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Two of the Ugandan Asian children who arrived in Montreal clutch their Canadian souvenirs as they relax before getting word of settlement plans from authorities.

acquire a 60 percent interest in all banks and insurance companies and in the more important manufacturing, mining and transportation companies, most of which were owned by Asians. Several thousand of them decided to leave. They were allowed to take a portion of their capital with them and to withdraw the balance over a period of six years. "Ugandanization" was to be completed gradually by 1977.

The immediate result of President Obote's program for increased governmental participation in the economy was to weaken overseas investor confidence and to compound Uganda's economic problems. Between 1967 and 1969, the country's gross domestic product had risen in real terms at an annual rate of 5 per cent. During these years, Uganda had enjoyed a healthy annual balance-of-payments surplus of approximately \$10 million, based primarily on exports of high-quality coffee and cotton. However, a slump in world prices for these commodities, combined with the initiation of large, capital-intensive prestige projects, had an adverse impact on the country's economic performance and the growth-rate slowed to less than two per cent in 1970.

Amin's seizure of power

The seizure of power by the military Government of General Amin in January 1971 was generally welcomed by the Asian community. The new Government consider-

ably narrowed the scope of the nationalization program by limiting the number of companies to be affected and reducing the Government's shareholding to a minority interest. Steps were also taken to maintain existing foreign-exchange reserves and to reverse the outflow of private capital.

At the same time, however, the new regime greatly increased Government expenditure. Much of this was devoted to the military sector. Three-fourths of the Government's development fund and one-third of the current budget were allocated to defence spending, which reached \$20 million in 1971. By February 1972, the Bank of Uganda reported that its foreign-exchange reserves had fallen by 85 per cent during the previous year — to less than enough for two weeks' imports — and that the total trade account had accumulated a \$30-million deficit during that time. Inflation had become a serious problem and lower world prices for coffee and cotton had resulted in a reduction in agricultural output and an increase in unemployment. By mid-1972, Uganda faced an economic crisis.

President Amin, had, by this time, publicly branded the Asian community as economic saboteurs and had criticized them for their failure to integrate. On the other hand, he had also cancelled outstanding citizenship applications from 12,000 Asians. Pressure against the community continued and, by August 1972, when Amin issued his expulsion order for all non-citizen Asians, the Asian population had fallen to less than 50,000.

During the next three months, some 45,000 Asians left Uganda. In addition to the 25,000 who settled in Britain and the 5,000 who came to Canada, approximately 6,000 went to India and the rest to a number of countries. The United Nations High Commissioner for Refugees also arranged for 4,000 stateless Asians still in the country when the deadline expired to be transported to temporary camps in Europe. Each departing Asian family was allowed to take 1,000 shillings (approximately \$140) out of the country. They were forbidden to sell privately or transfer any property left in Uganda. The 2,000 Asians who remained in Uganda were ordered to leave the towns and settle in the rural areas.

General Amin's action was widely criticized on both humanitarian and economic grounds. Apart from the more obvious humanitarian considerations, it was pointed out that the removal of the country's commercial class would create a vacuum that native Ugandans lacked the experience and the financial resources to

Vacuum anticipated if country's commercial class ousted by regime