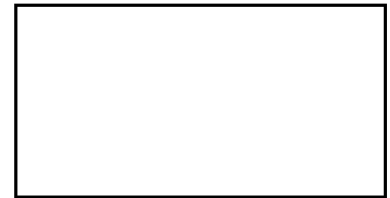


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OFFICE OF
NATIONAL ESTIMATES

MEMORANDUM

Wider Implications of Uganda's Expulsion of its Asians

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25 October 1972

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CENTRAL INTELLIGENCE AGENCY
OFFICE OF NATIONAL ESTIMATES

25 October 1972

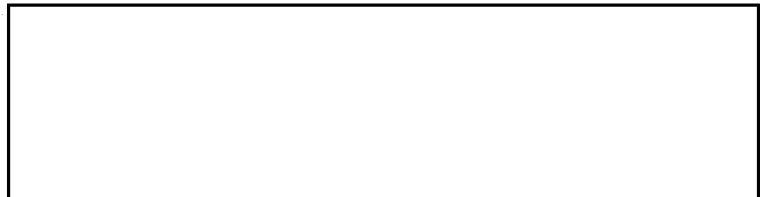
MEMORANDUM

SUBJECT: Wider Implications of Uganda's Expulsion of its Asians*

The expulsion order served by Ugandan President Idi Amin on his non-citizen Asian population is having a considerable impact on all elements of the Uganda populace, and is likely to affect delicate race relationships in other East African countries. This memorandum addresses the implications of Ugandan actions for the Asian minorities in Kenya and Tanzania, and possible problems of resettlement which would affect the UK, and perhaps the US.

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* *This memorandum was prepared in the Office of National Estimates and discussed with appropriate offices in CIA, which are in agreement with its principal judgments.*



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A. The Role of the Asians in East Africa

1. The Asians (mostly Indians) first came to East Africa in large numbers in the early years of the twentieth century to build the railroads and to set up small retail businesses along the rail lines. This migration was confined to East Africa -- Kenya, Uganda, Tanzania, and the east coast of South Africa with some spillover into bordering areas. There are very few Asians in other parts of the continent. Through natural increase and further immigration the Asian community in East Africa grew very rapidly. Barred by British Colonial law from owning arable land, they took to commerce on all levels, to service industries, and to the professions. British colonial officials tended to employ Asian clerks and assistants, often in preference to Africans, because the Asians were better educated and were more used to modern ways of doing things. Hence, in the years before East African independence the Asian communities constituted the bulk of the middle class. They still do.

2. Even after several generations of residence in East Africa the Asians tend to live quite apart from the Africans. Though they have daily business relations with Africans, there is virtually no social contact and no inter-marriage. In dress, diet, language, and

religious and cultural activities, the Asians maintain their separate identity. Within the Asian community there are great disparities in wealth and sharp divisions by caste and sect. In these sub-communities marriages are arranged, money loaned and borrowed, business opportunities discussed, and traditional customs maintained. Few of the Indians display much sense of national allegiance. They have stayed on in East Africa despite increasing pressures and dangers because of the ties of property and investment and because they had no other place to go. When independence came to East African countries in the early 1960s relatively few Asians chose to become citizens. Many of those who did were careful to preserve British passports. Others who applied for citizenship came afoul of African bureaucracy and ended up stateless. Most no longer have ties to India or Pakistan.

3. In the last few years, as Africans have become more demanding and as Africanization programs have developed, the Asian near monopoly of commerce and professional activities has come under attack. Criticism of the Asians has at least three facets: the African man-in-the-street believes that Asian merchants and money lenders are cheating him and his fellow countrymen. Educated or semi-educated Africans are jealous of the Asians' jobs, positions, and perquisites, and feel competent to replace

them. And, the African ruling elite, faced with heavy internal budgetary problems, are incensed by the efforts of rich Asians to move their money out of the country. Also, there is a growing xenophobic trend which has led to a hardening of African attitudes towards the Asians.

4. Ever since independence East African governments have been under increasing pressures for throwing the Asians out, but have resisted for fear of disrupting the domestic economy. A variety of lesser measures has been tried at one time or another: in Kenya, denial of trading permits to non-citizens; in Tanzania, severe limitations on private enterprise and state seizure of some properties; and in Uganda, nationalization of some businesses. Unofficially, there has been a fair amount of harassment, extortion from wealthy Asians, demands for donations, and heavy tax assessments.

5. In so far as the aim was to reduce the Asian population, these programs have had some success. In the past five years or so, one-third to one-half of the East African Asians have left. Of those remaining, roughly half have some claim to local citizenship. The dilemma remains, however, for the Asians still on the scene are not loved or accepted. Though less than one percent of the population

of Uganda, Kenya, and Tanzania, they still control perhaps 80 percent of private trade, and hold a preponderant position in the professional and skilled labor ranks.

B. Asians in Uganda

6. The immediate issue is that of the Asians in Uganda. The fate of those in Kenya and Tanzania depends to some degree on how the drama of expulsion is worked out in Kampala. The deadline set by Amin for the departure of all non-citizen Asians is 8 November. If the most recent and optimistic calculation of British officials is correct, all or nearly all of those holding British passports (about 25,000) will be evacuated to the UK by D-Day. Much more uncertain is the fate of the stateless Ugandans. These were once thought to number some 10,000, but some Asians who had considered themselves citizens are suddenly finding themselves non-citizens as capricious Ugandan officials tear up their papers.

7. Meanwhile, the deterioration of internal security in Uganda seems to have halted at a point just short of anarchy. Gangs of uniformed soldiers roam about, bullying the populace, and harassing foreigners. In these circumstances, it seems remarkable that there has been no general massacre of Asians. Several hundred have probably been slain

in the past couple of months, and many others beaten, robbed or dispossessed, but organized convoys of departing Asians are bussed daily from Kampala to the international airport at Entebbe, running a gauntlet of army roadblocks.

8. It is unclear what will happen to the remaining Asians when 8 November rolls around. Amin has at various times spoken of throwing the leftover Asians into concentration camps, or herding them into a stadium, or just "dealing with them". In one of his more lucid moments he recognized that the abrupt departure of all non-citizen Asians would bring severe disruption to essential services. Hence, a hasty declaration that certain Asians (technicians and skilled workers) would not be allowed to go. To those affected, this edict was worse than expulsion. Those Asians remaining in Uganda, with or without citizenship, are likely to be in for a very rough time. Ugandan citizenship papers will not help much when Amin needs more scapegoats.

9. The Asian departure is having a decidedly adverse effect on the functioning of the economy and of services in Uganda. Amin had justified his expulsion order on the grounds that the Asians were sabotaging the economy. To the extent that expatriated capital and profits were draining the country of wealth, he had a point. The

remedy, however, is likely to make the patient sicker. There are virtually no African entrepreneurs to take over the commerce of the country, nor are enough African skills available to keep essential services functioning. Beyond that, it is no longer possible to get a haircut in Kampala, and those few Asian businessmen still in place cannot find any auditors to go over their books. The Ugandan economy was shaky before Amin came to power, and has deteriorated steadily since that unfortunate event. There will undoubtedly be further slippage, but this may not have much immediate political impact. The sizable subsistence sector of the economy will not be much affected, and the modern sector is already badly disrupted by irresponsible government budgeting policies and the decline of internal security. If Amin is overthrown, it is likely to be for reasons other than economic mismanagement, or the ouster of the Asians.

C. Asians in Kenya and Tanzania

10. Events in Uganda are casting long shadows over Kenya and Tanzania. Dislike of the Asians is as strong there as in Uganda. African frustrations are probably greater in Kenya than in Tanzania, because the political elite and the Asian commercial and professional classes are the principal beneficiaries of the national prosperity. African school graduates are pouring into the urban labor market with

scant prospects for jobs. A conservative estimate of African unemployment in Kenya's urban centers puts the figure at 18 percent, and a great many more are only marginally employed. In Tanzania, a much poorer country, popular expectations are probably much lower so there is less resentment of the fact that the Asians control a good deal of the wealth of that country.

11. There are still perhaps 130,000-140,000 Asians in Kenya and perhaps half that many in Tanzania. Amin's pronouncement and mistreatment of Asians in Uganda have made Indians everywhere in East Africa much more nervous. They have for some time suspected that their time was short, but now many are stepping up plans to emigrate. For some there are pragmatic reasons for closing up shop -- nearly a quarter of Kenya's trade is with Uganda, a trade that is fast drying up as the Ugandan business community boards planes for Europe. The economic effects of the Asian ouster from Uganda are already being felt in Kenya, but the full impact of the Ugandan economic decline is yet to come.

12. In the months ahead the position of the Asians in Kenya and Tanzania will become pretty dicey. Amin will boast at great length, and with considerable effect about having freed his land of

the economic saboteurs and leeches. Counter-arguments about the deleterious effects of the Asian exodus on the Ugandan economy are not likely to carry much weight. Hence, popular pressures in Kenya and Tanzania for similar expulsion programs are certain to rise, along with a stepped up harassment of local Indians. Even in quieter times, gangs of toughs in Nairobi occasionally raided Asian quarters, looting shops and beating up hapless merchants. There is likely to be more of this, along with some ardent pleas by Kenyan and Tanzanian politicians for stronger Africanization programs and more government action against the Asians.

13. Neither Nyerere nor Kenyatta has much love for the Asian residents, but they do not care to encourage mob violence, and they have a much better understanding than does Amin of the importance of the Asian's skills and services. Moreover, Nyerere is serious about preserving the multiracial aspects of Tanzanian society. Hence, both rulers are likely to resist pressures for abrupt expulsion.

14. But, as the pressure for ousting Asians builds, Nyerere or Kenyatta may decide that it is politically advantageous to respond to their frustrated constituents at the expense of the Asians. This could take the form of a general expulsion order, or a speedier ouster

of some categories of Asians who are already drifting out, or just more harassment in the hope that this would encourage large numbers of Asians to leave. The national leaders would be more likely to adopt policies of this sort if it appeared that the alternatives were worse. For example, if the economic stringencies in Kenya brought on by Uganda's economic troubles become more extreme, popular discontent could take several directions -- tribal feuding or resentment against the government. In Tanzania the dissatisfaction with Nyerere's socialist and egalitarian schemes is considerable. If this sort of discontent becomes more serious, it would be tempting for the national leaders to divert popular attention by taking harsher measures towards the Asians. Therefore, despite the tolerant inclinations of Nyerere and Kenyatta, there is really no assurance that racial harmony will prevail. Also, the willingness of the UK to lower its immigration barriers under Ugandan pressure may lead the other East African leaders to believe that the time has come to test British acceptance of some of their own Asians.

D. The Asian Problem for the UK and Others

15. The decision of Prime Minister Heath to accept those Ugandan Asians holding British passports is not popular in the

UK. Even though Heath was able to fend off censure by the Enoch Powell faction at the recent Conservative Party conclave, there is a considerable body of British opinion which remains flatly opposed to further non-European immigration. There are already nearly two million non-white residents in the UK, mostly East Indians and West Indians who came in the post-World War II period. In 1967 when large numbers of Indians holding British passports were encouraged by the Kenyan Government to leave that country, Prime Minister Wilson balked at unlimited immigration of Asians and refused to allow more than a trickle of immigrants.

16. Non-European immigration is a continuing political issue in Britain with strong economic overtones because of rising unemployment. In the months since Amin's first expulsion order the British Government has made great efforts to ease the impact of the Asian influx. Some Commonwealth nations, most notably Canada, are aiding the UK by joining the airlift and accepting immigrants. The first batches of Indians flown to England were quietly hustled off to towns and communities where their presence would not cause a commotion. But, since the airlift stepped up in recent weeks, thousands of Asians are temporarily lodged in abandoned World War II barracks, while the search goes on for homes and jobs for the newcomers.

Popular opposition to Heath's Ugandan policy is rising, UK officials are becoming more testy in their dealings with Uganda, and the British Government is quite unwilling to accept even temporarily any stateless Asians. The thought of taking in additional thousands of Asians from elsewhere in East Africa is too appalling for the British even to contemplate.

17. At the moment some of the 10,000 or so stateless Ugandans are finding places in Europe, Latin America, Canada, and the US, but the numbers in each case are pretty small. Countries like Switzerland and Sweden are willing to take in a couple of hundred, out of humanitarian concern rather than a need for immigrant skills. A few thousand Ugandan Asians without UK passports have gone to India and Pakistan. Others will probably follow, but neither the East African Asians nor the Governments of India and Pakistan are at all keen on a more general migration in that direction. If Kenya or Tanzania were to force out large numbers of Asians, it is highly unlikely that the governments on the Subcontinent would accept them. Rather the UK would be stuck with the problem and might seek the aid of the UN and other international agencies. In these circumstances, the US would probably be called on to assist financially or to absorb a larger quota of immigrants.

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12 October 1972

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MEMORANDUM FOR:
John Huizenga

SUBJECT : Supplemental Distribution for MEMORANDUM:
The European Community Summit

Subject to your approval, we would like the following to receive this Memorandum:

State Department: Dr. Ray S. Cline
Director, Intelligence and Research
Room 6531

MR. Roger J. Stoessel
Assistant Secretary
Bureau of European Affairs
Room 6230

Mr. James S. Sutterlin
Dir/EUR/CE
Room 4230

Mr. Charles R. Tanguy
Dir/EUR/WE
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Room 6517

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MEMORANDUM FOR: Ray S. Cline
Director, INR

A copy of the attached Memorandum has been sent to Assistant Secretary Stoessel and Directors James S. Sutterlin, Charles R. Tanguy, Ralph J. McGuire and Abraham Katz.

[Redacted]

JOHN/HUIZENGA
Director
National Estimates

12 October 72
(DATE)

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