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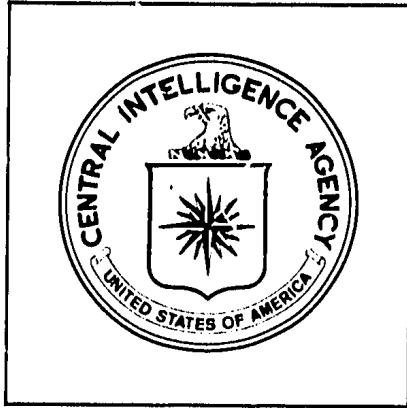
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MIDDLE EAST – AFRICA – SOUTH ASIA

This publication is prepared for regional specialists in the Washington community by the Middle East - Africa Division, Office of Current Intelligence, with occasional contributions from other offices within the Directorate of Intelligence. Comments and queries are welcome. They should be directed to the authors of the individual articles.

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Egypt

Recession in West Will Harm Agricultural Exporters

Recession and balance-of-payments problems in the West will have a severe impact on Egypt's luxury-oriented agricultural export trade. This would increase Egypt's financial dependence on other Arabs and cause Cairo to take another look at its agricultural development plans.

The cotton export season opened several months ago, but no orders have been received from customers in Western Europe, where the bulk of Egypt's extra-long-staple cotton normally is sold. The Egyptians may have to lower prices substantially when the competing Sudanese crop goes on sale next month.

An Egyptian prediction that cotton export receipts this year would drop by only \$300 million now appears overly optimistic. Total earnings may be less than half of the record \$822 million of 1974.

Egypt also may have great difficulty marketing cut flowers, out-of-season vegetables, and other luxury produce. Rising sales of such goods accounted for much of the increase in Egypt's agricultural export volume over the last decade. Falling demand in Western Europe, a prime market, could wipe out these gains.

In an effort to blunt some of the impact of shrinking trade with the West, Cairo may be trying to revise its recently negotiated 1975 trade protocol with the USSR. Cairo had apparently already agreed to step up shipments of manufactured goods to the USSR in order to reduce its substantial debts, but it may urge Moscow to accept surplus agricultural products instead.

Such a revision would make available additional domestically produced consumer goods to replace Western imports, which can be bought only if Egypt gets extra credit or more Arab cash, such as the \$100 million King Faysal has just given. (CONFIDENTIAL)

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Angola

Daniel Chipenda Surfaces

Daniel Chipenda, who bolted the Popular Movement for the Liberation of Angola over a year ago in a bitter leadership dispute with president Agostinho Neto, announced last week in eastern Angola that he is ready for "immediate dialogue" with the Portuguese government and the two other Angolan liberation groups--the National Front for the Liberation of Angola and the National Union for the Total Independence of Angola. The Popular Movement, which Chipenda had served as vice president, immediately condemned him for creating "a civil war atmosphere."

Chipenda was excluded from independence negotiations with the Portuguese earlier this month and is attempting to work his way back into the political mainstream. He is unlikely to have any luck operating as a free agent, however. Since he left the Popular Movement, Chipenda has been able to obtain only some modest support from Zairian President Mobutu who had hoped that Chipenda would be able to unseat Neto. Mobutu and Neto are longtime enemies.

When Chipenda bolted the Movement he took about 2,000 armed supporters with him. Some of these are beginning to drift back to that liberation group, and others are joining the National Front for the Liberation of Angola. Chipenda himself probably will join the National Front eventually, although it is difficult to foresee a political role for him in the transitional government. He is a skilled military commander, but the Popular Movement and the National Union would probably oppose his appointment to any important position in the transitional government. (CONFIDENTIAL)

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~~SECRET~~Uganda*Amin Passes Four-Year Milestone*

General Idi Amin celebrated the fourth anniversary of his rule on January 25. His staying-power is somewhat puzzling in view of the depredations of the ill-disciplined army, public discontent with the stagnating economy, shortages of necessities such as salt and sugar, and a deterioration of educational and health services. Within the armed forces Amin has conducted purges of persons from tribes he did not trust and has had officers he considered potential rivals murdered. The danger to Amin of assassination by individuals or small groups of military personnel motivated by tribal revenge or ambition is never far removed.

Paradoxically, Amin's unpredictable and erratic behavior has probably contributed to his survival. In keeping with his mercurial temperament, much of his frequent travel about the country appears to be on impulse and he rarely gives notice of his itinerary. Moreover, he travels by helicopter much of the time, making the task of an assassin more difficult. He sometimes risks mingling with crowds, but more often he avoids them.

Although some armed forces personnel are known to be hostile to Amin, it appears likely that the bulk of the military associate him with the highly favored status he has given to the armed forces and for this reason are inhibited from conspiring against him. The armed forces sided with Amin on two occasions when his rule was challenged--once in September 1972 during a Tanzanian-supported invasion of the south by Ugandan exiles and again in March 1974 when fighting broke out in the Kampala army garrison.

During the turbulent era since he overthrew the civilian government, Amin has given the army and air force priority in government spending. The size of the army has doubled to about 17,000 men during the past four years. At least 16 percent

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of the national budget goes for defense expenditures-- a bigger proportion than spent by most East African states.

Most of the rank-and-file were formerly poor peasants accustomed to existing near the subsistence level; they are now well paid by Ugandan standards. More than a few supplement their pay by using their weapons to perpetrate robberies on hopeless civilians. Many of the businesses taken by the government from Asians expelled in 1972 were assigned by Amin to army officers. Periodic radio appeals by Amin to officers and men urging them to train regularly, not to drink excessively, and not to treat civilians badly suggest that the Ugandan soldier is not overburdened by the rigors of discipline.

As for the civilian population, they are probably weary of Amin but may not view him as the intolerable tyrant he is seen to be by foreigners. Most Ugandans applauded his deportation in 1972 of the Asian minority that had made up the country's middle class, and probably are sympathetic to his anti-British and anti-foreign gestures. They probably do not view his sounding-off on international matters as particularly ludicrous. Amin's "common-man" touch, his sense of melodrama, and the decisiveness and personal courage he has sometimes displayed in the face of danger probably have helped him with the Ugandan people.

Amin's profligate military spending and overall economic bungling have unquestionably moved the once-promising modern economy steadily downhill. The impact of that slide is mitigated, however, by the fact that the great majority of Ugandans have always been poor. Moreover, the country's unusually favorable agricultural situation makes it possible for most Ugandans to grow enough to eat.

Most educated Ugandans who remain in the country are fully aware of Amin's deficiencies, but are cowed by him and his poorly educated, undisciplined army. Many members of this class have fled. Some are deeply involved in anti-Amin plotting from their exile havens, notably Nairobi and Dar es Salaam,

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but they are divided by tribal and personal rivalries and appear to have little prospect of offering any real challenge to Amin's rule. (SECRET NFD)

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