted that it may eventually pull out, according to US Embassy reporting. Moreover, the rubber companies are concerned that the government—in an effort to secure new revenues—may want to reopen negotiations on the terms of their concession agreements. [redacted]

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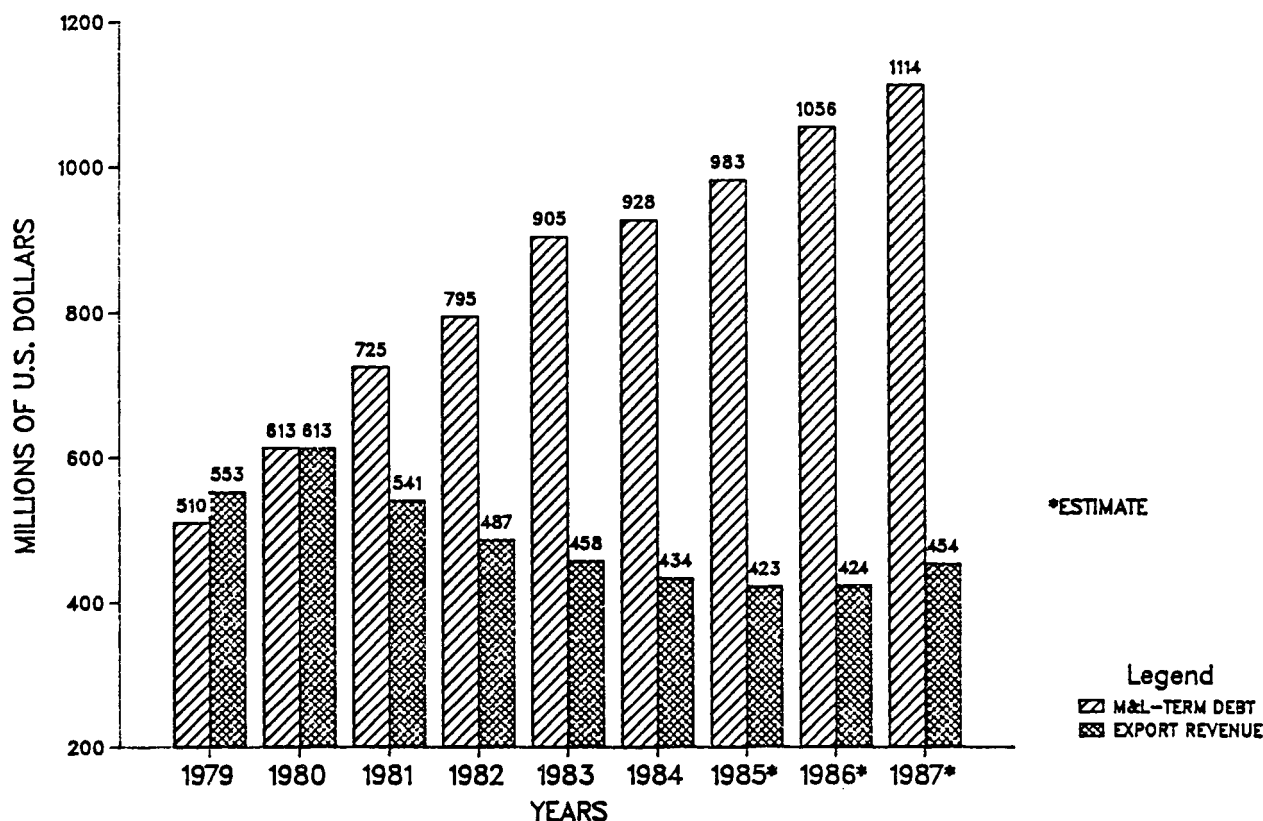
Shipping. Liberia’s shipping registry faces difficulties as well. Monrovia receives about \$24 million a year in revenue from the Liberian flag of convenience registry, which is the largest in the world. Monrovia, however, increasingly faces strong competition from newly created flags of convenience, such as Vanuatu and The Bahamas, which charge lower fees.

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CHART 1
LIBERIA: FOREIGN DEBT AND EXPORT REVENUE



According to press reports, earlier this year Monrovia reduced some fees, made plans to introduce other discounts to stem the movement to other nations, and opened a marketing office in East Asia in an attempt to woo the rapidly expanding shipping fleets operating in the Pacific. [redacted]

has also failed to agree on basic short-term objectives.

[redacted] Bestman argues that the hard currency should be used to meet Liberia's foreign debts, while Tubman says the money should be used to finance the payment of back wages for civil servants and the military. [redacted]

Ineffective Economic Leadership

We agree with the US Embassy that the indecisive economic leadership has fueled the country's financial problems. The current economic team—Minister of Finance Tubman, National Bank Governor Bestman, Minister of Planning Jeffy, and Budget Director Johnson—has failed to impose budget discipline, and each member is reluctant to go beyond his narrow portfolio to devise a comprehensive policy. The group

Liberia almost certainly will lack a coherent economic policy as long as policymaking is divided between the Executive Mansion and the various ministries. The US Embassy reports that Executive Mansion advisers have undercut Bestman's efforts at monetary reform, and that Jeffy and Johnson lack the political clout to influence Doe's policies. We strongly suspect that Doe

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is vulnerable to pressures from Alvin Jones, his cousin and former Finance Minister. Jones, currently the Minister of State for Presidential Affairs, exercises a "mystical" sway over Doe on financial issues, according to the US Embassy. [redacted]

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Outlook

Liberia's economic crisis will continue to grow. Doe's priority almost certainly will remain meeting the salaries of civil servants and the military. Liberia can only restore credibility with international lenders if it enacts an economic austerity program, but we see no evidence of such an initiative. Doe probably believes comprehensive reform would be too risky politically. In the near term, Liberia is likely to pressure foreign companies for greater returns and may even ask them to renegotiate their concessions. Low-level unrest, perhaps sporadic urban violence, and strikes by poorly paid and disgruntled workers are likely in the coming months. Moreover, should Doe fail to pay the military on time, soldiers may be less willing to put down urban unrest. [redacted]

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In our judgment, Doe will continue to ask Washington for financial assistance to bail him out of his economic quagmire. He expects this because of Liberia's "special relationship" with the United States, and his support for Washington in the United Nations and the Nonaligned Movement. Doe may threaten a rapprochement with Libya and the USSR to extract additional economic aid from the United States, but is unlikely to carry through because he is wary of their activities in Africa. In addition, he may take a tough stance toward Washington to enhance his image with the military and the general public as a strong and independent leader if the United States is not forthcoming. While unlikely for the near term, Doe—in desperation—may threaten to impose sizable rental fees on strategically important US communications and navigation facilities in the country. [redacted]

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**Africa
Briefs**

Nigeria	Regime Loses Support Over Journalist's Murder [redacted]	25X1
	<p>Widespread suspicions of government involvement in the unsolved murder of a prominent local journalist in late October have weakened the regime's popularity and triggered rumors of military coup plotting. The US Embassy reports that the assassination of magazine editor Dele Giwa occurred two days after security officials had interrogated him about allegations that he sought to promote a socialist revolution. Press reports also indicate that Giwa had published stories on government corruption and other sensitive issues. Public speculation about official complicity has been fueled by the regime's refusal to appoint a special investigative panel or request foreign police assistance to help track down suspects. [redacted]</p> <p>Nigeria's military leadership reportedly has been concerned that President Babangida could lose the support of influential officers and civilians because of unanswered allegations that connect his wife to the murder, [redacted]</p> <p>[redacted] a senior security official has dismissed rumors of a move against Babangida as unfounded. Although we do not believe that the government's clumsy handling of the incident itself will seriously weaken Babangida's power, the US Embassy reports that the case adds to the list of unresolved grievances against the regime. [redacted]</p>	25X1 25X1 25X1
Malawi	Coping With Mozambique's Refugees [redacted]	25X1
	<p>The influx of over 70,000 Mozambicans fleeing that country's civil war in recent months has forced Lilongwe to turn to the International Red Cross for emergency assistance. Red Cross officials estimate that \$1.5 million will be needed in the next six months to provide the refugees with food, tents, and blankets, according to the US Embassy in Malawi. Thus far, no other official aid has been distributed. Until recently, the Malawi Government refused to admit that a refugee problem existed, but a serious health threat is developing in the densely populated rural border areas because of the refugees' overcrowding and inadequate medical and sanitary facilities. The beginning of a light rainy season is likely to worsen an already desperate situation for the majority of the refugees, who live in the open, according to the Embassy. [redacted]</p> <p>In our judgment, bilateral relief aid has the potential to become a controversial issue. Malawi already is being strongly criticized by other southern African states for continuing formal diplomatic relations with South Africa and allegedly aiding the Mozambican insurgents, and it does not want to be seen aiding any rebels who may have mixed with the refugees. [redacted]</p>	25X1 25X1

Liberia

Romancing Romania [redacted]

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President Doe's visit to Romania in October appears to have led to the delivery of a limited amount of military equipment. The US Embassy reports that 10 Romanian armored cars arrived in Monrovia in mid-November, [redacted]

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[redacted]

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[redacted] Romania also has agreed to provide an unknown number of military transport aircraft. The financing of these deals remains unclear, although Doe claims the arms are a grant from Romania.

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[redacted] Monrovia signed its share of two mining concessions over to the Romanian Government as partial payment for the military equipment. [redacted]

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was not consulted on the arms deal and has expressed fear that the agreement could damage US-Liberian relations. [redacted]

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Doe also appears to have tried to expand Liberia's limited economic links to Romania during his visit. A group of Romanian experts probably will survey Liberia's timber, gold, and diamond potential later this month, [redacted]

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[redacted] The US Embassy reports that Doe also had hoped, but failed, to convince the Romanians to purchase Liberian iron and rubber. Bucharest reportedly still owes Monrovia several million dollars for iron ore it received in the early 1980s. [redacted]

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Doe has told the Embassy that inadequate levels of US military aid prompted his turning to Romania. The deal, however, does not signal a shift in Liberia's pro-Western foreign policy, in our view. Doe periodically demonstrates his pique with what he regards as inadequate US aid levels, and demonstrates his political independence from Washington by flirting with other potential donors. By doing so, Doe hopes to pressure the United States to ease restrictions on aid and be more generous. [redacted]

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