



DEPARTMENT OF STATE
ACTION MEMORANDUM

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JUN 27 1975

TO : The Secretary

FROM: S/P - Winston Lord *W.L.*
AF - Edward Mulcahy *EM*

US African Policy

S/P and AF recently completed a major review of our African policy. The purpose of the review was to ensure that the policies and strategy we are following with respect to Sub-Saharan Africa are consistent with our global priorities and appropriate to the changes taking place in Africa.

The paper seeks to do three things:

- To identify US interests in Sub-Saharan Africa;
- To review US relations with the African countries and assess how developments over the next three to five years are likely to affect these relations and our interests; and
- To propose general policy guidelines for protecting and promoting our interests.

The paper does not call for any dramatic new policy initiatives. We do not believe that our current Africa policies are in need of such major adjustments. Moreover, greater involvement in Africa would not be appropriate to our priority interests elsewhere or realistic in light of current Congressional and public attitudes. But we are recommending that the US take a number of specific measures now to try at least to check if not reverse the downturn trend in US-African relations that has been occurring over the past few years. In particular we propose that the US focus its efforts more sharply on certain key countries where our interests are significant.

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An initial draft of the paper was reviewed by senior Department and AID officials at a meeting chaired by Mr. Ingersoll in December. The paper was subsequently revised to reflect views expressed at that meeting.

The paper has been cleared by EB, IO, PM and INR.

AID's views are summarized in the paper. However, Dan Parker has expressed further reservations in a thoughtful memorandum to Lord attached at Tab 2.

We recommend an analytical staff meeting to discuss the paper upon Nat Davis's return from his African trip. Such a discussion is timely in view of:

-- the uncertainty that exists within AF and the US Government in general as to what US policy is with respect to Africa and in what direction we wish to move;

-- your statements to the Congress and the African Ambassadors that you were undertaking a major review of our African policies; and

-- Ambassador Davis' recent appointment as Assistant Secretary of State for African Affairs.

Recommendation:

That you schedule an analytical staff meeting shortly after Nat Davis returns (July 3) to discuss the attached paper.

Approve HK 7/7/75

Date _____

Disapprove _____

Attachments:

Tab 1 - Policy Guidelines for Sub-Saharan Africa.
Tab 2 - Parker Memorandum to Lord.

Drafters: S/P: Willard DePree; AF: JBlane *JD*

Clearances: EB: RGold/JIngersoll *Ji*

IO: RBlake *RB*

PM: TStern *TS*

INR: Whyland *WH*

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POLICY GUIDELINES FOR SUB-SAHARAN AFRICA

I. Introduction and Summary.

Purpose.

This paper seeks to do three things:

- to identify US interests in Sub-Saharan Africa;
- to review US relations with the African countries and assess how developments over the next three to five years are likely to affect these relations and our interests; and
- to propose general policy guidelines for protecting and promoting our interests.

A Policy for Sub-Saharan Africa: Does it make any sense?

One of the conclusions of the study is that while it may make bureaucratic sense to review our policy with respect to Sub-Saharan Africa -- since this encompasses the area that comes under the responsibility of the Bureau of African Affairs -- it makes little sense to try to fashion a policy for dealing with these countries as a unit. On no single issue are their interests the same. Rather, these countries must be dealt with either in a broader context, e.g., as members of the Organization of African Unity (which includes the north African countries) or as LDC's (a category which includes many countries outside of Africa), or -- as is more often the case -- in a narrower context, e.g., as sub-regions (the Horn, the Sahel), as states with identifiable interests (as black Africans or associate members of the EC), or on an individual basis.

US Interests

US specific interests in Sub-Saharan Africa are modest and will remain so when compared to our interests elsewhere in the world. But we do have significant interests in a few African countries, notably Nigeria and South Africa, and to a lesser extent in Zaire, Angola, Ethiopia and Zambia. Moreover, our interests in the area as a whole are growing as we seek to secure access to resources, as the African countries assert themselves on the world scene, and as the Indian Ocean becomes more important strategically for us.

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Prospects for the US

For reasons discussed in the paper, we expect to see a weakening in our bilateral relations with the black African countries over the next three to five years. Moreover, prospects of winning African support for our positions on many international issues are poor. Continued access to African ports and air space and the use of the few strategic facilities we have in black Africa are no longer assured, owing to black Africa's desire to be non-aligned and to what black Africans view as our "unacceptable" Southern African policies.

Because of the contribution that US technology, investment and trade can make to African development, the prognosis for our economic interests is more encouraging, although US investors and traders should anticipate that black African countries will seek to exact better terms and more concessions from them. However, provided our investors and traders show a willingness to accommodate to African sensitivities, they should be able to operate in Africa at a profit.

Proposed Guidelines.

In this paper we propose eight general policy guidelines for protecting and promoting our interests in Sub-Saharan Africa. We recommend that:

- We give priority attention to developing stronger bilateral relations with key black Africa countries;
- We tailor our development and military assistance to Africa in such a way as to derive optimum bilateral benefit for this assistance;
- We continue to seek acceptance in black Africa for the idea that mutually beneficial economic relations can and should be pursued even though there may be disagreement on political issues;
- We seek to accommodate some of the specific African wishes with respect to investment and trade;
- We be content for the time being with limited strategic facilities in Africa;
- We accept the fact that we are likely to be at odds with black Africans on many international issues for some time to come and adjust our international conference strategy accordingly;

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-- We pay special attention to the "style" of our relationships with black Africans; and that

-- We enunciate more frequently and more precisely what our Southern African policies are, so that white South Africans, black Africans and domestic interest groups will know what we are prepared to do and what we are not prepared to do.

Specific courses of action which might be undertaken in pursuit of these guidelines are discussed in the paper.

II. US Interests in Sub-Saharan Africa.

A. Strategic Interests.

Given our present global strategic requirements, and the limited Soviet and PRC military activity in the area, our strategic requirements in Sub-Saharan Africa are minimal. We would like to maintain the communications stations in Ethiopia (Kagnew is a short term requirement) and Liberia and the tracking stations in the Seychelles and the Malagasy Republic. We need overflight and landing rights for US aircraft and the use of port facilities for US naval ship visits (especially along the Indian Ocean).

The two areas in Sub-Saharan Africa of most strategic concern to us are South Africa and the Horn of Africa. The sea lanes around the Cape of Good Hope are used and will continue to be used by both naval vessels and jumbo tankers carrying oil from the Middle East to Western Europe and to a limited extent to the US. The monitoring of these sea lanes and the ability in extremis to interdict traffic to and from the Indian Ocean is important to us. As our naval activity in the Indian Ocean expands, the US Navy would find it convenient, though not essential, to make use of South Africa's ports for purposes of naval ship visits, preventive maintenance and emergency repairs. This would be particularly true if port facilities in black Africa are denied.

The Horn of Africa is important to us because of its proximity to our oil interests in the Arabian Peninsula and to shipping going in and out of the Suez Canal. Until recently at any rate, Ethiopia was the one friendly country in the area which might have made available to us its port and airfield facilities in event of emergency. This still may be true today. However, the military revolution and unrest in Eritrea makes access to Ethiopian territory in time of need now more problematical. Nonetheless, preservation of a friendly power

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in the Horn of Africa, to the extent that this is possible given the current situation, remains one of our priority objectives.

Finally, throughout Sub-Saharan Africa, we have a broad negative interest in impeding the Soviet Union, the PRC and unfriendly Arab nations from further extending their political influence and in obtaining additional access to military facilities. At present, our best intelligence indicates that the Soviet Union has a communications station and missile-handling and storage facility in Somalia and operational access to ports and airfields in Somalia and Guinea. The Chinese give no indication whatsoever of wanting to acquire strategic facilities in Africa. As long as the Soviets and Chinese do not seek to expand their facilities, the limited facilities we have in Sub-Saharan Africa adequately meet our needs.

B. Economic Interests.

US economic interests in Sub-Saharan Africa are modest but growing.

Direct US investment represents no more than 4 percent of total US investment overseas but is increasing more rapidly than in other parts of the world largely because of attractive oil and mineral investment opportunities throughout the area.

Of the \$4 billion private US investment in Sub-Saharan Africa, about \$3 billion is in black Africa (mostly in extractive industries) and \$1 billion in South Africa (mostly in manufacturing). The largest individual investments tend to be in black Africa; the \$1 billion invested in South Africa is spread among 300 US firms.

The ten largest US investors in Africa are as follows:

<u>COMPANY</u>	<u>SIZE (\$ million)</u>	<u>TYPE AND LOCATION</u>
Gulf Oil	550	Oil production - Nigeria, Angola
Mobil Oil	530	Oil production - Nigeria Oil marketing throughout Africa
Kaiser Aluminum	131	Aluminum Smelter - Ghana

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COMPANY	SIZE (\$ million)	TYPE AND LOCATION
American Metal Climax*	122	Copper Mining - Zambia, Botswana
Alcoa	120	Bauxite Mining - Guinea
Caltex	116	Oil production/marketing - South Africa, Kenya
General Motors	109	Automobile Assembly - South Africa, Zaire
US Steel	77	Manganese Mining - Gabon
Bethlehem Steel	64	Rutile Mining - Sierra Leone
Olin-Mathiesen	61	Bauxite Mining - Guinea

*American Metal Climax' investment of approximately \$100 million in Zambia has been nationalized. Compensation is being negotiated.

Trade with Sub-Saharan Africa accounts for about 4 percent of total US trade, but (as with investment) is increasing at a more rapid rate than our trade with other parts of the world.

In 1974 the value of US trade with Sub-Saharan Africa totalled \$8 billion, \$6.4 billion with black Africa and \$1.6 billion with South Africa. The trade deficit jumped from \$280 million in 1973 to about \$3 billion in 1974, largely as a result of rapidly expanding crude oil imports from Nigeria.

As worldwide demand for petroleum and other resources grow, our most important economic interest in Africa will be to try to assure access to Africa's resources at acceptable prices and terms. We are already totally dependent upon imports of chrome and tin. Within a generation, this complete dependency will extend to bauxite, manganese and tungsten. We will import two-thirds or more of our copper, iron, lead, nickel and zinc. Africa is an important supplier or potential source of all of these minerals except zinc. Of the goods in our stockpile, we already import from Africa substantial quantities of manganese, chrome, rubber, silver and platinum as well as smaller quantities of cobalt and columbium. Sub-Saharan Africa is also the source for 22.5 percent of our crude oil imports (20 percent from Nigeria alone). This percentage will rise with any cut backs in Canadian crude sales to the U.S.

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C. Political Interests.

Our political interests are two-fold. First, we want to maintain the goodwill of major African governments in order to protect and promote some important bilateral interests. In addition, as we seek to marshal international support to deal effectively with global problems (e.g. Law of the Sea, terrorism, environmental pollution, international trade and monetary matters), the support of the black Africans, with one-third of the votes in the United Nations, is important to us. Increasingly, the Africans are voting as a bloc, often in league with other third-world countries, and often in opposition to initiatives we are pursuing. This trend is likely to continue.

D. US Domestic Interests.

Finally, we have an interest that our policies with respect to Southern Africa not be viewed by our own black minority or by groups interested in human rights issues as so morally "wrong" as to prove divisive at home or hamper efforts to rebuild a domestic consensus on other foreign policy matters. We do not wish to suggest that this reaction is inevitable or, for that matter, imminent. However, given the emotion that our policy toward Southern Africa generates in certain sectors and its racial implications, we cannot exclude this possibility. The issue of who is to rule in Southern Africa -- blacks or whites -- is a long way from being resolved. A showdown between black Africans and the Republic of South Africa -- if it does come about -- could fan serious racial and partisan passions in the United States.

III. Current Status of US-African Relations and Prospects for the Future.

U.S. bilateral relationships with black Africa in the immediate post-independence years were for the most part very good. Since then, relations have been weakening and the trend is in the direction of still more attenuation, less influence for the US, and more problems.

Perhaps the most important reason for this is that the African nations are determined to assert their own independence on the world scene and do not wish to be closely identified with any major outside power, whether the former metropole, the US or the USSR. As a manifestation of this independence, the African countries have joined forces with other Third World countries in seeking to obtain redress for grievances they harbor against the ex-colonial and major industrialized nations.

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More specifically, the Africans have been disappointed with the amount and kind of development assistance they have received from the US and with our lack of support for (or opposition to) their stepped-up efforts to bring about majority rule throughout Africa. To the extent that alternative sources of assistance and political backing are available -- and they are -- the US becomes that much less important to the Africans. Finally, the US image in Africa has been tarnished over the last 15 years as a result of some of our domestic problems, the assassinations of the Kennedys and Martin Luther King, Vietnam and exposure of CIA operations.

As we perceive trends and development in Africa over the next three to five years, prospects for the U.S. interests in Africa discussed in Part II above are as follows:

1. Strategic Interests.

US strategic interests in Africa are in jeopardy. Fortunately, our requirements are modest. With the possible exception of the tracking station in the Seychelles and Madagascar, our communications and tracking facilities are of only marginal strategic importance to us and their loss would be relatively insignificant.

Our most serious concern is over the possible loss of access to port facilities and land and overflight rights. The black African countries are sensitive to Third World pressures to deny US naval vessels access to their ports. The matter is most acute in East Africa following our decision to develop a base at Diego Garcia in the Indian Ocean. Those governments that have been cooperative in the past (Kenya, Ethiopia, Mauritius) would probably prefer that we reduce the number of visits. To compound our problem, there is a danger that we may lose access entirely to ports in three countries: in Mozambique and Angola, because the incoming independent governments may wish to demonstrate their non-aligned posture or register their displeasure over the US position during the rebellion; and in Ethiopia because of the fighting in Eritrea. With the number of available ports in East Africa already limited, and given our reluctance to use ports in South Africa for political reasons, the loss of any more ports would be viewed as a serious matter by the US Navy.

Although there are no pressing needs at the moment we should be mindful of the possibility of additional requirements for landing and overflight rights, particularly if some of our current facilities, e.g., Azores, are no longer available.

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On a more positive note, the concern we had in the 1960's that some of the African countries might be attracted to Communism and that the Soviets and Chinese would acquire use of military bases in Africa has -- with the exception of Soviet access to facilities in Somalia and (to a lesser extent) in Guinea -- not materialized. The Africans have been generally ill-disposed to granting base rights to anyone, whether the Soviets, Chinese or the US. Although the USSR's desire to establish itself as a maritime power with a worldwide presence may lead it to seek access to additional African ports, we believe that in general the Soviets will be content with a low military profile on the continent. The Chinese give no indication whatsoever of wanting to acquire strategic facilities in Africa.

2. Economic Interests, Including Future Access to Africa's Resources.

Our judgment is that our investment and trading interests in Sub-Saharan Africa are reasonably secure for the next few years, provided our investors show flexibility in accommodating African economic interests and provided we continue to exercise restraint in our relations with the Government of South Africa. At the same time, we anticipate that pursuit of our economic objectives in black Africa will involve more hard bargaining and trade-offs than in the past.

The desire of most black African governments to develop rapidly should act as a restraint on the worst excesses of economic nationalism. Individual black African governments are not likely to let political differences or group consensus get in the way if they perceive it to be in their advantage to attract US investment or trade. The experience of US firms with Kwame Nkrumah in Ghana and with Sekou Toure in Guinea, two sharp critics of US policies, are good illustrations of this. The one exception -- admittedly an important one -- might be Nigeria, which conceivably could seek to sell its crude oil to countries other than the US and/or limit US access to its growing internal market if our Southern African policies were seen to turn in favor of the white-ruled regimes.

Having said this, we should acknowledge that throughout black Africa, and the LDCs in general, there is a growing sense of economic and political grievance against the developed countries and a search for ways to organize economic pressures against the rich. The Africans want greater control over their own natural resources and foreign enterprises, a revision of international trade and monetary arrangements, new forms of aid, and a restructuring of international trade and monetary arrangements in their favor. Consequently, we would anticipate that the African governments will attempt to extract more concessions from U.S. investors, particularly in extraction

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industries which are attractive targets for nationalization. However, strong bilateral relations can minimize this risk and U.S. firms that are prepared to offer some concessions should be able to continue to operate at a profit. Where nationalization does occur, we would expect that, as has been the case heretofore, US companies usually will be able to reach an amicable settlement with the African government for adequate compensation.

3. Political Support.

Our prospects of winning African support on international issues are poor. There has been an evident trend during the past couple of years, exemplified at the UN General Assembly's Special Session on Raw Materials, for the countries of the Third World to control international gatherings through bloc voting. This appears to be more than a tactic of strength through unity by the weaker countries. There is an unmistakable, emotional element in this display of independence by the non-white and ex-colonial peoples. Having only recently discovered they are able to outvote the big powers in international gatherings, the Africans and their Third World colleagues will be reluctant to give up this psychologically gratifying and politically useful weapon. Furthermore, the Africans consider the OPEC price hikes to be an excellent example of how to apply economic pressures against the developed states for economic objectives.

As long as we refuse to support or acquiesce in Afro-Asian initiatives to promote political goals they consider important -- which for the Africans means, above all, majority black rule throughout Africa -- we should anticipate difficulty in rallying African support for causes that are important to us. Slight adjustments on U.S. policy in the direction of the Africans (e.g. repeal of the Byrd Amendment, acquiescence rather than opposition to African initiatives in the UN), while helpful to us in our dealings with black Africans, are not likely to satisfy them. Their goal is black majority rule, and so long as we continue to do business with the South Africans (which is perceived as "support" for the minority white regime), we will be the target of African criticism and obstructionism.

Even if we were to make significant modifications in our Southern African policy to accommodate black African interests, African political support is not assured, for US and African interests diverge on many other issues as well.

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For example, as LDCs the Africans have good reason to be interested in economic growth rather than in control of the environment, in greater spending by the UN rather than in budgetary restraint, and in using SDRs for development assistance rather than strictly as an international monetary reserve. These basic differences will probably persist for a long time.

4. Southern African Issues.

The coup in Portugal set in train developments that make the future of Southern Africa very uncertain. Some of the developments suggest that we might have a respite from -- or at least a scaling down of -- violence and open confrontation.

-- The transition from colonial rule to independence in Portugal's African Territories has proceeded more rapidly than we had anticipated.

-- In Rhodesia there is a shaky and incomplete cease-fire. The nationalists have merged into a single (though highly factionalized) organization for negotiations, and Prime Minister Smith and the nationalists have begun to meet on plans for a constitutional conference. Perhaps most important, South Africa has continued to exert pressure on Ian Smith to reach a settlement.

-- With respect to Namibia, the Government of South Africa has announced that it is prepared to accelerate the process of self-determination (the earlier target had been within ten years) and that it is willing to let the peoples of Namibia decide their political future themselves, including as an option, independence under a unitary state.

-- Finally, after years of diplomatic boycott, black Africans and South Africans are talking with one another about these problems.

But encouraging though these developments are, detente in Southern Africa is a slender reed at best. Chances of a collapse of dialogue and a recurrence of guerrilla action and confrontation are very real.

-- In Angola, an intermittent civil war has been fought over the past few months. The three hostile liberation movements have professed their commitment to peaceful transition, but the truce is tenuous and even more serious fighting either before or after independence in November is likely.

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-- In Rhodesia, foot-dragging and duplicity by Smith and disagreements among the rival Rhodesian nationalist leaders already threaten a negotiated settlement.

-- In Namibia, it is doubtful whether the South African Government will move fast enough to please the Africans. Pretoria is evasive about the details of its promised self-determination. It still seems to be favoring a "federated" or "homelands" solution, which is anathema to many Africans, including the major liberation movement in Namibia.

-- Furthermore, the South African Government gives no indication of abandoning or even significantly moderating its own apartheid policy. It has by far the most effective armed forces and police in Southern Africa and is prepared to use them ruthlessly to maintain white rule. South Africa has also resigned itself to a long haul of international ostracism. On present appearances, therefore, it would seem that the regime will not be seriously threatened from within in the next three to five years.

But a caveat must be attached to this judgment. Awareness by South Africa's blacks of the changes in Portuguese Africa will have far-reaching implications, of which we have seen only the first and most tentative manifestations. The success of the liberation movements, as exemplified by FRELIMO, will almost certainly sharpen the aspirations of black South Africans. Rising black student protests, rejection of Bantustan independence by black homelands leaders, and the growing militancy of black labor, for example, point to a rising political consciousness and sense of frustration. We think, therefore, that explosions among urban blacks or even outbreaks of rural insurgency are possible, even likely, in the period ahead. For the foreseeable future, these outbursts will probably be manageable, in internal security/policeterms. But each one will shake the confidence of white South Africans and, by the very repressiveness of the response, produce more attention and international protest.

IV. Recommended Policy Guidelines.

Given the interests we have in Africa (part II) and our estimate of how anticipated developments are likely to impact on these interests (part III), we set forth below what we believe are realistic guidelines for best protecting and promoting these interests.

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Guideline No. 1. We should give priority attention to developing stronger bilateral relationships with key African countries, i.e., those that possess resources we want, where we have large or significant investment, or which accord us landing rights and use of their ports or provide us with useful strategic facilities.

In terms of these specific interests, South Africa and Nigeria are far and away the most important countries to us in Sub-Saharan Africa. The size of our trade and investment in South Africa and its strategic location have already been noted. Given South Africa's political isolation and its government's desire to strengthen its ties to the US, we believe our interests there are secure so long as the present regime is in power. Should the need arise, we would anticipate no difficulty in acquiring access to its military facilities or to a larger share of its resources.

Nigeria's ascendance has been more recent. Besides having the world's ninth largest population, it is now the world's seventh largest producer of crude oil; it has enormous proven reserves of natural gas to which we are seeking access; it has a favorable trade balance of \$8 billion; it has a gross domestic product equal to the rest of black Africa; it is the largest market in Africa; and it will probably become Africa's center of fertilizer production.

Nigeria's cooperation with us is less sure. The government's victory in the civil war with Biafra in 1970 left Nigeria with both a renewed sense of destiny as leader of black Africa and a residue of suspicion against the US. Moreover, Nigeria's firm policy of non-alignment does not permit it at the moment to display publicly a close association with the United States. This could change as Nigeria becomes more sure of itself and feels less compelled to follow slavishly a non-aligned policy line. At the same time, the Nigerian leadership has been very critical of our attitude toward the oil producers (particularly our policy of no IBRD loans to OPEC members) and of our Southern African policies and conceivably could try to use its oil and gas as a way of extracting political concessions from us. Protection and promotion of our interests in Nigeria, therefore, will require careful attention.

Angola, Zaire, Zambia and Ethiopia are of lesser but still major importance to us; Angola, Zaire and Zambia because of the size of our investments there and their considerable mineral wealth, and Ethiopia because of its strategic importance.

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In addition, President Kaunda of Zambia is playing an active and influential role in developments in Rhodesia and the Portuguese Territories, as is President Mobutu of Zaire¹ in Angola.

In a third category, we would place the coastal states of East Africa (Kenya, Tanzania, Mauritius, Mozambique and the Malagasy Republic) which are important to us for strategic reasons, and the coastal states of West Africa (particularly Ghana, Liberia, Guinea, Gabon and Ivory Coast) which are well endowed with natural resources and which offer good investment and trade prospects. Among these states, Liberia has an historic relationship with the US, and Presidents Tolbert of Liberia and Houphouet-Boigny of the Ivory Coast have used their influence for moderation in black Africa and have been helpful diplomatically to us in the past.

Our bilateral interests in the remaining African countries are negligible. This could change, however, if oil or other important resources are discovered or if we should require additional strategic facilities. Moreover, there is a general humanitarian interest in the US in these "poorest of poor" countries, in part because of the disastrous 1972-1974 drought in the Sahel. The genuineness of our own desire to help the less fortunate will be judged to some extent -- particularly in the Third World -- by our willingness to join in helping these disfavored nations.

Guideline No. 2. We should tailor our developmental and military assistance to Africa in such a way as to derive optimum bilateral benefit for this assistance. Specifically:

-- Because our means are limited, we should devote the bulk of our resources and effort to those countries in which we have specific current interests and objectives to attain. When making allocations among these countries, (e.g., both Nigeria and South Africa have ample income from which to finance their own development), the recipients' capacity to utilize assistance effectively and the availability of assistance from other sources.

¹ Despite his recent charges of US plotting against his regime and person, Mobutu probably regards his ties with the US as important. But he is ambivalent about the relationship, at one and the same time concerned to reassert his independence and fearful of losing the benefits of close relationship with the US. Mobutu's complexities, his external ambitions, and his internal problems may make the US-Zairian relationship delicate for some time to come.

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-- At the same time, we should continue to allocate each year a substantial portion of our development assistance to the "poorest of the poor" countries. This reflects administration policy and is in keeping with the current sentiments in the Congress. For the foreseeable future the largest portion of funds devoted to this category of countries should continue to be earmarked for the Sahel, where we have undertaken a long-term development commitment following on our emergency drought assistance in this region. Despite our lack of tangible economic or political assets or objectives in these countries, our assistance to them will lend credibility to the contention that our development aid is disinterested and not given solely to advance our own fortunes in major recipient countries.

-- In order to maintain control over our aid resources, thus retaining the flexibility necessary for policy purposes, most of our aid funds should be programmed bilaterally rather than through international organizations. This is not to say that we should not contribute to the African Development Bank or, for example, participate in a joint effort in the Sahel. But the major thrust of our efforts should be bilateral cooperation.

-- We should seek to increase the amount of our bilateral development assistance (as distinct from emergency humanitarian aid) available for black Africa from about \$150-\$175 million, which it has averaged the past few years, to about \$250-\$200 million. (This would be in addition to the continued use of PL 480 Title I assistance for development programs.)

\$250-\$300 million in grants and loans will not be a massive aid program for the continent. It would merely restore our aid levels to what they were in the early 1960's, without compensating for inflationary increases since then.

We would not expect this modest increase to produce a major impact in development or political terms. But small amounts of aid, flexibly employed, can have an important political impact in the African environment. What the increase also can do is to rebut the notion most black Africans have that the US is no longer interested in Africa.

-- We should seek to institutionalize arrangements through which Nigeria can have access to American technical assistance on a reimbursable basis as provided for under Section 607 and 661 of the Foreign Assistance Act.

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While Nigeria's very strong financial position obviates the necessity of grant aid or concessional borrowing, Nigeria is still very deficient in the technical skills necessary to put her financial resources to productive development use. Consequently, we can expect Nigeria's demand for foreign technical expertise to continue, but now at Nigeria's own expense. This situation will offer excellent opportunities for US-Nigerian cooperation, which should serve to promote closer relations in other economic matters and in political affairs as well.

-- In countries where our tangible interests are presently negligible, we should develop small programs that enhance access to key government officials so that we will be in a position to alert US firms promptly when trade and investment opportunities arise or when we wish some special political cooperation from these governments. Style and symbolic behavior is extraordinarily important to Africa's leaders. Therefore, we should place special emphasis on personal diplomacy and on highly visible and politically rewarding (though relatively inexpensive) projects which are attractive to African leaders, such as the ambassador's self-help fund, exchange visitor programs, and token military training in the United States.

-- We should seek either a higher regional ceiling (now \$40 million) on military grants and credit sales for Africa or have the ceiling lifted entirely in order to facilitate the protection of our bilateral strategic interests. (It would have been helpful to have had this option when considering how to respond to the Ethiopian request for military assistance.)

At the same time, we must remember that security assistance resources for Sub-Saharan Africa, as elsewhere, will be limited and no false hopes or expectations should be engendered. A willingness to use military assistance to maintain close bilateral relationships should be carefully evaluated on a case by case basis. We should be quite circumspect about both the quantity and quality of the weapons systems we would be willing to transfer. Each case must be evaluated at least on the basis of the recipient government's needs, its impact on regional arms balances, the economic capability of the requesting country and the specific US interest involved in permitting arms transfer. The use of grant material assistance should be severely limited since it is very likely that this form of assistance will not be available to the US Government for too much longer.

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-- In view of the likely predominance of military regimes in Africa for some time to come, we should reassess the content of our military assistance, considering, in particular, the development impact that may be possible through greater cooperation in civic action programs and military skills that could also be applied to civil administration and development problems.

Guideline No. 3. We should seek to gain acceptance in black Africa for the idea that mutually beneficial economic relationships can and should be pursued even though there may be disagreement on political issues.

This is important to us as we perceive a period ahead of major political differences with the Africans, particularly over Southern African issues. There are obvious advantages to the Africans in maintaining and developing economic links with the US to make this strategy attractive to them. However, we will undoubtedly encounter difficulties in having this principle accepted, for the Africans believe they have little recourse other than economic and political sanctions as a means of applying pressure on the minority regimes in Southern Africa. They have also concluded from the Arab oil boycott that concerted economic action can be effective in achieving political objectives. The sanctions we imposed on countries that trade with North Vietnam and Cuba put us in an awkward position to argue the reverse. Nonetheless, insofar as our bilateral relations with black African countries are concerned, we believe we should try.

Specifically:

-- We should set an example for the Africans by our own practices in Africa. We should therefore continue to facilitate trade and investment in countries that are critical of US policies. The rationale for such action should be strictly economic, not from any expectation of deriving political advantage. This is the policy we followed in Algeria and Ghana (under Nkrumah), much to the benefit of US investors and traders. In pursuing this policy, however, we must be guided by the specifics of the situation. While most African governments have been hospitable to US investment and trade, a few (including friendly as well as unfriendly governments), have unilaterally tried to alter contract obligations. Thus, we must be cautious and selective about encouraging American companies to invest.

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Guideline No. 4. We should seek to accommodate some of the specific African wishes with respect to investment and trade.

Specifically:

-- With respect to investment the US Government should point out to US firms the political and economic advantages of accommodating African demands for: 1) progressively more equity participation by the host government or host country nationals; 2) the training and selection of Africans in management positions; and 3) increased processing in country. Such action should help create a better investment climate for the firms, ensure longer investment tenure and reduce governmental harrassment.

-- We should apply our case by case approach sympathetically to commodity problems. Rapid renegotiation of a coffee agreement, US participation in negotiations and potential membership in a new cocoa agreement, and a possible international conference to consider copper problems could mute some African criticism and might help create an atmosphere more conducive to orderly pricing on commodities of interest to Africans. We should also consider an export earnings stabilization scheme perhaps on a multilateral basis that would provide special help for poorest countries, many of which are African.

Guideline No. 5. We should be content for the time being with limited strategic facilities in Africa.

Specifically:

-- Because present US strategic requirements in Africa are minimal, we should not seek to expand our military installations unless specific urgent national security requirements demand it, lest in so doing we prompt hostile forces (USSR, PRC) to seek to expand their facilities in the continent.

-- We should continue our policy of restraint with respect to military links with the Republic of South Africa. To enter into a closer military relationship with South Africa would be viewed by black African countries as an embrace of apartheid. It might produce economic retaliation against US firms and would almost surely provoke black African countries to deny us facilities which they now make available to us. It might also open up opportunities for the Soviets and Chinese to expand their military presence in black Africa.

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-- We should encourage and support African initiatives to establish a nuclear free zone in Africa. As in the case of the already-existing non-proliferation zone (NPZ) in Latin America, an NPZ in Africa would help head-off the potential danger that would arise if at some future time one or more states decided to develop nuclear explosive capability. South Africa might conceivably be attracted to such a proposal to forestall future African acquisition of a nuclear explosive capability.

Guideline No. 6. We should accept the fact that we are likely to be at odds with the black Africans on many international issues for some time to come, and should tailor our international conference strategy accordingly.

Specifically:

-- We should be more sparing in selecting issues on which we try to rally African support. At the same time, we should continue to let African governments know what our position is on issues important to us, even though we do not expect to gain their support, since in this way the governments are fully aware when they oppose the resolution that we have asked either for their support or identified the issue as important to us.

-- At the UN, we should try to be less negative with respect to African or Afro-Asian resolutions which do not involve a matter of principle for us and on which we know we are going to lose anyway. If the resolutions do not require action, we recommend that we note our opposition to them and vote against them, but that we avoid seeking to be leading the opposition to defeat them. On the other hand, we should make it clear that we intend to vote no on resolutions that require action that we cannot carry out.

Guideline No. 7. We should pay special attention to the "style" of our relationships with Africans. We have so few substantive relations with most African governments that we must take extra care to find occasions to convey our interests in them. This, is a matter of great importance to Africans and costs us little. At the moment they very much resent being treated by us as the runt of the international litter. Our interests in Africa may be modest, but we need not telegraph our attitude as conspicuously as we have over the past few years.

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Specifically:

-- We should seek ways of granting Africans more access to top level officials in Washington, (i.e., above the level of Assistant Secretary). We believe this as important as trips to Africa by the President, the Vice President or the Secretary. If the Secretary cannot spare time to meet with the African ambassadors separately, we would recommend that he schedule two or three meetings a year with the African Diplomatic Corps.

-- We should pay more attention to those African organizations that are important to the Africans and to those individuals in the organizations who dictate or influence the policies of these organizations. For Africans, the two most important organizations are the Organization of African Unity (OAU) and the Non-Aligned Group (NAG). The key countries or individuals at the moment are Algeria (President Boumediene and Foreign Minister Bouteflika); Nigeria (General Gowon); Presidents Nyerere of Tanzania, Kaunda of Zambia and Mobutu of Zaire; President Houphouet-Boigny of Ivory Coast and Serghor of Senegal (for the ex-French colonies), and the top officials of the OAU and NAG bureaucracy, particularly their officers at the United Nations. We should seek additional ways to convey the impression that we consider these organizations and these individuals important. One way of doing this would be to designate our Ambassador to Addis Ababa as our representative to the OAU. We should make it clear while we may not agree on some issues, we are prepared to talk, to listen, and to look for areas where we can agree. (The detente with the Soviets and the improved relations with the PRC and Egypt should help us here.)

-- We should not become too closely identified with the policies of any particular African government. We should make certain that the nature of the relationship we establish with governments not make it difficult to carry out good relations with their successors. This would argue for a policy of broad contacts by our Embassy personnel, including contacts with opposition and liberation leaders where feasible.

Guideline No. 8. We should enunciate more frequently and more precisely what our Southern African policies are, so that white South Africans, black Africans and US interest groups will know what we are prepared to do and what we are not prepared to do.

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With Respect to the Republic of South Africa.

-- We should not be as defensive as we have been in the past about our current policy towards South Africa.² Our posture of "restraint" and "communication" may not please many Africans (black or white) or our own domestic critics, but has served our bilateral interests reasonably well. Moreover, it is consistent with the broad policy guidelines spelled out elsewhere in this paper. Obviously, whatever statement we make with respect to our policy must be balanced. Thus, we should make it clear that while we are not going to support certain international moves to ostracize or impose sanctions against the Republic of South Africa, neither do we feel compelled to serve as South Africa's defenders in the international arena.

-- Until changing circumstances provide a good reason for adjusting our policy we should not do so. The posture we have adopted towards South Africa has been arrived at after long and careful weighing of the various options we have open to us to protect our conflicting interests in black and white Africa. Since critics of our policy monitor US actions and statements closely and are quick to interpret every seeming departure in policy (e.g. "grey area" sales, or the visit to the US of South Africa's Defense Chief Admiral Bierman) to be of symbolic importance, adjustments in this policy may well cost us more than the benefits we hope to derive from such adjustments. For this reason, the Department has understandably tried to avoid actions which might give cause for such speculation.

-- We should not get out in front in promoting dialogue between the Republic of South Africa and the black Africans. If dialogue is to amount to anything it will be because the Africans, both black and white, want it to happen, not because we urged them to do so. However, we should be willing to facilitate dialogue between the Republic of South Africa and the black Africans if requested by the parties concerned.

-- We should continue our assistance to Botswana, Lesotho and Swaziland in order to lessen their dependence on South Africa and to demonstrate that multiracial or nonracial societies can work.

-- We should begin now to plan what we will do if the Transkei, the first black "homeland", is granted independence or a large measure of autonomy in 1976 as the South African

²See Appendix B for an outline of the basic elements of our policy.

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Government has indicated. There will be decisions to make regarding the establishment of diplomatic relations, aid and investment. While most African governments will probably not have anything to do with the Transkei, viewing it as an "Uncle Tom" creation of the South African Government, the granting of independence or autonomy to the Transkei could conceivably be the catalyst that sets in train fundamental changes in the apartheid system in South Africa. The development therefore deserves serious attention.

Rhodesia and Namibia.

The considerations on which our South African policy are based are not applicable to Rhodesia or Namibia, where the legal and political circumstances are different, and where our interests are far less important than our interests in South Africa. Now that the Portuguese Territories appear to be on their way to majority rule the focus of African attention and efforts will be directly primarily, or at least in the first instance, at Rhodesia and Namibia rather than at South Africa itself. We can support some African initiatives on Rhodesia and Namibia without jeopardizing our interests in South Africa.

With respect to Rhodesia, we should persist in seeking repeal of the Byrd Amendment, enforce rigorously the embargo on trade and business dealings with Rhodesia, continue our scholarship program for Rhodesian refugees, and expand our contacts with Zimbabwe leaders outside of Rhodesia. We should also start now to anticipate the kinds of development assistance that the new nation Zimbabwe might request of us, and the nature of our response.

With respect to Namibia, we should continue to discourage US investment, to remind potential new investors that the US Government will not protect their investment against claims of a future lawful government in the Territory, to withhold Ex-Im Bank guarantees and other facilities, to urge US firms doing business in the Territory to improve working and living conditions of their non-white employees, and to refuse to establish an official representation in the Territory. In addition, we would expand our contacts with Namibian liberation leaders and contribute to some (but not all) of the UN programs that provide humanitarian aid to Namibian refugees.

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Portugal's African Territories

-- We should make a special effort to establish good working relations with Mozambique and Angola. These countries are important to us because of Angola's resource wealth and the size of US investment there, because of the convenience to US naval vessels of port access in both Angola and Mozambique, and because of the importance developments in these countries will have on Rhodesia, Namibia and South Africa. A positive response to requests for development assistance or emergency food and financial aid would help demonstrate to the many skeptical leaders in Africa that the US truly does welcome self-determination in South Africa. We should therefore accord special importance to aid projects in these two territories in the immediate future.

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Appendix AUS Investment and Trade Interests
in Sub-Saharan Africa

	US Direct Investment (\$ Million)	Value of US Exports (1974) (\$ Million)	Value of Imports to the US (1974) (\$ Million)
Nigeria	1,000 est	286	3,826
South Africa	964	1,160	609
Zaire	158	145	68
Angola	350 est	62	378
Zambia	112	68	6
Ethiopia	25	33	63
<u>West Africa</u>			
Liberia	252	70	96
Ghana	190	77	126
Guinea	250 est	14	14
Gabon	125	32	162
Ivory Coast	36	49	95
<u>East Africa</u>			
Kenya	75	49	39
Malagasy Rep.	52	7	60
Tazania	5	51	26
Mozambique	15	32	45
Mauritius	--	16	32

Appendix B

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Summary of U.S. Policy Towards

SOUTH AFRICA

The basic elements of our policy are as follows:

-- We are on record as supporting racial equality and self-determination and opposing South Africa's apartheid policy;

-- We refuse to support international initiatives calling for forceful change or economic sanctions;

-- We avoid involvement in military or internal security activities;

-- We maintain an arms embargo on South Africa, and do not permit use of South African ports by US naval vessels except in emergency;

-- We believe peaceful change must ultimately encompass improved relations between South Africa and black Africa and dialogue between blacks and whites in South Africa;

-- We oppose moves to oust South Africa from international organizations;

-- We seek improved communications between all elements of South African society and elements of our own;

-- We assign black Foreign Service officers to responsible substantive positions in our posts in South Africa;

-- We insist on multiracial entertaining by our people in South Africa;

-- We neither encourage nor discourage trade or investment in South Africa;

-- We limit Ex-Im Bank facilities and trade promotion;

-- We encourage US firms involved to improve working and living conditions of non-white employees;

-- We support US citizen groups who assist victims of oppressive legislation in South Africa.

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