



**Directorate of  
Intelligence**

**Secret**



25X1

# **Kenya-Uganda-Tanzania: Uneasy Neighbors**



25X1

**An Intelligence Assessment**

**Secret**

*ALA 83-10106  
July 1983*

*Copy* **310**

**Page Denied**



**Directorate of  
Intelligence**

**Secret**





25X1

# **Kenya-Uganda-Tanzania: Uneasy Neighbors**



25X1

**An Intelligence Assessment**

This paper was prepared by   
Office of African and Latin American Analysis.  
It was coordinated with the National  
Intelligence Council and the Directorate of  
Operations. 

25X1

25X1

Comments and queries are welcome and may be  
directed to the Chief, Africa Division, ALA, on



25X1

**Secret**

*ALA 83-10106  
July 1983*

Secret

25X1

**Kenya-Uganda-Tanzania:  
Uneasy Neighbors** [redacted]

25X1

**Key Judgments**

*Information available  
as of 6 June 1983  
was used in this report.*

Once linked in the politically promising and potentially prosperous East African Community, Kenya, Uganda, Tanzania—the key states of East Africa—have experienced considerable turbulence at home and in their relations with one another in the past few years. Because of past economic and political relationships—as well as historical jealousies—disruptions in any one of the countries often affect negatively one or both of the others. Most recently, developments such as the coup attempt in Kenya last fall, coup plotting in Tanzania in January, and continuous political violence in Uganda have damaged regional political relations and further set back prospects for significant economic cooperation. [redacted]

25X1

Tanzania's left-leaning President Nyerere, who actively supports his old friend, Uganda's President Obote, is concerned about Obote's tenuous hold on power and suspects that Kenya is aiding Ugandan dissidents. Obote shares Nyerere's suspicions and wants the Tanzanian President to reintroduce sizable numbers of troops into Uganda to prop up his regime. Kenyan President Moi is concerned about what he sees as Nyerere's inordinate influence in Uganda and remains uneasy over reports that Tanzania is supporting Kenyan dissidents. Moi views the combined forces of Tanzania and Uganda as a serious potential military threat to Kenya. [redacted]

25X1

Trade—and other—economic controversies will continue to bedevil regional relations. The three states are still attempting to negotiate a settlement of the financial dispute created by the dissolution in 1977 of the East African Community, which had provided common services for them. Since then all three countries have replaced regional transportation and communications facilities with expensive national facilities, and Tanzania's closure of its border with Kenya has forced the three countries to reroute trade to more distant and expensive markets and sources of supply. Even if normal trade relations were restored, Tanzania and Uganda probably would adopt measures to prevent substantial imports of Kenyan goods—at least for the short term—in an effort to protect their much weaker economies from renewed Kenyan domination. [redacted]


25X1

We believe the three East African leaders will for now try to prevent a further escalation in regional tensions while they concentrate on serious domestic problems. But as political and economic problems confronting all three countries continue to grow, we believe old animosities between these states are likely to resurface, especially if their leaders resort to past practices of blaming their problems on their neighbors. A successful coup in Kenya or Tanzania or a further deterioration in the Ugandan security


Secret




25X1

situation almost certainly would further heighten tensions, although the three states' limited military capabilities would make large-scale armed conflict unlikely. 

25X1

We judge that continuing economic and political strains in the region will not soon threaten important US military access and economic investment in Kenya—by far the most important of the three states to the United States. Still, such strains could precipitate sharply increased demands for US aid. This is particularly true in Kenya, where perceptions of instability in Tanzania and Uganda reinforce a traditional sense of regional isolation and strengthen the inclination to seek increased security aid from the United States and other Western sources. 

25X1

Finally, and perhaps most worrisome over the longer term, turmoil in the region could create new opportunities for the Soviets and their allies to enlarge their influence. The Soviet Union, Cuba, and Libya will continue to seek opportunities to exploit divisions among the East African countries to disrupt Western influence. Libya, for example, has reportedly provided arms and financial support to Ugandan dissidents, and Moscow and Tripoli will continue their so far unavailing attempts to improve relations and gain influence in Kenya. Their efforts, however, probably will be circumscribed, as they have been in recent years, by higher priority interests in other areas and by the inability to provide significant economic aid. 

25X1

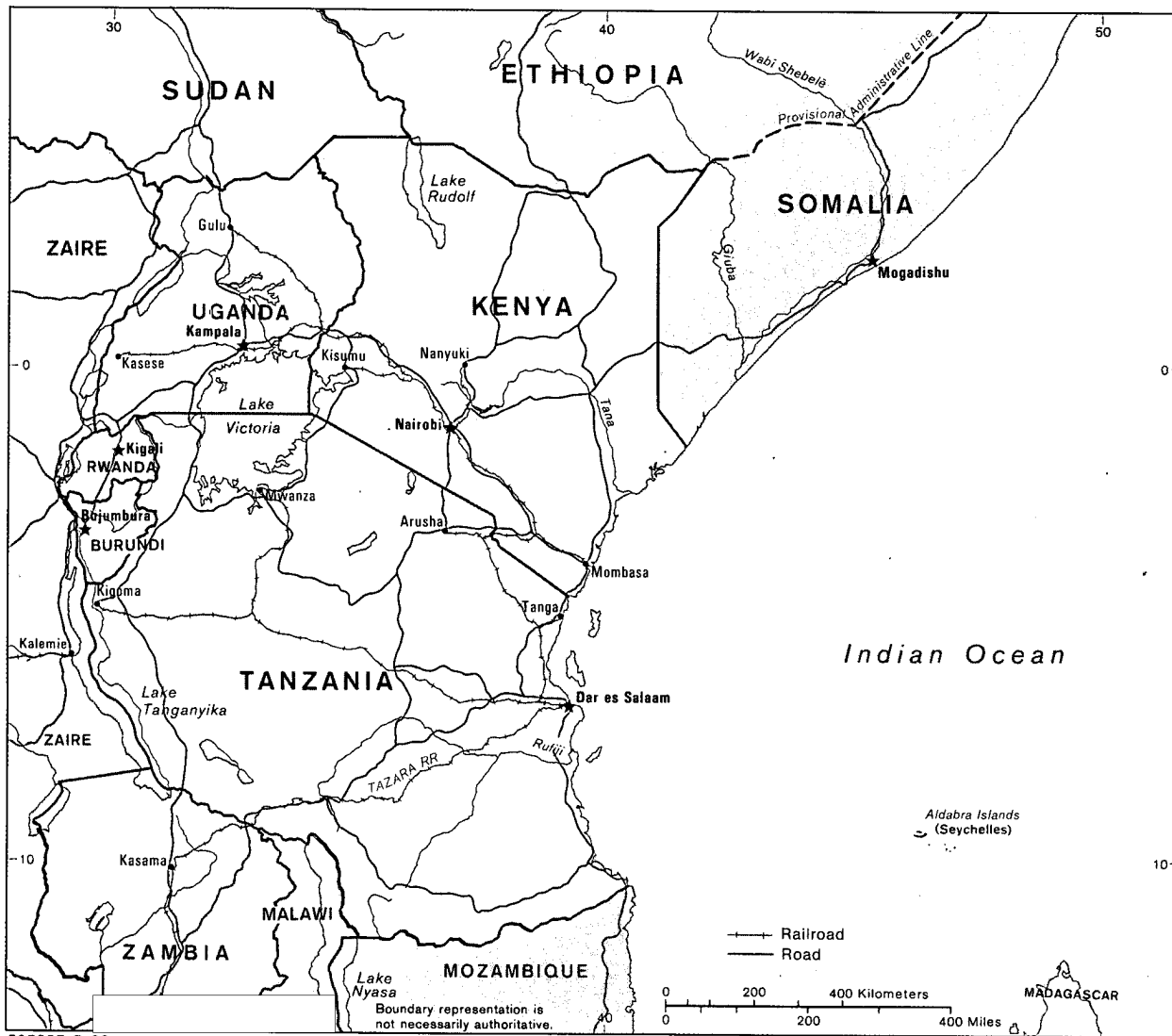
Secret

## Contents

	<i>Page</i>
Key Judgments	iii
Introduction	1
Security Concerns	1
Kenya's Security Worries	2
Impact of Ugandan Instability	2
Deteriorating Tanzanian Security	3
Economic Relations	4
The EAC Assets Dispute	4
Trade Relations	6
Outlook	7
Factors for Change	8
Libyans, Soviets, Cubans	8
Implications for the United States	9
<b>Appendix</b>	
The Breakdown of Regional Cooperation	11

Secret

25X1



505887 7-83

25X1

Secret

Secret



25X1

**Kenya-Uganda-Tanzania:  
Uneasy Neighbors**



25X1

**Introduction**

The strategic location of East Africa near the Middle Eastern oil-producing countries and the sea lanes through the Indian Ocean and the Red Sea has elevated the importance of the region in recent years. Washington has reached military access agreements with Kenya and Somalia to support an increased US presence in the Indian Ocean and a new emphasis on contingency planning for the Persian Gulf area. In addition, US interest in the stability of the region has been heightened due to increasing concern over Soviet, Cuban, and Libyan activities in Africa.



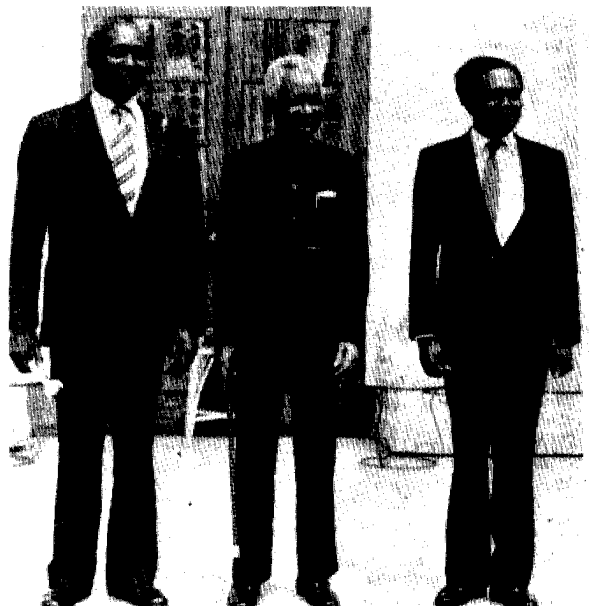
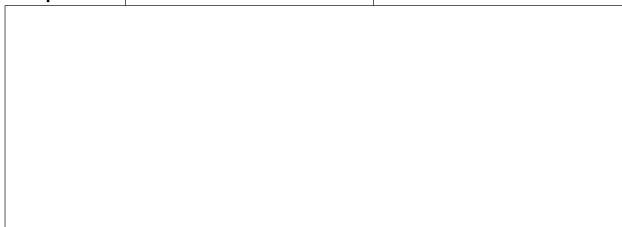
Unfortunately, relations among the key East African countries of Kenya, Tanzania, and Uganda have become increasingly tense since the late 1970s as a result of strains over security problems and economic relations, as well as longstanding personal rivalries and ideological differences among their leaders.<sup>1</sup> These strains have all but eliminated the benefits of the postindependence period of economic ties developed during a common colonial period under the British.<sup>2</sup>



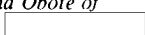
This paper examines the tensions among the East African neighbors and their effects on the stability of the three countries themselves, assesses the prospects for future regional relations, and reviews the implications of these developments for other countries concerned with the region, particularly for US interests in the area.



<sup>1</sup> See appendix for a detailed discussion of cooperation among the three countries during the colonial period and the years after independence, as well as the factors that led to a breakdown of this cooperation.



*Presidents Moi of Kenya, Nyerere of Tanzania, and Obote of Uganda at a summit meeting in Nairobi last year.*



25X1

25X1

25X1

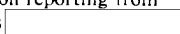
**Security Concerns<sup>3</sup>**

Since independence in the early 1960s, Kenya, Uganda, and Tanzania have had persistent differences which occasionally flared into harsh words, saber rattling, border clashes, and one full-scale invasion. Founding fathers Kenyatta of Kenya and Nyerere of Tanzania, for example, were sharply at odds on virtually every issue that affected the region, and Kenyatta considered Uganda's Obote to be too heavily influenced by the left-leaning Nyerere. The eight-year Amin regime in Uganda further poisoned the atmosphere in the region as the erratic Ugandan leader antagonized all of his neighbors. Amin's ouster

25X1

25X1  
25X1

<sup>3</sup> The discussion in this section is based primarily on reporting from the US embassies in the three East African states



25X1

25X1



by Tanzania's invasion in 1979 and the considerable Tanzanian influence with the second Obote regime have fueled Kenyan suspicions of Dar es Salaam's intentions. [redacted]

25X1

25X1

When President Moi succeeded Kenyatta after the latter's death in 1978, Nyerere apparently expected to use his position as the region's elder statesman to improve relations with Kenya by serving as a counselor to his new junior partner. Moi, however, resented Nyerere's attempt to dominate their personal relationship. As a result, friction between leaders of the two countries has continued to affect bilateral relations almost as much as in Kenyatta's day. [redacted]

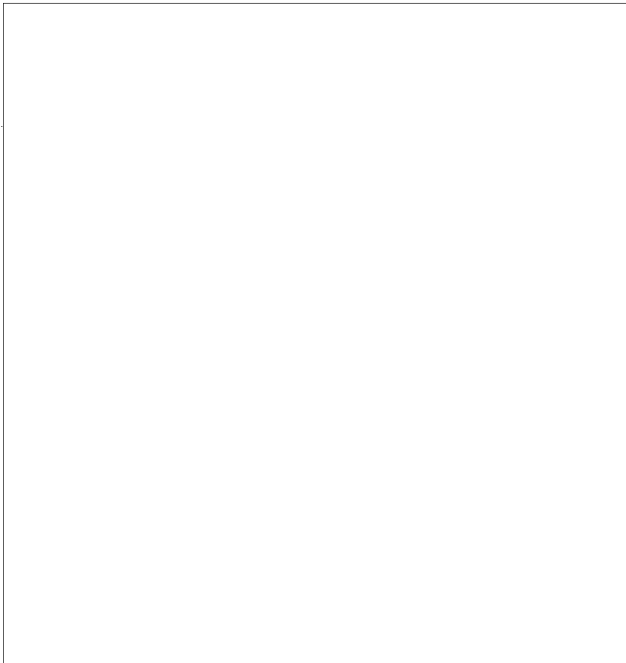
25X1

Recent internal security threats to all three East African regimes have increased regional tensions. As the three East African leaders have become more worried about internal opposition and economic and tribal problems, suspicions that their neighbors were collaborating with their domestic enemies further strained relations. Declining popular support has also influenced these leaders to use their neighbors as scapegoats, thus adding to tensions. [redacted]

**Kenya's Security Worries.** Moi's position has clearly deteriorated since he assumed office five years ago. Worsening economic conditions—documented in UN and International Monetary Fund (IMF) statistics—have played an important role in his loss of popular support. His worries about internal security have been triggered by increasing dissent over record rates of inflation and urban unemployment and periodic shortages of consumer goods. [redacted]

[redacted] his efforts to expand the influence of his own relatively small tribe have led to heightened tensions. [redacted]

Moi's effort to patch together a stable regime while weakening the longstanding dominance of the Kikuyu tribe was directly challenged by the coup attempt in August 1982. Although the rebellion of the Kikuyu-dominated Air Force units was quickly crushed, Moi's concern over internal dissent remains high. [redacted]



**Impact of Ugandan Instability.** Insurgent attacks that began soon after Obote took office in December 1980 have hampered his attempts to bring Uganda out of the chronically unsettled conditions of the Amin regime and the weak interim governments that followed. The insurgents, who oppose Obote on tribal or factional grounds, according to reports from the US Embassy in Kampala, frequently disrupt normal commercial activity, thereby endangering a fragile recovery that began after Obote implemented an economic reform program in 1981. Fighting between guerrillas and Ugandan troops has increased in recent months, [redacted] in part because the Army is more actively seeking out guerrillas in the countryside, but also because insurgents have stepped up attacks against military and civilian targets. [redacted]

25X1

25X1

25X1

25X1

25X1

25X1

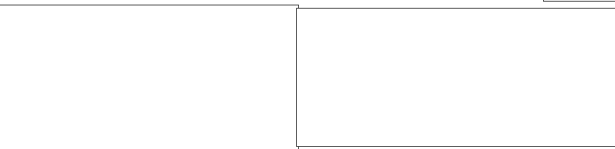
25X1

25X1

25X1

25X1

25X1



We estimate that Tanzania, which sent 40,000 troops into Uganda to oust Amin in 1979, now has only about 50 military advisers in the country helping to train the Ugandan Army. Despite

SECRET

his concern about instability in Uganda, we believe there is little chance Nyerere will accede to Obote's request. Nyerere almost certainly fears that incurring the costs of a significant military increase in Uganda would further undermine Tanzania's already weak economy and his own shaky position at home.

We believe Obote's growing concern over security also stems from his suspicion of Kenyan involvement with the guerrilla forces.

In our judgment, however, Obote recognizes that his economic dependence on the trade route through Kenya leaves him little leverage to press Moi to change Kenyan policy toward the Ugandan rebels.

We believe that Moi is concerned that Nyerere wants to use his strong influence with Obote to isolate Kenya, and that this concern was only partially offset by the departure of virtually all Tanzanian troops from Uganda at the end of 1981. Moi and other Kenyan officials would prefer to see a Ugandan regime headed by more conservative Ugandan exiles who joined dissident groups after Obote became President. the Kenyans are particularly close to Yusufu Lule, who succeeded Amin, but ultimately lost out to Obote in a power struggle. Lule, who visits Nairobi frequently, is titular leader of the National Resistance Movement, an anti-Obote group.

Still, Moi publicly maintained fairly cordial relations with Obote's government prior to the coup attempt in Kenya last summer.

In late 1981, Nairobi expelled former Ugandan President Binaisa for discussing dissident activities with reporters even after warnings from Kenyan officials to desist. Just before the coup attempt in Nairobi, Moi made another gesture to Obote by authorizing Kenyan security officials to return an important

insurgent—leader of the Uganda Freedom Movement, Balaki Kirya—to Ugandan authorities

Moi's attitude at the time probably reflected his reluctant recognition that none of Obote's potential successors seemed capable of developing even the limited degree of stability that Obote has maintained.

We believe Moi also is concerned that Libya, which reportedly has provided cash and arms to some of the Ugandan dissidents, might gain influence in Kampala should Obote be overturned by the rebels.

After the coup attempt, Moi's mood became more hostile. His anger over the alleged involvement of Nyerere and Obote in the plot prompted him to order Kenyan officials to ease restrictions on the Ugandan rebels.

We have conflicting information about whether Moi actually authorized a more direct supporting role, but we believe he considered at least turning a blind eye to shipments of arms through Kenya. In recent months, Moi appears to have backed off from considering more extensive Kenyan support for Nairobi-based rebels, but we believe he would be tempted to renew this option in the event of another serious security threat to his government.

**Deteriorating Tanzanian Security.** Nyerere's position as the unchallenged leader of Tanzania has declined significantly in recent years, largely as a result of his unwillingness to modify his doctrinaire socialist policies. The economic slide caused by these policies has led to unprecedented criticism of Nyerere and the

25X1  
25X1

25X1  
25X1

25X1  
25X1  
25X1

25X1  
25X1  
25X1

25X1  
25X1  
25X1

25X1  
25X1  
25X1  
25X1

Secret

government. Growing dissatisfaction among all levels of Tanzanian society has focused on shortages of consumer goods, major price hikes, rising crime, and rampant corruption. [redacted]

This dissatisfaction has also infected the military where Tanzanian security forces uncovered a coup plot early this year. The effort to oust Nyerere was easily put down, but tensions have remained high as the government has attempted to assuage the military in general while carefully weeding out potential dissidents. [redacted]

The plot threatened to fuel regional tensions by arousing Tanzanian suspicions of Kenyan involvement with the plotters. Kenya moved troops toward the Tanzanian border in response to reports about the plotting—an act that almost certainly heightened Tanzanian concerns. [redacted]

Although Nyerere may have been suspicious of Kenyan involvement, he has decided to pursue better relations with Moi at least for the moment. [redacted]

[redacted] Nyerere had an amicable meeting with Moi at the Nonaligned Movement's summit last March, and animosity between the two countries has subsided somewhat. [redacted]

Nevertheless, we believe the present period of relative good neighborliness between Kenya and Tanzania remains fragile. For example, Moi ascribed sinister motives to a visit to Tanzania by one of his political adversaries in May 1983. Moreover, according to the US Embassy in Nairobi, Moi and his security advisers recently indicated their concern that the stationing of Tanzanian troops near the Kenyan border represents a serious threat to Kenya's security. [redacted]

**Economic Relations**

Economic problems have caused additional frictions in regional relations. Since the colonial period, regional economic ties have been more extensive than political bonds, and the economic difficulties currently confronting all of the countries have increased the

urgency of efforts to resolve the differences among them. These efforts have centered on a longstanding dispute over distribution of the assets of the defunct East African Community (EAC), a potentially prosperous trade, transportation, and communications association that broke up in 1977 as a result of Tanzanian and Ugandan anger over what they felt was Kenyan domination and disproportionate benefits.<sup>4</sup> We see little hope for a lasting solution anytime soon, and the lingering stalemate will serve to sustain mutual suspicions. Even if the EAC dispute is settled, we believe the larger issue of trade and economic competition among the former partners will still pose major difficulties for regional relations. [redacted]

*The EAC Assets Dispute.* The World Bank in 1978 appointed a mediator to arrange a financial settlement of the more than \$1 billion in EAC assets among the three parties. At the time of its dissolution, according to press reports, the EAC also had several hundred million dollars in liabilities—mainly in the form of outstanding loans from the World Bank and various Western countries—but most observers expect that these would be forgiven as part of a settlement. [redacted]

The continuing five-year mediation effort has led to an agreement in principle on the general outline of financial terms, according to reporting from US embassies in the three countries. Because the largest share of fixed EAC assets is in Kenya—particularly the headquarters of the regional airways and railways—Nairobi rejected demands from Dar es Salaam and Kampala for a one-third distribution of assets to each partner. Tanzanian and Ugandan officials turned down Kenya's counterproposal to divide the assets on the basis of their geographical location.

<sup>4</sup> EAC activities involved three broad functions: a customs union that set common tariffs, but did not provide for the free flow of capital and labor among the three countries; four joint corporations (railways, harbors, airways, and post and telecommunications) that were responsible for the entire transport and communications infrastructure of the region except roads; and 12 cooperative research institutes that focused on agriculture, medicine, and other scientific studies. The EAC had legislative and quasi-governmental functions, with facilities divided among the three countries, but the partners did not give up any of their sovereignty. [redacted]

25X1  
25X1  
25X1  
25X1  
25X1  
25X1  
25X1  
25X1  
25X1  
25X1

Secret

---

*Similar Economic Problems*

Kenya has by far the most developed economy in East Africa, but its performance has deteriorated badly since the late 1970s. A combination of inappropriate government policies and weak world demand for Kenyan coffee and other export crops has greatly reduced revenues from the agricultural sector. These factors have affected Nairobi's international payments position and have caused Kenya to take deep cuts in its planned economic development programs. Kenya remains heavily dependent on Western aid donors, including the United States, and is currently seeking additional funding to help it qualify for continued IMF support while hoping for an economic turnaround later this year. Donors, however, are hesitant to commit substantial funds until they see evidence that Nairobi is seriously working to control government spending, encourage private investment, and reduce official corruption. Persistent problems—a staggering population growth rate of 4 percent and an inefficient industrial sector heavily dependent on imports for raw materials and spare parts—combine to darken any prospects for lasting improvement over the short term to midterm, unless demand for Kenya's agricultural exports grows substantially. [redacted]

The modern sector of Tanzania's economy, according to the US Embassy, is on the verge of collapse, with industry operating at only 25 percent of capacity. A 10 percent drop in foreign exchange earnings from Tanzania's major agricultural exports—coffee, cotton, tobacco, and sisal—during 1982 made the importation of vitally needed oil, spare parts, and other goods extremely difficult, and severe management problems have compounded the difficulties. Real GDP fell 3.6 percent in 1982 for the second consecutive year. Moreover, the government's negotiations

with the IMF are at a stalemate; Dar es Salaam also is encountering increasing difficulties in attracting support from foreign lenders, who are demanding the implementation of a tougher fiscal policy. Even the World Bank—Tanzania's largest source of foreign aid—has decided to provide no new financial support until Tanzania comes to terms with the IMF. The austerity measures required to revive the economy—whether or not President Nyerere attempts to qualify for IMF support—pose significant political risks for the government. [redacted]

Uganda, under President Obote, is making some progress toward recovering from the disastrous period of the Amin regime. The government's 1981 reform package—including a substantial devaluation of the local currency, the abandonment of most price controls, and increased producer prices for agricultural goods—provided the framework for increased activity in the private sector as well as for a substantial inflow of Western aid. The most dramatic symbol of Kampala's improved economic performance was its ability in 1981 and 1982 to meet its international quota for coffee exports for the first time since 1973. Day-to-day economic management is still not easy, however. Though inflation is subsiding somewhat, it is still running well above an annual rate of 50 percent. Balance-of-payments pressures remain acute—the deficit exceeded \$300 million last year—and shortages of raw materials, spare parts, and consumer goods continue to recur. Security conditions in Kampala and other parts of Uganda remain uncertain, disrupting supplies from the country's more prosperous regions and hampering government efforts to attract much needed private investment. [redacted]

---

Negotiators eventually agreed to a compromise formula under which Kenya would owe Uganda as much as \$125 million as part of any settlement, while Tanzania would come out virtually even. Reports from the US Embassy in Nairobi, however, indicate that Ugandan President Obote has been holding out for more generous terms, and Tanzanian President

Nyerere reportedly has only reluctantly accepted the fact that his country will not receive any funds as part of a settlement. [redacted]

We believe Kenya's current financial difficulties preclude President Moi's agreeing to make payments to Uganda. Although the World Bank mediator has

**East Africa: Regional Trade Patterns**

	Total Trade		Amount With East Africa		East Africa Trade as Share of Total Trade	
	1976 <sup>a</sup>	1981 <sup>a</sup>	1976 <sup>a</sup>	1981 <sup>a</sup>	1976	1981
<b>Kenya</b>						
Exports	648	1,183	121	143	19	12
Imports	949	2,060	24	2	3	NEGL <sup>b</sup>
Total	1,597 <sup>c</sup>	3,243 <sup>c</sup>	145 <sup>c</sup>	145 <sup>c</sup>	9	4
<b>Uganda</b>						
Exports	353	317	NEGL <sup>d</sup>	1	NEGL <sup>b</sup>	NEGL <sup>b</sup>
Imports	79	395	60	157	76	40
Total	432 <sup>c</sup>	712 <sup>c</sup>	60 <sup>c</sup>	159 <sup>c</sup>	14	22
<b>Tanzania</b>						
Exports	460	553	24	16	5	3
Imports	573	1,136	60	6	10	1
Total	1,033 <sup>c</sup>	1,689 <sup>c</sup>	84 <sup>c</sup>	22 <sup>c</sup>	8	1

<sup>a</sup> Millions of dollars.  
<sup>b</sup> Less than 0.5 percent.  
<sup>c</sup> Totals may not add due to rounding.  
<sup>d</sup> Less than \$500,000.

[Redacted]

25X1

considered alternative forms of payment—such as allowing Uganda to ship goods through Kenya without paying transportation costs—the region’s financial problems virtually dictate that any settlement would have to be financed largely by foreign donors. The three nations almost certainly would come to terms if Western countries put up the money to pay for a settlement. [Redacted]

**Trade Relations.** The demise of the EAC has resulted in declining economic cooperation and disruptions of trade among the former partners that have hurt the economies of all three countries. Each has gone to the expense of building separate facilities and training its own personnel to staff and maintain airlines, railways, and communications networks. The financial problems of all three countries have made it difficult for them to purchase expensive new equipment, but national pride has pushed them into courses of action that have deepened these problems. All three airlines, for example, have lost money because of the duplication of service on air routes both within the region and to cities outside of East Africa. [Redacted]

Tanzania’s decision to close its border with Kenya—concurrent with the dissolution of the EAC—has hurt both economies. For example, Kenya’s exports to Tanzania declined from 10 percent of Kenya’s total exports in 1976 to about 1 percent in 1980. Dar es Salaam was compelled to permit this residual level of Kenyan imports to meet the requirements of Tanzanian firms for badly needed goods. The border closure forced both nations to reroute major portions of their trade to markets and sources of supply in more distant countries at significantly increased transport costs. Moreover, the move badly damaged Tanzania’s tourist industry—an important source of foreign exchange—by excluding the many visitors to Kenya’s game parks who previously included Tanzania on their itinerary. [Redacted]

25X1

25X1

25X1

25X1

Although the recent modest upturn of Uganda's economy has led to an increase in Kenya's trade with Uganda since the demise of the EAC, according to the US Embassy in Nairobi, poor relations between the two countries have led to occasional disruptions. Landlocked Uganda is almost totally dependent on rail and truck routes through Kenya to send coffee exports to the port at Mombasa and to bring in most of its imports. Although Ugandan officials have complained about having to pay what they claim are excessive transportation costs through Kenya, any other route would be longer and even more expensive. During one period in 1980 when relations were particularly tense, the US Embassy in Nairobi reported that Kenya temporarily removed armed guards on shipments of Ugandan coffee through Kenya, forcing Uganda to pay higher insurance costs to cover the increased risk of hijacking. [redacted]

[redacted] We

25X1

believe Tanzania will continue to press Uganda to maintain reparations payments, forcing Kampala to divert scarce resources needed for its own economic recovery. [redacted]

25X1

Early this year, Kenya temporarily interrupted shipments of refined petroleum products from Mombasa to Uganda and other African countries. We believe that Moi, under growing public pressure over his economic policies and facing petroleum shortages at home, hoped to gain domestic political support by his action even though the measure would have deprived Kenya of vital foreign exchange. Kenyan officials soon reversed the decision, but the situation has increased Uganda's concern over the reliability and security of its oil supplies and prompted a search for alternate suppliers and trade routes. The US Embassy in Kampala reports that Uganda would like to import petroleum through Tanzania and divert other trade from Kenya to Tanzania, but severe congestion at Tanzania's ports makes this unlikely in the near future. [redacted]

While all three East African nations would benefit from a reopening of Tanzania's border and a settlement of the dispute over EAC assets, Kenya would have the most to gain. Kenya's more advanced industrial sector would immediately benefit from increased exports, and Kenya would be able to resume its lucrative role as an exporter of Zambian goods shipped through Tanzania to the port of Mombasa. [redacted]

25X1

Even if normal trade relations were restored, Tanzania and Uganda probably would adopt measures to prevent substantial imports of Kenyan goods, at least for the short term, in an effort to protect their much weaker economies from renewed Kenyan domination. Reflecting this concern, Tanzania has refused thus far to join the Preferential Trade Agreement—a loose trade association formed in 1981 by 13 southern and eastern African states—because Kenya is a member. Over the longer term, however, Tanzania's and Uganda's need for a cheap source of consumer and industrial goods would probably reorient their import patterns increasingly toward Kenya. [redacted]

25X1

**Outlook**

We believe the leaders of all three East African states recognize that a further increase in tensions among them could threaten their already weak individual positions and they probably will for now seek to avoid more serious confrontations. The difficult economic and security problems confronting all three countries, however, are bringing them into increasingly frequent competition for aid from foreign donors. As their political and economic problems grow, we believe old animosities between these states are likely to resurface, especially if their leaders resort to past practices of blaming their problems on their neighbors. [redacted]

25X1

25X1

25X1

Uganda has maintained close ties with Tanzania since Amin was overthrown, although economic relations between the two countries have not been entirely cordial. [redacted] Tanzania's serious economic problems have led Dar es Salaam to press Kampala for repayment of the cost of Tanzania's invasion and the maintenance of its troops in Uganda. [redacted]

[redacted]

25X1

25X1

25X1

**Factors for Change.** We see some possibility that destabilizing events could seriously affect regional relations over the next year or two. Moi and Nyerere both face continuing threats that could lead to further coup attempts. The ouster of either could, despite the personal satisfaction of his surviving rival, seriously destabilize regional relations in the short term. If a new regime appeared threatening or was slow to consolidate its position, for example, its neighbors would heighten security precautions on their borders. The three states' limited military readiness and mobility would lessen chances for large-scale armed conflict. But, as past incidents in the region indicate, it is possible that two sides could stumble into a border clash or that one of the neighbors could feel compelled to take action to protect its interests. [redacted]

Obote's death or ouster—either by a coup or from expanded attacks by insurgent groups—probably would generate increased instability inside Uganda. Tanzania and Kenya would be likely to react first by trying to arrange for regional cooperation to stabilize the Ugandan situation, and we believe they might seek a peacekeeping force sponsored by the UN or the Organization of African Unity. If mutual suspicions prevented Moi and Nyerere from cooperating, however, tensions would increase as each sought to protect his borders. Although pressing domestic problems would make Nyerere reluctant to send large numbers of troops into Uganda again, he might order limited cross-border operations to prevent fighting from spilling over into Tanzania—a move that Kenya almost certainly would view with alarm and attempt to counter with troop movements to the border. [redacted]

**Libyans, Soviets, Cubans.** The troubled relations among the three East African nations raise the possibility that Libya, the Soviet Union, and Cuba will attempt to increase their influence in the region. Despite Soviet ties to the Marxist regime in Ethiopia, Moscow and its allies generally are not now heavily involved in the area. Libya, however, has provided military training and financial aid to Ugandan dissidents, and Moscow remains Tanzania's principal military benefactor. The Tanzanian Army and Air Force are largely Soviet-equipped [redacted]

[redacted] Moreover, we believe Cuba, which offered to send military advisers to Uganda during the

interim period after Amin's ouster, may still be willing to send such advisers to help Obote's government. [redacted]

Soviet and Libyan efforts to increase their influence in East Africa, however, probably will be limited, as they have been in recent years, by higher priority interests in other parts of the world and by the large-scale assistance which would be required to cope with East Africa's economic problems. The Soviets and Libyans also will be hampered by longstanding East African suspicions of their regional intentions, sharpened by their support for the Amin regime. We do not expect these factors, however, to cause Moscow and Tripoli to forgo perceived opportunities to exploit divisions among the three countries that would provide them with a better foothold and a chance to undermine Western influence. [redacted]

In our view, either Uganda or Tanzania might turn to the Soviets or Cubans for help if they believe the West is not meeting their needs or if they see their security becoming more threatened. Tanzania is already heavily committed to Soviet military equipment and, in any case, could not afford the cost of a major reequipment program from another supplier. We presume some Ugandan officials may see a need for security aid from Moscow or Havana as a result of the withdrawal earlier this year of about 30 of the 100 military advisers that North Korea has maintained in Uganda. [redacted]

Libya's past military support for Amin and its involvement with Ugandan dissidents make it less likely that either Kampala or Dar es Salaam would look to Tripoli now for substantial help. But we believe leftist Ugandan Vice President Muwanga, a potential successor to Obote, would seek closer ties with Libya, as well as with the Soviet Union and Cuba, if he came to power. [redacted]

25X1

25X1

25X1  
25X1

25X1

25X1

25X1  
25X1

25X1  
25X1  
25X1

Pro-Western Kenya would be alarmed by any increase in Soviet, Cuban, or Libyan influence on neighboring governments, or by gains by Libyan-backed Ugandan dissidents. Such developments would reinforce Moi's longstanding suspicions of these powers and strengthen Kenya's traditional sense of regional isolation. Nairobi would intensify efforts to safeguard its security, almost certainly by seeking significant increases in Western military aid. [redacted]

We believe the continuing economic problems of the three East African states will prompt them to demand increased US aid, regardless of what occurs in their regional relations. Kenya—which views itself as a special case because of its military access agreement with the United States—will look to Washington to influence the IMF to be more lenient in the conditions required for balance of payments support, as well as to extend on a timely basis direct bilateral assistance in the areas of food, private investment, and military equipment. In addition, all three former EAC partners would expect the United States to join other Western nations in financing a settlement of the assets dispute. [redacted]

25X1

25X1

**Implications for the United States**

In our view, Kenya is likely to look to the United States for greater support as a result of rising tensions with its East African neighbors. Although we see little likelihood that the key US interests in the region—military access and economic ties with Kenya—will be threatened, Moi almost certainly will try to use Nairobi's military relationship with Washington as a lever to press for increased US aid commitments, particularly if, as we anticipate, Kenya's economy continues to sag. Moi and other Kenyan officials already have made it clear to the United States that they believe Kenya is not benefiting sufficiently from its status as the only staunchly pro-Western country in the region. We believe Kenya's neighbors have little capacity to intervene in Nairobi's domestic politics, but Moi's view that the combined forces of Tanzania and Uganda are a serious military threat will provide added impetus to his requests for military aid. [redacted]

25X1

Events in Tanzania and Uganda affect US interests less directly, but still play an important role in regional stability. Soviet military aid to Tanzania gives Moscow a foothold in the region. The growing difficulties facing the Tanzanian regime could give the Soviets an opportunity to expand this role. President Nyerere is the chairman and main driving force of the Frontline States in their confrontation with South Africa, and the United States has worked closely with him for years in attempts to achieve negotiated settlements of southern African disputes. Uganda, because of its chronic instability, has been a continuing source of tensions, and is likely to remain an inviting target for Libyan, Soviet, and Cuban meddling. [redacted]

25X1



## Appendix

### The Breakdown of Regional Cooperation <sup>5</sup>

The British developed a measure of unity among their three East African colonies after they consolidated their control over the region at the close of World War I. There were virtually no regionwide loyalties prior to the colonial period, and the British system of indirect rule left most local tribal rulers undisturbed. Nevertheless, a new African elite began to share similar educational experiences in learning English and studying the same British political and social ideas as part of their higher education. [redacted]

The British set up a number of common institutions for the region that were continued after the three countries achieved independence in the early 1960s. The East African High Commission, established in 1945, had some legislative and governmental functions for the entire region. Included were services such as transportation, communications, tax collection, agricultural and industrial research, social services, and university education. The British also created a common currency for the region and set up a common market that allowed for the free movement of capital, labor, and goods. [redacted]

Despite the close economic and political relations among the three East African states, differences began to develop from the time of their independence that prevented more extensive ties and threatened existing institutions. Personal rivalries among leaders were compounded by budding nationalism and opposing philosophies of development. Although the three governments declared in 1963 that they intended to unite in a political federation, personal rivalries and nationalist feelings caused negotiations toward this goal to founder after two years. [redacted]

Economic relations also began to deteriorate soon after the three countries gained their independence. Ideological differences compounded the strong personal rivalry between Nyerere, who adopted socialist policies for Tanzania, and former Kenyan President

Kenyatta, who favored his country's free market orientation. Tanzania and Uganda were jealous of Kenya because Nairobi's more developed economy enabled it to dominate the trade relationship. Although the High Commission—renamed the East African Common Services Organization when Tanzania became independent in 1961—remained in existence, each of the three partners established separate currencies and banking systems and began to restrict trade by the mid-1960s. [redacted]

The creation of the EAC in 1967 was an effort to overcome the growing friction in economic relations among the three partners, but the new organization was continually hampered by the same problems that had affected earlier attempts at cooperation. Because Nairobi was still able to use its stronger economic position to export large quantities of manufactured goods to its partners and to attract considerably more foreign investment, Tanzania and Uganda renewed measures to block Kenyan exports. Well before the formal demise of the EAC, major entities such as railways and harbors had split into national units. [redacted]

The bitterness among the three partners had become so great that even the research institutes—the least controversial element of the EAC—were forced to wind up their activities along with the rest of the organization. The centers had been operated by multinational staffs and were providing valuable services for the entire region. Moreover, the regional research effort had attracted considerable foreign aid from various donors. [redacted]

Concurrent with the demise of the EAC in 1977, Tanzania made the rupture in economic relations with Kenya more complete by closing its border and cutting off most trade between the two countries. Nairobi was particularly alienated because Tanzania's action also blocked Kenya's growing trade relations with Zambia. The Zambian Government had

<sup>5</sup> The information in this appendix is based largely on academic studies and reporting from the US embassies in East Africa [redacted]

Secret

begun to avoid severe port congestion at Dar es Salaam by using an alternate trade route by truck through Tanzania to the Kenyan port of Mombasa.

[Redacted]

Border incidents and other security problems among the East African nations also have damaged their relations periodically. Tensions increased after Idi Amin ousted Obote's first Ugandan government in 1971 and began to behave belligerently toward his neighbors. Nyerere was a strong supporter of Obote and allowed him to live in Tanzania after his ouster. The deterioration in relations led to a series of armed border clashes. Nyerere finally sent 40,000 Tanzanian troops into Uganda to overthrow Amin in 1979, in response to the Ugandan Army's occupation of a small piece of Tanzanian territory.

[Redacted]

Kenya's relations with both of its neighbors suffered as a result of Amin's actions and Nyerere's move to oust him. Nairobi worried that the unstable Ugandan regime was a threat to Kenyan security, but tried—with some success—to maintain normal relations with Amin. When Amin was overthrown by the Tanzanians, Kenyan leaders feared that Nyerere was trying to use control over Uganda to isolate Kenya and dominate the region. Deteriorating Kenyan-Tanzanian relations led to an escalation in border incidents, which previously had involved only minor tribal skirmishes over cattle rustling.

[Redacted]

Despite the tensions, the death of Kenyatta in 1978 and the demise of the Amin regime eventually led to a new dialogue among East African leaders. Nyerere believed he could gain influence with Moi because the new Kenyan leader lacked Kenyatta's stature and experience. The Tanzanian decision in 1980 to begin to withdraw its forces from Uganda eased Kenyan concerns somewhat about Nyerere's intentions, in our view. Moi agreed to participate in a series of summit meetings with Tanzanian and Ugandan leaders during 1980 and 1981 that focused mainly on regional efforts to improve Uganda's security, and subsequently has met individually with both Nyerere and Obote. Reporting from the US embassies in the three countries indicates that while the meetings promoted some improvement in personal relations among the East African leaders, they did little to resolve substantive differences.

[Redacted]

25X1

25X1  
25X1

25X1  
25X1

Secret

**Secret**