The Analyst

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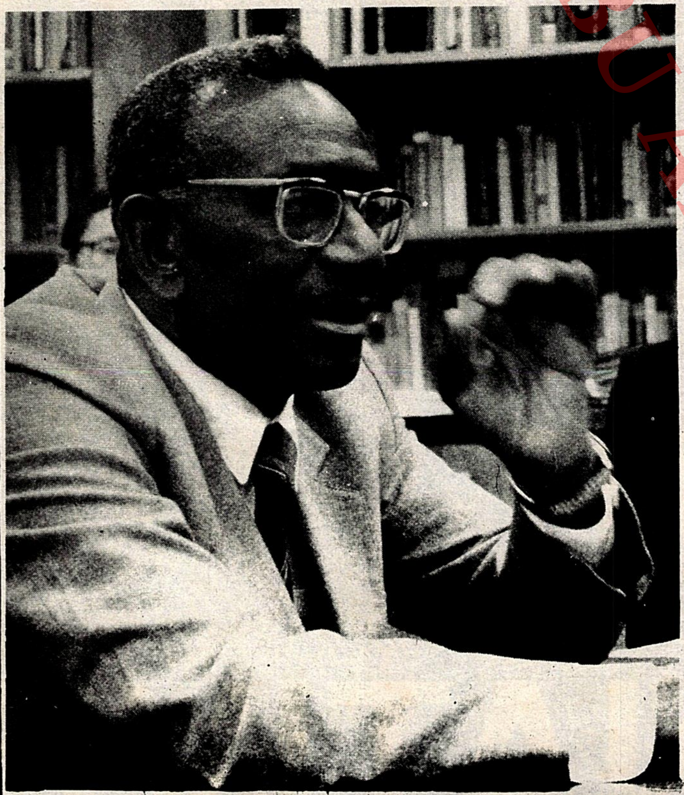
ALHAJI ALHAJI & THE BI-WATER CESSPOOL

THE ALTERNATIVE TO SAP

REVOLUTIONARY HERITAGE

"I want to sleep. But the indolence of the younger generation would not allow me to sleep."



— Cheikh Anta Diop

Cheikh Anta Diop was born in Diourbel, Senegal, on 23 December, 1923 He died in February 1986. This outstanding African scholar and patriot devoted his whole life to deeply committed scientific research and political struggles, promoting the dignity, cultural integrity and unity of the African people, here on the mother continent and all over the world.

The Analyst

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In this issue

SAP

The chorus song in official circles today is that SAP – said to be the *only* solution to Nigeria's problems – has brought many gains which current efforts are now directed at consolidating. But what, in reality, is being consolidated – gains, or the further enslavement of Nigeria? And what is the alternative to SAP?
Turn to page 6

DEBTS PILE UP

With 50% of our crude oil production now going into servicing of dubious debts, and a budget that requires more foreign loans for up to 40% of its financing, Nigeria has become a virtual debt-slave. But how did the debts pile up? And who is responsible?
See page 16

CONTENTS

LETTERS

DAVISON BUDHOO

The confession contained in the resignation letter of Davison Buhdoo (THE ANALYST, Vol. 3, No. 6) further reveals the true colour of the IMF, particularly its actions in Third World economies and the interests it serves. Who said therefore that the present Structural Adjustment Programme of the Babangida administration is in the interest of Nigerians?

Rayyanu Bala Abubakar,
Lafia.

DISHONOURABLE MEN

I real with great enthusiasn the November-December issue of your publication (Vol. 3, No. 6) describing the Constituent Assembly men as dishonourable men. As far as I am concerned, that is the most ideal word to describe this bundle of mischief-makers, who, instead of addressing themselves to the economic realities of the country and other related problems facing ordinary Nigerians, choose to go on discussing how to form political parties, preparatory to the Third Republic.

To be frank, I am disappointed by the Constituent Assembly men, particularly with their conduct on the Sharia, which almost put this country on fire. In fact, the Constituent Assembly men must take it upon themselves as a serious disgrace to have allowed the Federal Military Government to intervene in the deliberations of the Assembly on the Sharia issue, an issue which they should have resolved amicably. This, to be precise, has made them more dishonourable in the eyes of the people. No wonder – this bundle of noise-makers was not directly elected by the people.

Mohammed Shittu Zalli,
Abuja.

DEVILS AT WORK

Your edition of September/October, 1988, ("Devils at Work") is a warning to those Nigerians who are blindly fighting so that others may achieve their selfish ends. Please keep it up.

M. A. Bashiru Tanko, Nguru.

Your September-October edition (Vol.3, No. 5) captioned "Devils at Work", was nothing but the true voice of the people. It was a slap on the face of our shameless bourgeois opportunists who take pleasure in crying religious 'wolf' while our people wallow in poverty, unemployment and starvation. Because all other reactionary strategies have partially failed to pin down our people, the Nigerian new-rich, in collaboration with Western and Arab imperialism, have now resorted to religious divide-and-rule to destroy our dear Nigeria. Yours was a cry for action. All progressive elements must join hands to fight against this emerging cankerworm. For as the illustration on the cover clearly showed, the Reverends and the Qadis are already at work pulling down Nigeria.

Joe Nyinongu,
Makurdi.

Your September-October, 1988, issue (Vol. 3, No. 5) is nothing but a work of idiocy, animality, and infidelity towards religion, especially Islam. You resorted to blackmailing and disfiguring innocent personalities.

You talk of Islamic revolution in Iran being betrayed, but you failed to prove how it was betrayed. You have to know that this is an Islamic revolution, not like the October revolution of Russia or the Cultural one of China. You have abused, among others, Rafsanjani, Gumi, Khomeini, Uthman bin Fodio and many others.

To tell you the truth, by all these affronts, blackmailing, disfiguring, dishonouring and debasing religion, you would not achieve your goal. And we will keep on affraying you at all angles until you are thwarted and defeated.

Ibraheem Alhassan Dambam,
Bauchi.

I would like to recommend the Sept-Oct. edition of THE ANALYST to all Nigerians, especially the article on Liberation Theology. We young christians in Nigeria are in search of the relationship between Marxism and Christianity. Fortunately, THE ANALYST has revealed it.

Suega Tese,
Port Harcourt.

Your comment (Vol. 3, No. 5) was a masterpiece and it depicts the real truth that is in line with your motto (says it, as it is).

It contains no bias of any sort. It is the real truth and nothing but the truth. I hope you will continue with your truthful findings.

Abbas Yusuf Danladi,
Bida.

OJUKWU

The ugly impression you created about Chief Chukwuemeka Odumegwu Ojukwu – the Ikemba of Nnewi – (THE ANALYST, Vol. 3, No. 5) is by no standard what a regular reader like me should accept.

The way you roped in Ojukwu in your analysis as one of the devils destroying this country is quite unexpected from a cherished magazine like THE ANALYST.

You cleverly avoided saying why and how the civil war started, and jumped to the conclusion that Ojukwu tried to dismember Nigeria.

The truth, which you put in another form, is that Ojukwu headed a people who were defending themselves from being exterminated. What Ojukwu did is what any other reasonable person could do if such a situation had faced that person.

If people must continue to believe that Ojukwu tried to dismember the country, the same people should equally believe that THE ANALYST is trying to dismember the country. If they see Ojukwu's action from a tribal angle, the action of THE ANALYST should be seen from a class angle (revolution).

Please, always say it as it is, no matter who it is, or where the person comes from.

Walter Chuks Aneke-Oku,
Kaduna.

THE DECEIVERS

Let them who deceive me together with
My parents and grannies
My brothers and sisters
My uncles and aunts
My nephews and nieces
My compatriots, men and women.

Let them who lure us into hunger
who are sapping us to the marrow
who deride us, and care less for us
who on our sweat and tears
build castles and leave us in penury.

Let them the swindlers and pinchers
who drink our milk and junket around
who adorn themselves in our gold
who gallop on us scornfully
who trample upon us like the kings of yesteryears.

Let them hear, if they have ears
that our hunger is enough
that we have shed tears enough
that a big crash awaits them
that the force of a proletarian thunder
will blast and scatter them
and like a humpty-dumpty
no one will put them together again!

Muhammadu Baban-Dada,
Kaduna.

COMMENT

THE ALTERNATIVE TO SAP

On several occasions, President Babangida and his lieutenants have challenged critics of SAP to come up with an alternative. This challenge is, of course, baseless. For decades now, concerned and patriotic Nigerians have been articulating, in very clear terms, alternative non-capitalist strategies for the economic reconstruction of this country. They did so during the struggles for independence; they did so in the dying days of the First Republic; they did so during and after the civil war; they did so during the constitutional debates of 1976-78; they did so all through the stormy days of the Second Republic; and they have continued to do so since the December 31 military coup d'etat, especially in the course of the work of the Political Bureau, during the IMF debate, at the Kuru Conference on Foreign Policy, and other occasions.

So, this challenge is just as hollow as the claims being made in favour of SAP. In a nutshell, these claims are that: SAP is home-grown; it will revitalize domestic industries; it will promote non-oil exports; attract foreign investment; eliminate import dependency; lead to a realistic exchange rate for the naira; etc., etc. But claims aside, what is the reality? Even a child knows that SAP is a foreign import. Several years before it was ever heard of in Nigeria, the World Bank and IMF had imposed it on Turkey, the Philippines, Mexico, Haiti and Kenya, among others. As for revitalizing domestic industries, the havoc done by SAP is there for everybody to see: capacity utilization is less than a third; most medium and small-scale factories have been closed or are about to be; and even where growth is recorded, it is in the non-productive sectors.

And the claims about non-oil exports have been clearly debunked by the cocoa racket. Not only has the price of cocoa in the world market taken a nose-dive, like most other primary products, but its export is actually a cover for capital flight. However, the most insulting to Nigerians of these claims is that SAP is bringing about self-reliance. At no time since independence have we been more economically enslaved. Not only are we devoting half of our daily crude oil production to service debts — most of which are fictitious — but as much as 40% of the federal budget will this year be funded only if we get more foreign loans. And as the debts pile up and their servicing drains away all our wealth, the naira becomes more and more worthless.

The truth is that SAP is a manacle. Its purpose is to chain us firmly to the West for more and more systematic exploitation, in order to prevent Nigeria ever taking off as an economically independent centre for total African liberation. The only way to break loose from this chain is to jettison SAP and put in its place a Nigerian Economic Reconstruction Programme (NERP).

This programme has to involve the following: an economic reconstruction package which has as its absolute priority, not exports in any form, but production, distribution and consumption directed at the generation, utilization and renewal of our massive human and natural resources; the firm refusal to pay any but the most genuine debts after a moratorium of at least 10 years; the effective nationalization of foreign trade and all financial operations in order to ensure that all capital created by Nigerians is productively invested in Nigeria; the elimination of oppressive and parasitical forces blocking the peasant producer and the systematic building up of mutual aid organizations and co-operatives amongst rural producers; the laying of a firm basis for industrialization by the completion of all our steel projects in order to have virile capital goods industries centred around a machine-tools industry; the co-ordinated and rapid development of our vast hydro-carbon resources for our chemical and agro-allied industries and for our domestic energy needs; the revolutionizing of our transport system by putting at its centre the railways and waterways, supplemented by a rationalised road transport system; an immediate halt to all retrenchments and the immediate recall of all those retrenched for redeployment to productive activities; a thoroughgoing elimination of wasteful consumption, contractocracy, and all forms of parasitism; the repatriation back to Nigeria for productive use of the foreign assets of all those who wish to continue to enjoy the privilege of Nigerian citizenship; the mobilization of all Nigerian adult citizens — men and women — to be trained and armed to defend the sovereignty, territorial integrity and national independence of our country.

This Nigerian Economic Reconstruction Programme, NERP, can only be implemented when power is taken over by the people of Nigeria.

CONSOLIDATING STRUCTURAL ENSLAVEMENT

What President Ibrahim Babangida, the Minister of Budget, Alhaji Abubakar Alhaji, state governors and commissioners of finance *did not say* in their 1989 budget speeches is more important than what they said. In fact, what they said cannot be understood without knowing what they did not say. For to pore over their speeches, and the budget estimates, without knowing about these crucial dimensions of our economy and finances which they evade, is like negotiating to buy a second-hand car and scrutinising its paint, chrome and the rest of its body work, while ignoring the performance of the engine, steering, brakes, gearbox, generator, and all those things that make it a car, and not just a painted metal and glass contraption.

In the case of the 1989 federal budget, for example, let us take two crucial aspects of our economy and finances which the President and the Minister evade, and without which the whole budget remains nothing more than a cosmetic exercise in fiscal public relations, directed at covering up the fact that it marks an important stage in the consolidation of our structural enslavement under a heavy burden of external debts, most of which are still unproven and unverified.

THE LOUD SILENCE

For example, neither the President nor the Minister has told us, in their 1989 budget speeches, what exactly is the official Nigerian position on the current level of our total external debt. In federal budgets since 1984, for example, these were given as follows:

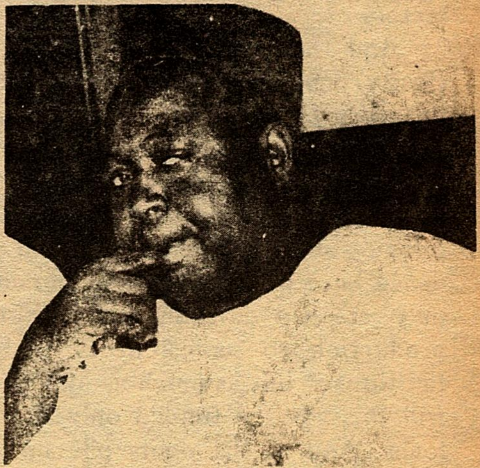
1984	=	N8.3 billion
1985	=	N8.9 billion
1986	=	N11.3 billion
1987	=	N35.0 billion
1988	=	N100.0 billion
1989	=	???

This silence is most significant because the problem of external debts has come to be at the core of all our budgets since 1982 and is one of the major reasons given for the imposition of the Structural Adjustment Programme (SAP). In the 1989 budget, for example, out of the N17.7 billion the federal government expects to receive as its total revenue, leaving aside the external loans it is begging for, a whopping sum of N8.8 billion is going into the payment of *interest* on external debts alone! This means one half of federal government's actual revenue is going into paying — not the principal — but the *interest* on external debts. The payment of the principal is going to consume another N1.2 billion this financial year.

But what vividly illustrates the extent to which our economy is now operated by the government in order to service external debts — that is, as an economy of debt-slaves — is how our 1989 earnings from crude oil export are going to be utilised. According to the President, at a selling price of about fourteen dollars per barrel, the government expects Nigeria to earn about four billion dollars from the export of crude oil in 1989. Out of this, two billion dollars are going to be sunk into servicing external debts — which means one-half of all our crude oil earnings is largely going into paying *interest* on external debts. This means that *this year Nigeria is going to give to our so-called creditors about 500,000 barrels of crude oil daily as payments, largely of interest, on unverified, and largely fictitious and dubious debts!* This is equivalent to the total daily crude oil imports of a country like Belgium. But the extent of this debt-plunder is somewhat covered up in the budget speeches by lumping the earnings from crude oil exports with the expected amount to be recorded for non-oil exports and with some project loans. Since the earnings from non-oil exports are barely repatriated back home, and if they are they are recycled out again through currency and commodities speculation, and the other earnings are new loans anyway, the actual reality in 1989 is that 50% of our real export earnings is going to be sunk into the payment of interest on external debts.

It is therefore behaving worse than an ostrich for the government to believe that it can sweep the issue of the actual size of our external debts under the carpet. For these debts have emerged as the hard core of the new mechanism of intensely exploiting and plundering our human and natural resources, devaluing out currency, pauperising our people and generally enslaving our country at all levels, and at an increasingly pervasive and intensive rate.

In fact, with up to half of our real export earnings going into servicing external debts and about the same proportion of the federal government's real earnings, the government can only operate the N30 billion budget by incurring another huge deficit to be financed by new and massive external and internal loans. The external loan of over two and a half billion dollars is extremely crucial for the balance of payments and for buying an increasingly devalued naira through foreign currency auction with which to fill the Nigerian government treasuries with lots of increasingly worthless cash. Without these external loans from the World Bank and others, which the government



Babangida, Alhaji Alhaji. . . consolidating the gains or the losses?

is now begging for, the whole budget will simply collapse. With these loans, the devaluation of the naira will be more rapid, and the inflation, speculation and capital flight accompanying the devaluation will leave the economy badly battered. The issue of our external debts is therefore very central to our economy today.

It is therefore morally, politically and economically impossible to evade the issue of the size, nature and authenticity of this country's external debts. You cannot commit a country to diverting such large proportions of its resources to paying for external debts for the next twenty years — that is for the rest of this century and beyond — and try to avoid establishing how much these debts really are worth, how much has been paid back, and how much remains to be paid back, and how much we can realistically pay back and still survive.

In fact, in his first major address to the nation on 1st October 1985, when he set out the goals and objectives of the present regime as economic reconstruction, social justice and self-reliance, General Babangida said:

"As you are already aware this country has incurred an unprecedented level of foreign and domestic debt in the past four years. I must make it abundantly clear that government will admit only those external and internal debts which have been duly documented and ascertained. We shall not accept liability for debts which are not so incontrovertibly established"

This commitment was made well over four years ago. Has it been abandoned? If it has not, then what is the current level of our external debt as documented, ascertained and incontrovertibly established by the government of the Federal Respublic of Nigeria, which carries the sovereign responsibility of carrying out this task on behalf of the people of Nigeria, and not on behalf of the World Bank, the IMF, the Paris Club, the London Club, or any cabal of international money lenders and their enforcers.

Finance Minister Okongwu.
. . why the evasions?

COSMETICS

The second crucial aspect of the performance of the economy which the budget speeches evade and without which the 1989 budget cannot be understood is the fact that, according to the Research Department of the Central Bank, the federal government spent a total of N13.0 billion between January and June of last year. Out of this amount, N6.0 billion was for the payment of interest on external and internal debts, and N3.5 billion was spent on administration, defence, and internal security. Economic services took N1.9 billion, and social and community services took only N1.3 billion.

This means that the payment of interest on debts and the expenditure on administration, the armed forces, police, prisons and other security agencies took over 70% of the total actual expenditure of the federal government in the first half of 1988! This was a continuation of the trend already established and completely exposes as false the claim of the government that it is working for economic reconstructtion, self-reliance and social justice. It shows that the claims about productive investment and self-sufficiency are completely hollow.

Most of the recurrent and capital expenditure of the government in 1989 is going to foreign and domestic money lenders, contractors and other sharks, administration, the police, prisons, armed forces, and security services.

Therefore, the huge figures announced for the productive sectors in the 1989 budget are just cosmetics to cover up the dominance of debts and the repressive state apparatus enforcing external and internal debt payments. The funds supposedly saved by retrenching workers and cutting down social services. and those raised from poll taxes, fees, rates and levies of all sorts, as is clearly revealed by the Research Department of the Central Bank, do not go into developing infrastructure and other means of production. The figures announced for them are cosmetics. This cannot be properly seen through without going into what the budget speeches do not say.

"The huge figures announced for the productive sectors in the 1989 budget are just cosmetics to cover up the dominance of debts and the repressive state apparatus enforcing external and internal debt payment."

ENSLAVEMENT, NOT ADJUSTMENT

The evasions in the budget speeches over the actual size of our external debts and over how much went into the productive and social sectors and how much into debt payments, armed forces, police, prisons, security and administration, indicate that the process of enslaving this country with a system of recycled external debts has reached such an advanced stage that the 1989 budget is primarily directed at consolidating the structures of this enslavement behind the back of the people of Nigeria. But the more rapid rate of inflation, devaluation, unemployment and generalised impoverishment that the massive transfer of our resources abroad entails, makes it impossible to hide the *effects* of this structural enslavement from most Nigerians. What the 1989 budget is doing in fact, is to reveal, in a direct and practical way to the majority of Nigerians that the *Structural Adjustment Programme*, which this budget is an expression of, is actually a *Structural Enslavement Programme*. And, since most of the people of Nigeria will never accept to become slaves — debt-slaves or any type of slaves — SAP and its budgets will only prevail up to the time when the people take over the power of running the government and economy of this country. For this country's survival, this cannot be postponed for much longer.

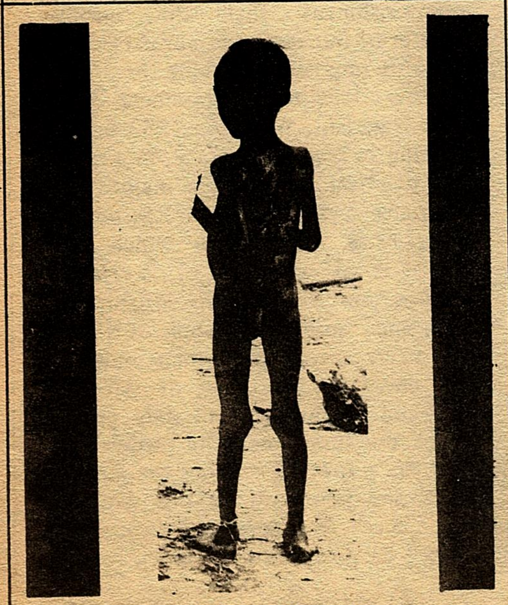
By Bala USMAN and Olu YUSUF.

GOING BEYOND SAP

The Structural Adjustment Programme (SAP) pursued by the government has clearly failed to bring about even the beginnings of an economic recovery in this country. President Ibrahim Babangida himself admitted, in his 1989 budget speech, that Nigerians are being battered by a high rate of inflation, unemployment, the devaluation of the naira and "reduced living standards". In the areas in which he claims that the economy has shown some improvement, this improvement cannot stand any serious scrutiny.

For example, it is not possible for anybody to know the Gross Domestic Product (GDP) of any country, in any particular year, within twenty-four hours of the end of that year. To claim, therefore, that our GDP rose in 1988 by 4.1%, as against 1.7% in 1987 — which means it more than doubled — cannot but be sheer speculation.

While it is true that there was a distinct improvement in the production of most agricultural crops, this was almost entirely due to the much better rainfall received all over the country, and was achieved in spite of the inflated prices and acute shortages of fertilizer and all agricultural inputs, caused by the government's policy of increasingly withdrawing from providing these essential agricultural requirements. As for the higher prices paid for food crops and most agricultural products, this has



Emaciated child. . . SAP is the cause.

worsened hunger and malnutrition, in both the urban and rural areas, without putting more money in the hands of the peasant producers, which they could further invest and improve their farming. Partly, this is because the prices of goods and services they need have risen many times more than the rise in the price of their products. It is merchants, bankers, money-lenders, and all sorts of middle-men who make huge profits fleecing the peasants, in buying their products, lending them money, and in selling to them the essential manufactured goods they need to survive.

In the area of manufacturing, the increases the President mentions were actually recorded in areas like production of cigarettes, drinks, and synthetic fibres, and not in the manufacture of cement, paints, roofing sheets, steel, metal ware, and all those goods the increase in whose production is the real indicator of productive economic growth.

He did not mention that the transport system is grinding to a halt, or that the burden of external debts and of even the payment of interest alone has become crushing and is draining away about half of all our total earnings from crude oil exports. He did not mention the very sharp deterioration in health and education services in 1988, and the large-scale increase in malnutrition and disease due to the tripling, even quadrupling, in the prices of the most basic foodstuff.

The fact that SAP has failed to revive the economy is an inescapable reality which no cosmetics in the budget or official claims can hide from the people of Nigeria.

This failure of SAP is not due to failures in its implementation. It has to be traced to its basic foundation, from its formal inception in 1980, when the World Bank started imposing it through its "Structural Adjustment Lending" to a number of Third World countries; through to its introduction in the 1983 economic recovery programme of the Shagari regime; to its partial imposition under Buhari, and to its full-scale articulation and imposition since 1986 by the Babangida regime.

FALSE DIAGNOSIS

From the budget speech of Shagari on Thursday, 29th December, 1983, to the *Blue Book* of the Buhari regime, issued in April 1984 which set out its basic policies and programmes, to the various speeches of General Babangida, his ministers and top officials, the development of the diagnosis of the causes of the Nigerian economic crisis— which is used to justify SAP — can be traced. This diagnosis has now been distilled and is widely propagated in various federal government publications issued last year, like *20 Questions and Answers on SAP*. In this publication we are told:

"SAP is a name coined from the first letters of the three words, 'Structural Adjustment Programme'. As such, it is the name of the plan which the Federal Military Government is now carrying out with a view to giving the national economy a new structure altogether. The need to give the economy an entirely new structure became a must, and an urgent one for that matter, when most of its old structure started collapsing between the seventies and the eighties to the extent that by the time the present government came to power in 1985 it could no longer stand on its own feet."

The publication goes on to claim:

"As it happened, with independence the nation had inherited from the colonial power a semi-colonial economy in which there was almost no local industrial production. But then there was just enough earned from exporting cash crops and minerals to pay for goods manufactured abroad. But as from the seventies there emerged quite another economic structure. So much had begun to be earned from exporting crude petroleum that Nigerians, government and people, abandoned agriculture of whatever kind. They began a one-product economy and that one product is oil. . . . In other words, the Nigerian people as a whole, both government and people had adjusted in a most unhealthy manner to the sudden good fortune which they landed by joining the exclusive club of oil-producing nations. They had in the process allowed revenues from oil to replace almost entirely those from agricultural production of cash crops. They have even begun to import some of the cash crops the country was once

famous for supplying the outside world. Into the bargain they had suddenly developed a taste for foods and manufactures from other countries in preference to those produced locally. At first it seemed that there would always be more than enough foreign exchange earned from exporting oil to pay for the whole razzmatazz of conspicuous consumption and artificial demand."

After this elaborate definition of the background, this official justification of SAP continues with a description of how we plunged into the current economic crisis and how the huge foreign debts piled up:

"What remained to complete the nation's plunge into its worst economic depression even and hence into suffering and hardship of the most disgraceful kind ever for the common people was the sharp fall in world oil prices that struck in the early eighties. Just as oil money came to Nigerians all of a sudden, so too did it go very much all of a sudden and the country could no longer find the surplus foreign exchange to pay for any importation at all not to talk of a substantial one. . . . But once again during that period much more foreign goods, wines, ready-made dresses, manufactured goods and raw materials were still being imported into the country. And since there never again could be enough foreign exchange to pay for all of them, the nation had really startea to amuse [sic] on credit, to eat on credit and to drink on credit thereby running the paralysing foreign debt that the present government was to inherit in 1985."

This diagnosis of the cause of our economic crisis, used to justify SAP, may sound elaborate, but it is completely false.

To seriously go beyond SAP we not only have to understand its origin and rationale, but also see through and grasp the fact that the diagnosis of our sharp economic depression which it is based on amounts to a colossal misrepresentation of what has happened to the Nigerian economy since the oil boom.

MISREPRESENTATION

In the first place, it is not at all true that with the oil boom from the early 1970s, agricultural production was neglected.

As far as capital investment into agriculture was concerned, the federal, state and local governments sunk increasingly huge amounts of money into the agricultural sector. In 1970-74, the total public expenditure on agriculture was N127.2 million. This increased by about *twenty times* to N2.3 billion in 1975-80.

In fact, total public expenditure on agriculture, irrigation, livestock, forestry, fisheries, and water supply amounted to 10.1% of all total actual public expenditure in 1975-80. It is only exceeded by transport, with 23.2%, and education with 10.2%. Since transport opened up vast areas for agricultural development, it cannot be said that agriculture was neglected during the oil boom.

The real issue which successive governments try to evade is the question

Kalu Kalu . . . one of SAP's architects.

of where this massive public expenditure for agriculture and related productive activity went to. As is well established by various panels of investigation, and confirmed by what we see before our very eyes, most of this money voted for agriculture and related productive activities was stolen by leaders of the governments, who used agricultural development as a cover for massively enriching themselves and their business patrons and partners.

The Nigerian irrigation schemes, for example, have become the most costly in the world because of this intensive looting. While in 1977-78, completing an irrigation project in Ivory Coast came to N500 per hectare, in the Bakalori Scheme, N7,540 was spent on each hectare!

There is abundant evidence for this type of massive embezzlement and siphoning of public funds in fertilizers, agricultural machinery, grain purchases, afforestation, and in fact in all areas.

Secondly, the claim that the people of Nigeria joined the leaders of the government in enjoying the oil boom by increasing importation of foreign goods, thus wrecking the economy, is completely false. The proportion of the national income going to pay wages, salaries, allowances, and pensions declined from 27.6% in 1973/74 to 23.2% in 1982. In the rural areas, average per capita income of the peasant farmers fell from N82.00 in 1973 to N81.00 in 1979. One naira fall may appear small, but this was in the context where millionaires were being created on a daily basis, who, together with their junior partners were the ones actually enjoying the foreign imports.

The whole emphasis on the importation of foreign goods being a factor in causing our earnings from oil to be used up is completely misleading.

The *Central Bank Economic and Financial Review* of September 1983 and the Bank's annual reports have shown that Nigeria was paying much more per each unit of imported goods than almost all other countries in the world. The average cost per tonne of the goods Nigeria was importing rose from N333.1 in 1977 to N466.9 in 1978, to N658.6 in 1981, to N942.2 in 1982! As the Johnson Matthey Bank affair has revealed, this high cost of imports inflicted on Nigeria was a means of draining away our foreign exchange reserves with the active support of the leaders of the governments of our so-called major trading partners like Britain. It was not importation, it was crude *expatriation* by over-invoicing or completely fictitious importation.

EXPATRIATION

In fact, in the four years 1980-83, Nigeria earned about $56 billion from oil and other exports. In those same four years, according to UNCTAD's *Handbook of International Trade and Development Statistics (1986)*, about $22 billion was paid out from Nigeria as dividends, interest, insurance and freight, private transfers and other charges.

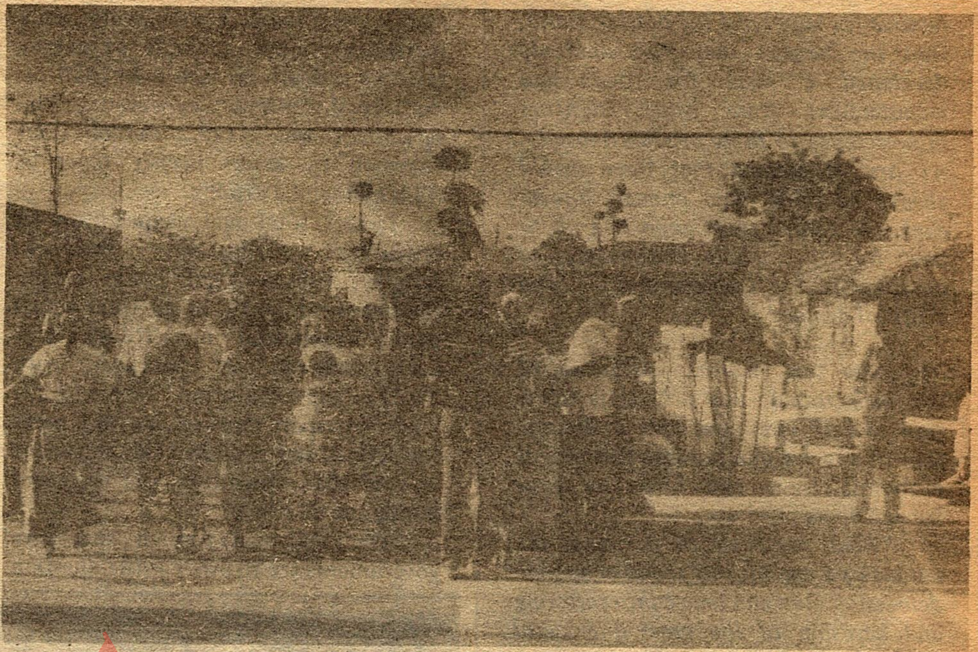
It is also not correct to give the impression that the debts piled up to pay for foreign goods after the money from oil had dried up. As illustrated in the *Update* in this issue, the foreign debts started piling up in 1980, the year in which we earned more from oil than in any other since oil exports started in this country.

The policies of repaying unverified and unproven debts, cuts in social services, retrenchment of workers, imposition of taxes, levies and fees, privatisation, and the devaluation of the naria — which constitute the core of SAP — have no basis in what actually brought the Nigerian economy to its knees. They actually intensify the process of the intense expatriation of the wealth of our country which is the primary cause of this economic crisis.

In March 1985, some of us had cause to aruge that:

"it is important to realise that the depression in the metropolitan capitalist economies beginning from the early 1970s, only intensified the growth of this process of expatriation of capital from Nigeria. It did this through the compensatory mechanism operated to make up for declining profits in the metropolis by raising the rate of profits from the dependent economies. The Cement Armada of 1974-76, which almost wrecked the Nigerian economy and facilitated the ending of military rule in 1979, was an example of the crude operations of this mechanism. . . . Now, the process of expatriation in Nigeria has been taken to such a level, and has become so entrenched through a debt syndrome that even the recent recovery in the metropolitan capitalist economies is only worsening the crisis here, as the Federal Military Government squeezes out almost every kobo from the country to pay for debts which were simply used to facilitate the earlier phase of this expatriation and which were therefore not genuine, but which apparently have to be honoured in order to keep the credit lines of subsidiaries of multinational corporations and banks operating in Nigeria open. Since about 1981, the rate at which the surplus generated in this country was being expatriated and invested or consumed abroad, has become so high that not only has actual capital formation virtually stopped in any significant sense, but even the replacement of depreciated capital stocks has virtually stopped. In fact to sustain this rate of expatriation the FMG is cutting down the standards of living of the people through cuts in their income, inflation, taxes, levies and through reduction or cessation in the social services."

Now, four years later, it has become even clearer that the central



Commuters...No end to suffering under SAP.

cause of the economic crisis which our country is sunk into, is the high rate of expatriation of the wealth created in the country to other countries, which is sharply reducing the level of investment in the reproduction of our human resources and in the utilisation of our natural resources. Unless this rate of expatriation is stopped and most of the wealth created by our working people is re-invested here, the economy cannot recover.

BEYOND SAP

Therefore, once we can see through SAP we can begin to see that to go beyond it, we have to reject it entirely. Instead of paying for almost all debt claims on us, we should closely scrutinise all these claims and refuse to pay those that cannot be verified as genuine. But even the payment of the genuine ones should be postponed for a number of years, until we have invested in our economy and started to generate enough resources with which to pay back and still invest to sustain our growth, independent of any single country or group of countries or international agency. The terms of the repayment of those debts established as genuine should be conditioned by the creditor's willingness to cooperate with us in developing a new basis for our foreign trade.

Instead of privatising the economy, all banking and all foreign trade has to be fully nationalised and planned, in line with the recommendations of the *Green Paper on the State of the Nigerian Economy*, of October 1983, which states that:

"The integration of our export with our import trade is essential for economic recovery. But it can only be achieved by the following measures:

a. Removing all local and foreign middlemen from all export and import trade including oil;

b. Complete Federal Government monopoly of foreign trade-including merchant and commercial banking;

c. Comprehensive planning of foreign trade over at least a three year period;

d. The change of the constitution to make any citizen who has amassed wealth abroad to be charged with treason, or if he or she runs away they lose their citizenship. Nigerians cannot afford harbouring citizens whose preoccupation is destroying her by amassing wealth abroad at her expense. All those with any assets over N50,000 abroad should be given six months to return them and re-invest in this country. A register of Nigerian private assets abroad will be maintained".

In addition, the devaluation of the naira should be immediately halted and its value shall be maintained within a certain range against a basket of currencies of those countries actually willing to respect our sovereignty and independent economic recovery programme, and consistent with our new pattern of foreign trade geared to a high rate of domestic investment in productive activity and in producing a healthy, creative and well-nourished and educated citizenry.

The Privatisation policy has to be rejected and retrenchment halted. The size of the bureaucracies, armed forces and security agencies and all those not engaged in direct production, or the reproduction of human resources, must be rationalised, not by retrenchment, but by re-deployment.

Parasitical middlemen and speculators in land, currency and all commodities must be eliminated by directly linking producers and manufacturers through associations and other organisations of producers, distributors and consumers. Wherever possible, farmers and artisans should be supported to form mutual-aid organisations and cooperatives, and these should form the core around which the government's promotion of agricultural investment should be built.

A high level of capital and human investment in rapidly building our capital goods and basic materials industries must be a key priority. For, once we can produce flat steel and machine tools, the basis of our economic survival as an independent nation would be assured. With these, the railways and waterways would be revitalised to become the core of the transport system, supplemented by roads.

Patriotic industrialists and professionals should be given all encouragement and support to expand their domestic investment and productive activities.

All these measures will require a new political order in which power is clearly and firmly in the hands of the people of Nigeria, organised in their places of residence and of work. For it is only on the basis of genuine people's power that we can achieve the essential requirement of containing and defeating the powerful forces of our domestic and foreign exploiters who will do everything they can to retain and defend their parasitical exploitation, and criminal expatriation of our resources, which is the major cause of our current economic travails.

By Bala USMAN.

NEPA: Service with tears under SAP.

SAP...And The Nigerian Child!

The most crucial factor in the growth and development of a human being is feeding. Yet over the years this basic and fundamental human right of every Nigerian, the right to food, has been trampled upon. The most vulnerable to the ravages of inadequate food are children, who are the future of Nigeria.

For the optimum growth and development of a child it is essential that, particularly from conception to the age of five years, a child is not malnourished.

The immediate manifestation of malnutrition are the diseases called marasmus and kwashiokor. In common language, marasmus is indicated by underweight, while kwashiokor is indicated by skeletal body frame, a big head, a bloated stomach and swollen joints.

In a survey of 50 children conducted in a hospital in Zaria in 1988, 32% were diagnosed to be suffering from marasmus, 30% from kwashiokor, 16% had marasmic-kwashiokor, while 22% were undernourished.

Much more frightening is not just the immediate health of a child, but the long-term effects on his/her growth. For a malnourished childhood means stunted physical growth and incomplete growth of the brain cells which grow to their full capacity by the time a child is five. If that child was, even as a foetus, underfed due to malnourishment of the mother — as is often the case today — the adulthood of the person is shortened and he or she suffers from a smallness of physique as well as mental retardation.

The leading cause of underweight babies as well as malnourished children has been clearly shown to be the economic status of the parents, especially the mother. In the study conducted in Zaria, 50% of the parents of the malnourished children had, in 1988, incomes ranging from N1,000 to N2,999 per annum; 50% were earning between N3,000 and N7,999 per annum, while none of the children in the study came from families in the N8,000 and above income bracket. These figures are in fact enough to give the picture of how malnutrition is largely a sickness of poverty. For the healthy development and growth of a child, 50% of his diet should be carbohydrates, 30% fats, 15% protein, and 5% vitamins and others. But the normal stomach capacity of a child from the age of 4 months when supplements to milk must be introduced, cannot contain the heavy carbohydrate content of Nigerian adults. To obtain the approximately 1,000 calories a child requires during the first year of life, he would need to consume about 1 kg. of cooked rice or any cereal of that weight. This necessitates a high fat and protein diet to provide his energy requirements, which most Nigerian parents cannot afford now under SAP.

Most of what has been said above about nutrition requirements may not be new to parents. And certainly parents will not willingly witness the wasting away of their children. The automatic question that arises is, therefore, why can't we feed our children. Answer: Because of SAP. But then, what kind of an economic restructuring is this which cripples our children?

By Hauwa MAHDI.

BANKS IN NIGERIA:
We Get Sapped, They Get Fat

They have a way of getting at you every day of your miserable life — wherever you are, whatever you may be doing! Open the newspapers, there they will be beckoning to you in that synthetic fashion that has come to be the hallmark of their corporate image. Tune in the radio, and the blare of their message would hit you faster than the speed of a supersonic jet. Switch on the television set, and behold how their P.R. men leap across the gleaming screen mouthing sugar-coated lies.

Not even on your way home, after a neck-breaking day at work, would they leave you alone — they stare at you, larger than life, from life-size billboards. Yes, they will just not leave you alone. The banks will just simply not allow you even that limited freedom — the freedom to ruminate over your own hopeless, broken and sapped life. They must daily remind you, in newspapers and magazines, on radio and television, on billboards and stickers, about how surfeited they all are with SAP's bounteous harvest.

"Come to us", they seem to be saying, "you sapped citizens of Nigeria, and we shall show you how we intend to continue serving (sapping) you even better". Where they are not telling us, in their boastful advertisements, about how "we know Nigeria, we know the world"! they will be boasting: "we are like diamonds. . . everlasting in friendly banking". When they are not claiming, what they know very well is false, that "you will always leave us with a smile", then they are cajoling: "wise men bank with us".

Their annual advertisement budgets run into millions of naira. Indeed, they seem to be the only business sector keeping the advertisement and public relations firms afloat in this stormy SAP sea that Nigeria is sinking into today. The costs, of course, mean nothing to them. Their phenomenal profits, which have become even more phenomenal these days, permits them this singular extravagance. And they can always increase their charges and interest rates. A few random examples will suffice to make the point.

Take Habib (Nigeria) Bank Limited.

Habib Bank: Home of the mega-profits.

This bank was established in 1982 as a joint venture between wealthy Pakistani businessmen and some influential and rich Nigerians, chief amongst whom are Major-General Shehu Musa Yar'Adua (retired), M.K.O. Abiola, Alhaji Tanko Kuta, Alhaji Abubakar Koko and Dr. Babatunde Jose. The bank had, on establishment in 1982, an initial share capital of only N5 million. It started business in 1983, and that year declared an after-tax profit of N381,994. The following year, i.e., 1984, the after-tax profit of the bank jumped to N600,977 — a rise of over 60% in just twelve months! The year after the profits had risen to N773,885. But the 'giant leap forward' came in 1986, the year SAP was put into operation: that year the bank's after-tax profit rose to a whopping N3.4 million — an astronomical rise of well over 320%. Similarly, between 1983 and 1987, the total assets of the bank rose from N96 million to N640 million!

What all these figures mean in plain language is that the foreign and Nigerian share holders of Habib (Nigeria) Bank entered the banking market in Nigeria some six years ago with a capital of just N5 million. And in five of these six years, they have extracted from the sweat of Nigerian workers, peasants, market women and other petty producers, and from the wealth which naturally belongs collectively to all of us, a total sum of N5.1 million, over and above the capital they had initially invested.

But Habib is a relatively small fish, even among the new-comer banks. The International Bank for West Africa (IBWA) had in 1980 a share capital of N15 million. In 1982 the bank declared a profit, after tax, of N14.62 million. In 1985 this had jumped to N23.65 million. And by 1986, when SAP began, the figure stood at N36.63 million.

However, to really get a good picture of the phenomenal rise in bank profitability these past few years, it is essential to take a peep into the declared accounts of the three biggest banks in Nigeria today, i.e. the First Bank, the Union Bank, and the United Bank for Africa (UBA), as well as the declared accounts of the mushrooming merchant banks.

In 1984, the net profit of the First Bank was N29.1 million. This went up to N53.4 million in 1986. And by the first SAP year, i.e. 1986, this profit had swelled to N86.6 million. The bank has now declared a pre-tax profit for 1987 of N106 million. The management of Union Bank declared an after-tax profit of N28.5 million in 1984 and N41.5 million in 1985. By 1986 this had soared to N55.8 million. The Union Bank's pre-tax profit for 1987 is N87.9 million. At the UBA the profitability picture has been equally rosy. In 1984, after-tax profits stood at N31.4 million. This had climbed to N34.1 million by 1985, only to be overshadowed by 1986's declared after tax profit of N42.0 million. UBA has declared a pre-tax profit of N105.9 for the year 1987.

It is, however, at the merchant banks that the most scandalous profits in the industry are being declared. First City Merchant Bank took off in 1983 with an initial capital of N2 million. In 1984 it declared an after-tax profit of N725,000. This rose to N1.3 million in 1985. But by 1986, when SAP began, its after-tax profit stood at an amazing N4.8 million! In 1985, Continental Merchant Bank declared N5.4 million as its after-tax profits. By 1986 this had risen to N9.9 million. The Nigerian Merchant Bank posted N3.7 million as its after-tax profits in 1985. By 1986 its after-tax profits had swelled to N6.1 million.

With such a profitability profile, it is little wonder that so many applications for licenses to set up new banks are choking the "IN" trays of the Central Bank and the Federal Ministry of Finance. About 50 applications for banking licenses were reportedly awaiting government approval as 1988 came to a close. And in 1988 itself, the government gave the green light to over a score of new applicants. The names of some of these banks are very bizarre, reflecting what they really are — fronts for currency speculators, drug traffickers, and all sorts of high level swindlers and professional confidence tricksters.

The huge bank profits are however not coming in as a result of a new wave of innovation or enterprise on the part of the bank managements. Nor are they proceeds from the traditional bank sectors of trade financing, corporate banking, or even treasury management. These profits are simply and purely proceeds from foreign exchange racketeering at the SFEM, and subsequent FEM, markets. And FEM and SFEM, every Nigerian knows, have been the fulcrum of the entire SAP package.

This foreign exchange racketeering has centred around the recycling of FEM winnings to the autonomous markets, where, by the second half of 1988, the banks were charging as high as N15 for one pound sterling! The result, of course, has been a most criminal, a most artificial, devaluation of the naira against other foreign currencies. This in turn has fueled inflation, swelled the cost of even essential imports, and run aground literally all manufacturing activity, save those carried out by the subsidiaries of multinational corporations.

And it is not as if the government is unaware of this development. In the course of 1988, the Central Bank had cause, temporarily, to forbid the banks selling the U.S. dollar at the autonomous market at more than N6 to one dollar. A member of the AFRC, and even Vice-Admiral Aikhomu, last year expressed dissatisfaction with the banks, and even told reporters in Lagos that government might review the role of banks in the 1989 budget.

"Before we know it, we may one day wake up to find the entire Nigerian economy literally in the pockets of a handful of indigenous and foreign moneybags."

Yet what did the government do? In his budget speech President Babangida lamented over the high rate of depreciation of the naira, but quickly came to the defence of the banks with the lame excuse that this depreciation must be seen as the result of the oft-cited demand and supply syndrome.

But this reluctance on the part of government to use the big stick (or even the harsh tongue) against the banks is not altogether surprising. For the underlying philosophy of SAP is that banks have a central role in determining the naria's exchange rate and the health of the economy. The 1988 budget spelled this out quite unequivocally. The collection of customs duties was removed from the Department of Customs and Excise and placed in the laps of the banks by that budget. Similarly, in that same budget banks were empowered to hold up to 33% of shares in industrial enterprises. Furthermore, the banks were to be the key vehicles for the debt-conversion programme of government. All these, of course, in addition to their primary role in the foreign exchange business! Needless to say, all these powers given to them are very crucial to the economic health, even survival, of the nation. Yet, for the most part, and in spite of the nominal majority shareholding of government in many of these banks, in practical terms these banks remain under the firm control of their foreign shareholders and mother banks who use them for the sole purpose of accumulating wealth and building up of private fortunes of their Nigerian frontmen. Indeed, the ownership of these banks — in spite of the sensitive role in the nation's economic life which they are progressively being entrusted with — is daily becoming narrower and narrower. So much so that before we know it, we may one day wake up to find the entire Nigerian economy literally in the pockets of a handful of indigenous and foreign moneybags.

A 1985 survey by Osy Onyenwe in the *Business Concord* (August 2, 1985) showed, for instance, that of the N20 billion total assets of the top twenty Nigerian banks in 1984, the so-called "Big Three", i.e. the First Bank, the Union Bank, and the United Bank for Africa (UBA), controlled as much as N11.2 billion, or 53%. By 1985, the total assets owned by these "Big Three" had come to N13.6 billion — a 22% increase over the previous year. The following year, i.e., 1986, the total assets portfolio of the three stood at N15.9 billion!

Today, the "Big Three' command over half of the total loan advances offered by banks in the country. Now, the significance of this, in practical terms, is that the handful of men who are in control of these banks are in a position economically and politically to hold the rest of us, and even the entire country, to ransom. And the more the government divests itself of the responsibilities which it owes to us, and hands these over to the banks, the greater the risk. Indeed, according to the Research Department of the Central Bank, by June 1988, the banks controlled 60% of the total external assets of Nigeria. This is more than what all the governments of Nigeria have, through the Central Bank, and by all other means!

But who are these men who are sitting so pretty on such enormous means of power, influence and welath? You need do no more than look up the shareholding and directorships of these banks to get an answer. The Baffas are there. The Dan Madamis are there. The Oshodis are there. The Ogwumas are there. So are the Cockburns, Monterdes, Whittets and Kuforiji-Olubis. And now you have a new crop of bank owners like the Otumba-Baloguns, Tijjani Hashims, Joe Iyallas, Ibrahim Dasukis, the Iwuanyanwus and the Ibrahim Damcidas. God save us!

However, we do not have to continue remaining at their mercy. We do not have to be held to ransom. The yearly siphoning, extraction, and expatriation of our collective wealth by the banks is not an inevitable process, or an unstoppable haemorrhage. There is an answer to it. There is a solution.

That solution ultimately lies in the outright nationalisation of not only the banking business in the country, but also of foreign trade as a whole. The 1979 constitution, parts of which are still operational, provides that the "commanding heights" of the nation's economy should be controlled by the state. And even in their tinkering with that constitution, the present Constituent Assembly has left that aspect of the Constitution intact. There is at present no aspect of Nigeria's economic life which is more commanding than its banking and financial institutions, and its foreign trade. Such vital aspects are left in the hands of private vampires and scavengers only at the peril of the economic health and political stability of a nation.

Of course, it can be argued that state take-over of the banking and financial institutions and foreign trade, in a situation where that state itself is not a people's state but a state controlled by the rich and the powerful, actually changes nothing. But that would be to take a fatalistic view of historical development. The mounting revolutionary upsurge in the world, and in Nigeria in particular, can only mean one thing: the days of the compradors are numbered and the emergence of a much more patriotic, if not revolutionary, class in control of the government is only a matter of time.

At the beginning of this century, that founder of the world's first socialist state, V. I. Lenin, observed that "quite often industrial and commercial circles complain of the 'terrorism' of the banks. And it is not surprising that such complaints are heard, for banks 'command'." As we enter the last decade of the 20th century, it remains a challenge to all progressive and patriotic peoples to finally tame this 'terrorism' of the banks, and to turn it around in the service of humanity.

By Richard UMARU.

N800 Million Down The Drain!

'Hurray, at last the government is waking up to the problem of education in Nigeria'. This is likely to be the response of parents, teachers and students to this year's federal budget. After all, hasn't the government set aside an unprecedented N800 million just for financing primary education alone this year?

But before the jubilation and the backslapping get into our heads, it is necessary to pause a little and take a second look at this budget, as it relates to the educational sector. For the crisis which is steadily ruining this country's educational establishment is not just a function of inadequate funding, serious as this is. Rather, it is a crisis which has multiple aspects, institutional and social. After all, were large chunks of money not sunk ostensibly into the educational sector during the UPE programme in the early '70s? What came out of that? Did we significantly improve the educational system in the country as a result of those funds? The UPE scheme only gave birth to a contracts boom, out of which a sleazy class of the new rich emerged.

But that was the UPE. Nigerian leaders, some may argue, have since become more responsible. Have they? Take a more recent case. Were not millions of naira spent between 1984 and 1985 purportedly on purchase of laboratory and workshop equipment for the 6—3—3—4 educational policy? Where are these equipments today? Where are the laboratories and the workshops?

By 1987, Kaduna State had installed equipment in only 40 of the 109 schools which required workshops. Kano State had equipped only 57 of its 210 schools. In other states like Niger, only 39 of the 350 laboratories were equipped. Benue State could only boast of equipping 23 out of 400. The situation was not better in the southern states. In Oyo State, for instance, only 50 laboratories out of 350 were equipped; while Imo installed just 9 our of 412 units.

It is not difficult to imagine where most of the money meant for equipping these laboratories went to: the pockets of avaricious contractors, thieving officials and greedy school principals. And just as happened to the UPE programme and the New Educational Policy of 6—3—3—4, so will be the fate of the N800 million set aside purportedly for primary education in the year's budget. And the rot will continue.

For parents in particular, this rot — made worse by SAP — manifest itself in the form of spiralling prices of educational material, particularly text and exercise books. In the face of a battered economy with a depreciated currency under SAP, book publishing has become an expensive enterprise. Nigeria has become the biggest export market in Africa for all sorts of foreign English-language publishers. In 1973, British publishers alone made about £25 million out of the Nigerian market. By 1980 this had jumped to about £90 million. However, it is the local publishers and state bureaucrats who are conniving to perpetuate the situation.

As a result of this stranglehold of the foreign publishers, Nigerian distributors of their books are forced to accept smaller and smaller discounts on their bulk purchases. The foreign publishers and booksellers now offer as little as 10—15% discount to Nigerian book buyers. In the past, they used to offer as much as 50%. The local distributors in turn pass on their higher costs to the parents and guardians of school children, thereby making education expensive and beyond the reach of the children of the poor.

Local book publishing could have come in to save the situation, but for the fact that, with SAP, the cost of raw materials like paper, plates, films and ink, as well as printing presses, have gone over the roof. This has made publishing in Nigeria even more expensive than a resort to importation.

Pupils' text books printed and packaged in Nigeria of about 100 pages which used to sell at N3,00, N2.50, and even N1.20, now cost as much as N6.50, N9.00, and N15.65. Is it therefore any wonder that the approach of a new school year has now become such a source of great anxiety to parents, guardians and school children?

By Gabriel ABU.

1989: Not Yet A Year For The Unemployed

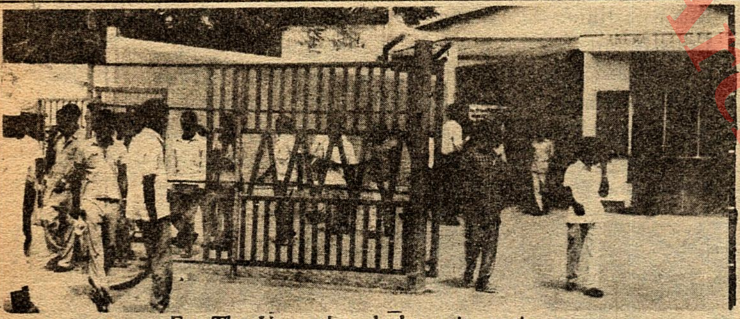
The Federal Military Government recognised the existence of three categories of Nigerians in the 1989 budget. First is "the private sector". Second is the armed forces and the bureaucracy. Thirdly, and of course, lastly, are the working masses of Nigeria.

Whereas the 1989 budget is favourable to the first two groups, for the last category of Nigerians it promises only doom. This is particularly so for the unemployed.

It is true that the Babangida administration in its 1989 budget recognised that unemployment constitutes a serious problem to the people of this country. But, as usual, in his budget speech the President stopped short of identifying the real causes of unemployment.

A sincere and honest solution to the problem of unemployment would have started by telling us the causes, which are: the retrenchment of hundreds of thousands of workers since 1982; the privatization of state-owned parastatals; the deregulation of interest rates; and the systematic devaluation of the naira.

All these policy measures, taken individually and collectively, have stymied the economy, run small firms aground, made access to credit difficult, and generally led to the shrinking of the work force.



For The Unemployed, the wait continues

By committing more than 30% of the foreign exchange earnings to service dubious debts, the government, which hypocritically cries about lack of investment capital, has more than any other agent caused capital flight. Our people are forced to go unemployed.

Since the causes of unemployment are traced to the government's Structural Adjustment Programme (SAP), it is dishonest for government to say that it will vigorously pursue SAP and at the same time "solve" the problem of unemployment.

To emphasize the lack of seriousness with which the government takes the problem of unemployment, the budget has no clearly defined employment and incomes policy. Of course there are statements scattered throughout the budget on this crucial issue. But these do not amount to any coherent employment and incomes policy. To compound matters, government has severely cut capital expenditure, which could have been a means of generating employment. In the 1989 budget, only N9.3 billion was allocated to capital expenditure whereas even in 1987, when the value of the naira was much higher, the figure was N10.7 billion. But the most significant point here is not even this decline. Of the N9.3 billion capital expenditure that has been proposed in this year's budget, only N1.8 billion will be utilised for productive investment.

Import duty has been increased from 35% to 45% for motorcycles and bicycles, "to stimulate more local production and create more jobs", according to Alhaji Abubakar Alhaji, the Budget Minister. This sounded so ridiculous that the industrialists gathered to hear his briefing burst out laughing. In addition, says Alhaji Alhaji, import duty on mosquito repellent coils has been raised from 30% to 200% to "stimulate local production". We are to believe that joke on the part of government is supposed to provide more jobs!

What all this means is that many more people will lose their jobs in 1989. Whatever money will be expended by the National Directorate on Employment will be like a drop of water in a sea.

Now, let us turn to the small farmers. Last year, the heavens were very kind to Nigeria and there was plenty of rain. However, the withdrawal of subsidies pushed up the cost of fertilizers, chemicals and farm machinery up several times their previous price. The price of fertilizer jumped from N10.00 per bag to between N40.00 and N60,00. Most small farmers could not afford this, so that although they tilled their fields, they reaped smaller harvests, despite the good rainfall.

Government has stated that there was growth in the agricultural sector, and cited the increasing part-time farming activities of civil servants. Yes, these are the major beneficiaries of the Small Farmers' Loan Scheme. Government has, says the President, decided to hands-off agricultural operations and to completely remove subsidies by 1990-91, and hand over the operations to private operators and state-run agencies. The state government agencies charged with distributing farm inputs have been converted into gold mines by corrupt officials and their collaborators in the private sector. Now this system is to be consolidated in 1989 and beyond. This means that only the rich will be able to afford farm inputs. This further means that increasingly, small farmers will be forced to abandon their farms, which are being taken over by the rich. These small farmers will become unemployed in their villages, and can only survive if they find seasonal jobs on the farms of rich people.

We must not be too optimistic about the statement that out of N1.8 billion meant for the productive sector, N1.2 billion will go to agriculture, including DFRRI. Between 1986 and 1988, DFRRI spent more than N1 billion, and we are yet to see the results.

From all indications, the 1989 budget spells doom for the working people of this country. Those who have jobs may lose them. The unemployed shall remain unemployed. The poor will not be able to send their children to school or to house themselves. Beggars will increase on our streets, and violent crimes will multiply.

So welcome 1989! Welcome more pain and suffering!

By Zuwaqhu BONAT.

HOW THE DEBTS PILED UP(1):
The Ghost Of The Accord

Remember *the accord*? That political marriage of convenience, contracted late in 1979, between a politically beleaguered, even if electorally 'victorious', National Party of Nigeria (NPN) and a much wooed, even if essentially opportunistic, political bride, the Nigerian Peoples' Party (NPP)?

Well, if you do, you will remember that that accord was struck at a time when the ruling NPN badly needed political friends. In the National Assembly, the NPN legislators were a minority, and the President needed the National Assembly's approval for his ministerial appointments. Besides, the legality of Shagari's declaration as President by the Michael Ani-led Federal Electoral Commission was still being disputed, first at the Supreme Court, and more seriously, in political circles around the country. Hence, the party's desperate need for an accord of some sort.

The NPP, on the other hand, badly needed a piece of the federal action. The party was — but for a few exceptions here and there — led by people who had in the past been politically consistent only in one thing: seeking public office at all costs for the singular purpose of sharing its booty.

So, with this unity of interests between the bridegroom and the bride, the accord was contracted. It was all nice and beautiful while it lasted: posts were shared out, contracts awarded, and the merriment train sped on. But it was also short-lived. As the months went by, the bridegroom felt more and more politically secure, and the need for the bride disappeared. So it became more and more evident that it was a matter of time before the marriage would hit the rocks. And indeed eventually the accord was terminated — of course, not before some of the hay had been raked in by the collaborating NPP.

At the time, Nigerians thought this hay was limited to political posts and inflated contracts. But evidence now available to THE ANALYST, from impeccable sources, shows clearly that one of the major 'benefits' which some of the NPP leaders cornered from the Accord was the freedom, even license, to borrow money indiscriminately and irresponsibly from the Euro-currency markets within just a couple of months of signing the Accord.

For instance, in February 1980, Imo State contracted a loan, number 80E5189, of $25 million (U.S.) from a consortium made up of the Trans-Arabian Investment Bank, the Bank of Bahrain and Kuwait, the Bank of Bumiputra Malaysia, the Bahrain Investment Company, the Saudi Cairo Bank, and the Commercial Bank of Kuwait. The same Imo State in November of the same year took another loan, number 80E6642, of $36 million from a syndicate of nine banks: the Dillon Read Overseas Corporation, the Arab Banking Corporation, the European Arab Bank Limited, the Industrial Bank of Kuwait, the Arab Bank Investment Company, the National Bank of North America, the Saitama Bank Limited, the Arab International Bank and the European American Bank Limited.

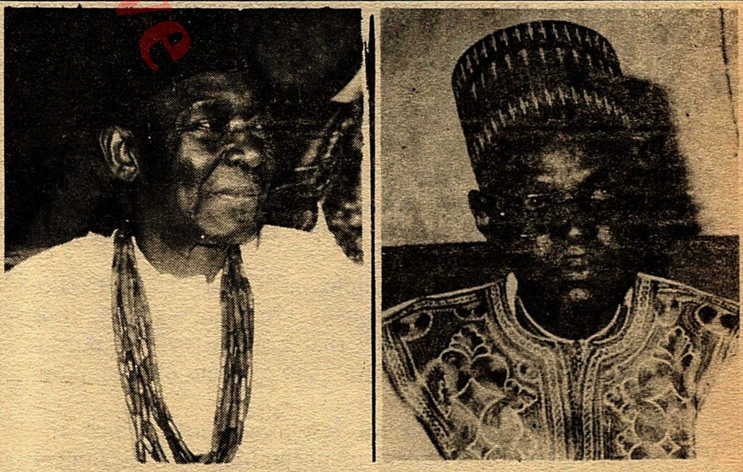
But the NPP administration in Imo State was not to be satisfied with even these. It had to take yet another loan, No. 80E6643, of $18.8 million, in December 1980. This loan was borrowed from five banks: the Amex Bank Limited, the National Westminster Bank, the Sumitomo Bank Limited, the Midland Bank Limited, and the Standard and Chartered Bank Limited.

However, Imo State was not the only NPP State administration to utilise its accord with the NPN Federal government to borrow huge sums from the international money markets. In December 1980 Anambra State contracted loan number 80E6641 of $38 million from a syndicate made up of the following banks: the Banque de Paris et des Pays-Bas, the Continental Illinois Bank, the Lloyds Bank International Limited, the National Westminster Bank Group, the Banque Francaise du Commerce Exterieur, the International Commercial Bank Limited, the National Bank of Canada, the PSP and Co (UK) Limited, and the Abaf Bank Limited.

And in Plateau State, the NPP administration there contracted, in March 1980, a syndicated loan number 80E5273 of 122 million deutsche marks, (equivalent then to $66 million) from BHF Bank, American Express Bank International, Citicorp International, Credit Agricole, Gulf International Bank, Societe Generale, Berliner Bank International S.A., Continental Illinois Bank, Credit Suisse, and two others.

A particularly interesting aspect of these loans is that they were gotten largely from Arab-owned banks, by administrations led by some of the most rabidly anti-Arab, and, if you will permit the awkward expression, sharia-phobic sloganeerers. And this at a time when memories of the 1978 shari'a charade at the Constituent Assembly were still very much around.

At any rate, while providing cover and guarantees for these reckless borrowings by the NPP administrations in the states, the Shagari Federal government was itself not standing idly by. It in fact also got neck-deep in the borrowing spree. In 1980 alone, that government borrowed the following sums:



NPP's Zik, NPN's Shagari. . . debt is the name of the game.

JANUARY 1980:
$50 million (U.S.) from a syndicate made up of Banque da la Societe Finland Europeene, European Arab Bank (Middle East) EC, Lloyds Bank International Limited, Nederlandsche Middenstands Bank NV, Banque Nationale da Paris, and Barclays Bank S.A.

FEBRUARY 1980:
$73 million from the Al-Ubaf Group, the Amsterdam-Rotterdam Bank NV, the Gulf International Bank, Banque Intercontinentale Arabe, and Barclays International Group.

AUGUST 1980:
$50 million from Citicorp International Group, Banque de l'Union Europeene S.A., Chemical Bank, Security Pacific National Bank, Barclays Bank Limited, and Lloyds Bank International Limited.

AUGUST 1980:
$28 million from Interunion Banque, Allied Arab Bank Limited, Citicorp International Group, and Royal Bank of Canada.

SEPTEMBER 1980:
$41 million from Banque de Paris de des Pays-Bas (UK), National Westminster Bank Group, Banque Inter Pour L'Afrique Occidentale S.A., Continental Illinois Limited, Mitsui Trust and Banking Company Limited, BC De Bilbao, BC Totta and Acores (UK), Banque Commerciale Pour L'Europe Du Nord, Banque Francaise du Commerce Exterieur, and four others.

OCTOBER 1980:
$50 million from Midland (France) S.A., Banque Worms, Al-Saudi Banque, Bankers Trust International Limited, International Westminster Bank Limited, Arab Bank International, Banque de l'Indochine et de Suez, Citicorp International Bank Limited, National Bank of Canada, and Credit Ind. et Commercial.

OCTOBER 1980:
$73 million from Credit Lyonnaise, American Express International Bank Corporation, Barclays Bank S.A., Banque Francaise du Commerce Exterieur, Chemical Banque, Interunion Banque, Sumitomo Bank Limited, Allied Arab Bank Limited, State Bank of India, and European Arab Bank Limited.

NOVEMBER 1980:
$66 million for the Sokoto-Rima Basin Development Authority from the Al-Ubaf Group, Arab Banking Corp., Arab Malaysian Development Bank, Banque European de Tokyo S.A., DG Bank — Deutsche Genossenschafts, Amsterdam—Rotterdam Bank N.V., Arab Bank for Investment and for Trade, Arab Bank International, and Hokkaido Takushoku Bank Limited.

1980's external debt portfolio of Nigeria also included a $15.8 million loan borrowed by the NPN administration in Rivers State from the following banks: Amex Bank Limited, National Westminster Bank Limited, and Midland Bank Limited.

But what is there on the ground to show for these huge sums? That is a question Nigerians will keep on asking without the remotest chance of ever getting a satisfactory answer. But the ghost of that Accord keeps on haunting us, in the image of the debt burden now choking us and our children. But, "God dey".

HOW THE DEBTS PILED UP(2):
The Bi-Water Cesspool

SAP and its budgets are justified by the government as nasty medicine, which we have to take because in the days of the oil boom we all enjoyed ourselves. According to President Babangida in his 1989 budget speech, in those days we enjoyed "economic prosperity and opulence" and therefore have to suffer extremely painful adjustments now. We are said to have imported for consumption more than we can afford and as a result got into huge external debts, which we now have to suffer in order to pay for.

But how many of us were prosperous and opulent in the 1970s and early 1980s? Did we incur these so-called external debts because we imported any goods and services? The investigation into the uncompleted Biwater water supply project in Niger State, which swallowed £144 million of external loan, gave Nigerians an insight into how our huge external debts were piled up. The investigation carried out by a Judicial Commission of Inquiry chaired by Justice Lanrewaju Awoniyi revealed that far from importing anything with this huge loan, the Niger State Government was merely used as a conduit for the siphoning of millions of dollars from this country by top Nigerian public officers at the federal and state levels, in close connivance with British contractors, bankers, and government officials. Some of these top public officers are now the very people who are supposed to implement the Structural Adjustment Programme for taking us out of the economic crisis which these fraudulent loans have plunged us into. These short excerpts from the Awoniyi Report of 1984 will tell you more about the roots of SAP, and the realities of the current negotiations with our external "creditors" and their World Bank and IMF enforcers, more than anything you can get from General Babangida, Tony Momoh, Olu Falae, Alhaji Abubakar Alhaji, or their foreign and domestic public relations agents. So read on:

"It is also significant that, in spite of the widespread, and unfavourable, publicity given to its poor performance in the Benue-Plateau State Government contract No 230/359, it obtained, in 1975, and had not completed up to 1979, the company obtained a contract on 25th July 1979, worth over N10.0 million, from the Ministry of Defence, for the supply and installation of seven newly-invented, un-tested, and un-commissioned, water treatment plants. This award was made to it at a time when the out-going military regime had virtually embargoed the award of new contracts, in preparation for a smooth hand-over to the in-coming civilian administration.

"Indeed, the special regard with which Biwater Shellabear is held within the Federal Government is confirmed by a circular letter to the General Manager of the Water Board, received by the Board and signed for the Director of the Federal Department of Water Resources by V. O. Agbonavbare. The letter to be found on pages 8 of Exhibit 62 was introducing, with a brochure attached, the Biwater tower, as something which may be helpful in rural water supply schemes, and referring any inquiries to the Biwater offices in Jos. This Commission finds this Federal Government promotion of the wares of a commercial firm unprecedented; besides the company's poor record in Benue-Plateau State and the fact that this equipment being promoted had at that time, not been tested or commissioned, in the country of invention or anywhere in the world. This circular letter from the Director of the Federal Department of Water Resources confirms what Bako Kontagora says in his oral testimony regarding the role of the Federal Government in introducing Biwater to the Niger State Government.

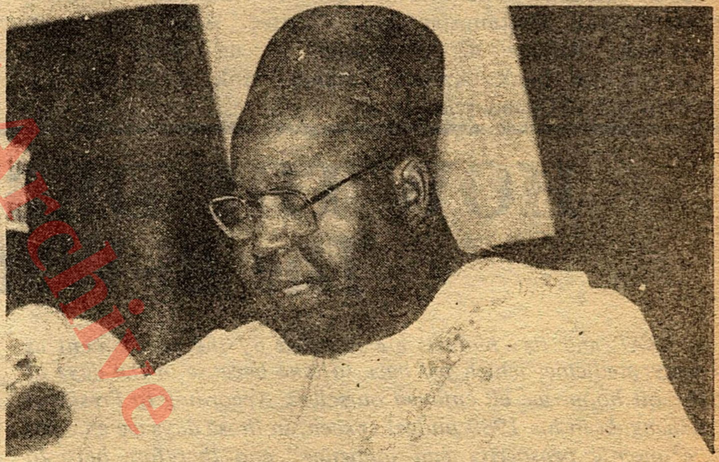
"But the conclusive evidence that forces within the Federal Government far more powerful than Bako Kontagora favoured the Biwater offer and the loan package is to be found in Exhibit 70, on pages 25-28, 94-97, 112, 145-147, which is a secret file of the Governor's Office No. SSG/CA/Vol. 1. We find that up to the end of March 1980, the Niger State Government had not written directly to the Federal Ministry of Finance to inform it about, or apply for, a guarantee for the loan package which the government had as far back as 22nd January 1980, informed the Niger State Legislature and the ECGD of the British Board of Trade, that is was commiteed to obtaining. The only official communications from the Niger State Government to the Federal Government was the letter to the Ministry of Water Resources, dated 22nd January 1980, requesting him to approach the Federal Ministry of Finance on its behalf to obtain a declaration in principle to approve a guarantee for the loan package; and a letter no. F12 185/S/2/15 of 6th February 1980, from the Federal Ministry of Finance, signed by one Mr. J. Onuorah, giving, in response to verbal inquiries from Ibrahim Majidadi, the Niger State Lagos Liaison officer, a declaration that the Ministry would make the foreign exchange available to enable Niger State to pay a loan of N150 million for the Biwater project.

"The actual application for the guarantee by the Niger State Government to the Federal Ministry of Finance was only written on 3rd April 1980, at the instance of Dr. Keith Howlett, the Morgan-Grenfell representative in Nigeria, who on 20th March 1980 had a meeting with a Minister of State in the Federal Ministry of Finance, Mr. Ademola Thomas, and obtained from him, what in reality amounted to that declaration of principle from the Federal Ministry of Finance, which the Niger State Government had not up to that time succeeded in obtaining from them through the Minister of Water Resources. The hand-written note that Keith Howlett, the Morgan-Grenfell representative in Nigeria, wrote to Ibrahim Majidadi, the Niger State Lagos Liaison Officer, on this matter, is worth quoting at some length, because of what it reveals about the pivotal role of Morgan-Grenfell's powerful connections in the Federal Ministry of Finance in the whole transaction. In this note addressed to Ibrahim Majidadi, dated 20th March 1980, Keith Howlett says:

> 'Today I had an interesting meeting with the Honourable Ademola Thomas, Minister of State at the Federal Ministry of Finance. We discussed the Niger State Project and the ECGD loan facility. He expressed the opinion that the Federal Ministry of Finance would agree to guarantee fully the loan to the Niger State for this project, subject to formal application by the State authorities and an undertaking by the State to ensure the necessary funds would be available to service the loan (principal and interest), and an undertaking by the state to abide by the Federal guidelines for guarantee for such loans. He further commented that these guidelines would be amended and enlarged upon shortly — I believe he is refering to the forthcoming budget speech. I would be grateful if you would convey this information to the Secretary to the Niger State Government together with the attached formal offer letter to the Governor. It is now up to the state authorities to make the *fullest possible application* direct to the Federal Ministry of Finance. Please keep me informed of the progress of the application and if possible keep copies of the relevant correspondence with Federal Ministry for our future discussions.' (our emphasis)

"The *'fullest possible'* formal application for the Federal Government guarantee was sent to the Ministry of Finance, as Keith Howlett had urged, by the Secretary to the State Government, Ibrahim Aliyu, in a letter No. SGS/S/69/T.I/80 of 3rd April 1980, which was also copied to "Alhaji Bako Muhammad, Solidarity Enterprise, Minna" and the Niger State Lagos Liaison Officer.

"In this letter, the Niger State Government only requested the Federal Ministry of Finance to give it 'an understanding that your Ministry is willing to guarantee the loan'. As for the specific terms of the loan, the Niger State Government only sent the terms offered by Morgan Grenfell, for information only.



Budget Minister Alhaji Alhaji.
. . consolidating structural enslavement?

This position is stated in very explicit terms as follows:

> 'The purpose of this letter is to give you an early intimation of the offer available to us and to request your Ministry to consider agreeing in principle that you will be willing to guarantee if and when we avail ourselves of the facility. *The terms of the offer itself, part of which as you know are negotiable are attached to this letter for information at this stage.'* (our emphasis)

"But the Federal Ministry of Finance in their reply No. F. 12185/S./T/37, dated 21st May 1980, signed by the Permanent Secretary, Alhaji Abubakar Alhaji, did not stop at granting this "understanding" of willingness, in principle, to give the guarantee. The Permanent Secretary went well beyond what the Niger State Government actually applied for, in two ways. First, by endorsing, in a rather fulsome fashion, the terms of the offer made by Morgan Grenfell, which were the terms which Keith Howlett had sent to Minna after his meeting on 20th March 1980, with the Minister of State in the Federal Ministry of

Finance, Ademola Thomas. And, secondly, by telling the Niger State Government to leave the rest of the negotiations in the hands of the Federal Ministry of Finance. These are his words:

> 'As to the terms of the credit, they are substantially reasonable but some minor improvement would be demanded in them during the discussion with the lenders by the officials of this Ministry at the appropriate time'.

"The significance of this position of the Federal Ministry of Finance is that, before the Niger State Government's negotiations with Biwater Shellabear and Morgan Grenfell, on the terms of the contract and the loan, had started, at the government level, in June and July 1980, they were informed by the key federal ministry responsible for processing and recommending the approval of the loan guarantee, that the terms, in the very first formal offer from Morgan Grenfell, were satisfactory, and that the minor improvement in these terms required would be taken care of by this federal ministry.

"This position of the Federal Ministry of Finance, conveyed in an authoritative fashion, in writing, by the Permanent Secretary himself, was obviously well-known to Morgan Grenfell, Biwater, and the ECGD. This position, *ab-initio* undermined the attempts by some officials of the Niger State Government, the Federal Ministries of Finance and Justice to alter the original position of Morgan Grenfell and ECGD on the very crucial issues of the relationship between the performance of the contractor, the disbursement of the loan and the repayment; as we shall see in subsequent sections of this report. . . .

"The President-in-Council only approved that the guarantee be given for a loan of N66.0 million. The Ministry of Finance communicated that the approval was for a guarantee for a loan of N85.0 million."

"When we examine the loan agreement signed in London on 1st December 1980, which the *London Press Service* release of 10th December 1980 described as "*the largest ECGD-backed loan to be made available to Nigeria*', we find that in spite of all the concern, observations, objections, conditions and provisos of the officials of the Niger State Water Board, the Niger State Ministries of Finance and Justice, the Federal Ministries of Finance and Justice and the Niger State Executive Council, at the various stages of the 'negotiations' for the loan and contract agreements, it was exactly the terms that the contractor and financier wanted which in the end prevailed. These terms tightly ensured the promotion and protection of the interests of the contractor and financier whether the contract is satisfactorily executed or not. These terms, at the same time as ensuring these, left the interests of the borrower, the Niger State Government, and its guarantor, the Federal Government, completely at the mercy of the contractor and financier, and ultimately consigned their protection to the limbo of ARBITRATION according to English Law; subject to the written opinion of a firm of U.K.-chartered accountants, nominated by the financier; and other such provisions, which leave the borrower and the guarantor in a position of mortal disadvantage.

"The clauses which ensure this situation of mortal disadvantage are particularly clauses 4, 5 and 6 which provide for: (a) the mode of the repayment of the loan whether or not the loan fund has been disbursed in accordance with the loan and contract agreements, and the purpose of the loan has been achieved; (b) the condition precedent to the financiers making payments from the loan facility, which include a substantial down payment and effective surrender of all direct control over disbursement; and (c) the disbursement procedure which only provides that the financiers ensured, *themselves* that the contract agreement is not violated and that there is no dispute over the claims of the contractor, and the Society General de Surveillance certifies the claims.

"In all these the Niger State Government did not obtain any real leverage with which to control the disbursement of the loan after it has made a down payment of a substantial sum of N15.00 million largely in United States dollars into the overseas account of Biwater Shellabear (U.K.) Limited and Morgan Grenfell. . . .

"The information conveyed by the Federal Ministry of Finance to the Niger State Government, to the Federal Ministry of Justice and to the financiers was misleading in a more basic sense. *The President-in-Council only approved that the guarantee be given for a loan of N66.0 million. The Ministry of Finance communicated that the approval was for a guarantee for a loan of N85.0 million.*

"The Commission has failed to obtain a copy of this actual guarantee form signed by the Minister of Finance, Sunday Essang; but the representative of the Ministry who appeared before it, and the various letters from the Ministry confirm that the decision of the President-in-Council was misrepresented. Significantly the Federal Ministry of Finance does not have in its possession even a single copy of this guarantee form signed by the Minister of Finance. In a letter No. F 12185/S.4/ dated 10th October, 1984, signed for the Permanent Secretary by J. M. Ayanlowo to be found in Exhibit 307A, the Ministry informs the Commission through the Niger State Liaison Officer of the shocking information that it does not have this document in its custody.

"That a Ministry as strategic to the economic well-being of this country, can commit such gross violation of the decisions of the President-in-Council; and at the same time fail so seriously in its elementary responsibility to keep in good custody all documents relating to such crucial transactions of the Federal Government's external financial obligations, is very difficult to comprehend; even though it is true."

Although this report was submitted to the Niger State Government in November 1984 and accepted, none of the officials of the federal and state governments responsible for this monumental fraud through a loan now amounting to N1.2 billion has been called to book. A number of them have instead been promoted to much more powerful positions.

Niger State, one of the poorest in the country, is not only being sucked dry to pay for this reckless plunder, but has been forced to take a new loan from Britain of N220 million, under the cover of completing a project none of whose installations is now working or is ever likely to work.

SAP... AND NIGERIA'S MILLIONAIRE PRESS

Really, is there a Nigerian Press? A press that informs and educates the Nigerian people? Or is it a millionaire press, that helps to keep them ignorant of vital issues and policies which affect their lives?

Recently, a university lecturer in the social sciences confessed that he did not know the meaning of "Debt Equity Swap". Among other things, he wanted to know what it meant and whether it was really a solution to our huge foreign debt. He was told in simple language, that Debt Equity Swap meant handing over our assets at rock bottom prices to foreigners.

Take a simple example. The Nigerian government owes a certain Mr. Smith 2 million dollars, and it cannot pay. The government then begs Mr. Smith to either convert at least a proportion of that debt into equity shares in a Nigerian company, or agree to auction off the debt to somebody who may be willing to buy.

Mr. Smith decides to convert 50% of his debt into equity shares in, say, the First Bank of Nigeria (Ltd.). At current exchange rates, that will mean Mr. Smith will acquire shares worth about N8 million in that bank. Now, assume that there are ten Mr. Smiths, all willing to take up equity shares in the First Bank. Before you say "Jack Smith", the bank would thus become the effective property of the Smiths of this world, with assets worth N80 million at current exchange rates.

But it was also explained to the lecturer that anyway, not many foreign 'investors' would want to buy the debts, given the high risks involved.

The amazed lecturer then wondered why the Nigerian press has never bothered to explain SAP and Debt Equity Swap in such simple language to the public.

But there is nothing to wonder about. The press in Nigeria is a millionaires' press, at the beck and call of the rich and powerful. And it is precisely for these rich and powerful that the debt equity swap and its sire, SAP, have all been introduced.

So, why should it bother about those who cannot pay for a N7,000 full page obituary in the *Daily Times*; or a N100,000 house-warming slot on NTA's 9 o'clock news; or who are not in a position to appoint and dismiss an erring editor with immediate effect.

That is why today, many of these cowering and whimpering lap dogs consider it the most foolhardy error to criticise SAP or even explain it intelligibly to the poor who are feeling the pinch directly. For the bourgeois press, to be a good editor is to reproduce, day by day, the official lies of IMF dignitaries and leading functionaries of the government and boardrooms of big private firms. They are the newsmakers. SAP is for them. So, 'SAP News' makes good copy.

But won't privatisation of the media make the press more independent and free to criticise? This is a point often argued. But who will buy them? Who owns the other major newspapers? And are they any better?

When will the lying stop?

Before Chief M.K.O. Abiola was bitten by 'mad dogs' and got infected, the *Concord* chain remained very faithful dogs, always wagging their tails at the master. It was "IBB and SAP" all the way! So, much as the new mood at *Concord* may deceive people, it is the effect of the venom of 'mad dogs' rather than a patriotic spirit; and it is consistent with the Concord group. When Abiola was an NPN stalwart, pro-NPN news was good copy. When he left, anti-NPN news was good copy. That is the quintessential Nigerian press for you. Good lap dogs — his master's obedient voice!

April 1, 1988: *The Guardian*, with "Conscience, nurtured by truth", editorialised: "Many Nigerians are honestly bewildered by the economic policies of the present administration. Whatever the actual meaning and intention of SAP, SFEM, FEM, Privatisation, Commercialisation and 'market forces', for most Nigerians, they merely spell 'hardship'. But we were warned, weren't we, that hard times were ahead; and that whether we accepted the 'conditionalities' of the IMF, or rejected them as we did, there was no way we could avoid paying the price for our past profligacy and improvidence? That price is hardship, but if we actively apply ourselves in learning and practising the new habits of production and consumption which are being hammered into us all, we should get to a point where we can look back and see the sense in these confusing policies". What a paragon of "truth" and "conscience" for a newspaper that prides itself as the "flagship of the Nigerian Press".

But it is not only the *Guardian* — that "flagship" — that has run aground in a silted sea. *Newswatch*, the so-called "award-winning" newsmagazine, is winning its awards by the most sychophantic indulgence in salesmanship for SAP. On July 11, 1988, the magazine's Deputy Editor-in-Chief and one of its leading columnists, Mr. Dan Agbese, a one-time Director in the NPN administration in Benue State, praised the Structural Adjustment Programme, and mocked the poor.

A careful study of literally all Nigerian media organs will show a consistency with these two examples. And in spite of the recent phenomenal growth in the number of newspapers and magazines, it is a case of diversity without much to choose from. They are all singing millionaire songs.

A brief roll call:

PAPER	*OWNER/CHAIRMAN*	*STATUS*
The Guardian	Alex Ibru	Millionaire
The Concord	M. K. O. Abiola	Millionaire
The Reporter	Maj. Gen. Shehu Yar 'Adua	Millionaire
The Champion	Chief Iwuanyanwu	Millionaire
The Tribune	The Awolowo Family	Millionaires
The Punch	The Aboderin Family	Millionaires
Newswatch	Ime Umanah	Millionaire
This Week	Gamaliel Onosode/ Nduka Obaigbena	— Millionaires
Nig. Newsweek	Rear Adm. A. Hussaini (rtd.)	Millionaire
The Democrat	The Kaduna Mafia	Millionaires
The Globe	Odumegwu Ojukwu	Millionaire
The President	Chief Chris Okolie	Millionaire
The Vanguard	Sam Amuka Pemu	Millionaire
The Platform	Chuba Okadigbo	Millionaire

This is the circus called "the Nigerian Press'. But there is nothing Nigerian about them beyond, perhaps, their names.

With their companies gaining so much from SAP, they can afford to buy machines, plates, films, ink, computers, newsprint and labour, to print, and acquire chains of vehicles at SAP prices to distribute their lies across the country. Their interest is not to make profit. The profits come from other things. All they want their papers and hired hands to do is to defend any idea that sustains their economic power; they also hope to use the papers to launch themselves into political power when the time comes.

The working people of Nigeria should get wise to the antics of this bourgeois press. For now, they may not be able to stop them from dishing out their lies. But they should learn to see through these lies. Let them continue publishing. One day be one day, monkey go go market. . . .

By Iyorchia AYU.

SAP: OTHER AFRICAN EXAMPLES

Some time in June this year, perhaps, President Babangida, his whole cabinet, his regime's official and unofficial economic advisers, IMF and World Bank representatives, and local and foreign industrialists, financiers, bankers, and currency speculators will gather on the well-kept lawns in Dodan Barracks to celebrate the 'third' anniversary of the regime's Structural Adjustment Programme (SAP). After the munching, the sipping, and the clinking of glasses, the Nigerian hosts will, as usual, in speech after speech, extol the virtues of SAP. They will insist that in settling for it, the leaders had the full mandate of the Nigerian people, who had said *No* to the IMF; challenge anyone to offer a more viable alternative; salute the patience of Nigerians for enduring its temporary inconveniences; and, of course, swear that with SAP a better tomorrow is assured for Nigeria. After all, has SAP, within such a short time, not already restructured production and changed our consumption patterns for the better, burst the licence racket, removed many bottlenecks in the economy and provided a favourable atmosphere for debt-relief and rescheduling?

On their part, the foreign dignitaries will shower congratulations on the regime for embarking on such a 'bold' economic recovery programme and, perhaps, make promises of more assistance from the West and of more and more loans and of some more re-scheduling.

But for the vast majority of the Nigerian people, there will be no cause for celebrations that day. For them, it will be just one more day in their increasingly miserable lives. And if they give it any thought it will be to wonder when their untold suffering — which, so far, has been the only bold achievement of this bold economic recovery programme — will come to an end. For since it was introduced in July 1983 by the civilian government of President Shagari, turned into a monster by the Buhari regime, and now fine-tuned and given new clothes by the Babangida administration, SAP has been bad news all through for the people of this country. In the six years that it has been in operation in Nigeria, SAP has nothing to show for its claims but hunger, malnutrition, mass unemployment, more and more indebtedness, heavier burdens of taxes, levies and exactions of all kinds, and significantly lower living standards for the people. And, of course, the higher level of state repression that it has occasioned.

Imagine, then, what the situation is like in those countries where SAP has a much longer history. Better still, imagine what the impact of SAP has been in those countries much smaller than Nigeria and without Nigeria's big population and resources like oil.

But such is the nature of the programme that there is no way it can live up to its name and really restructure and adjust an economy in such a way as to significantly turn it around and make it work in the interest of the majority of the people. SAP was not conceived to do this anyway. Basically, SAP is only a variation of the IMF reform measures or austerity package. A creature of the West's two financial institutions, IMF and World Bank, SAP came into being as a response to the problems of political acceptibility and gross inadequacies of the traditional IMF formula. Largely because of the way it went about its mission — imposing harsh conditionalities, bending and juggling statistics and facts to support its abstractions and actions, paying little or no attention to local political sensibilities, and always high-handed in its posturing — the IMF had, by the late 1970s, made itself and its programmes thoroughly unpopular in many countries and a hot potato for most governments. Its bitter pill had become a political time-bomb. As an alternative way of administering the same medicine without evoking the same reaction, therefore, SAP was fashioned, in 1980, and put under the less abrasive World Bank.

Like the IMF package, its major planks are: massive reduction in government spending; higher prices for public goods and services; a dominant role for the private sector; privatization; massive devaluation of currencies; deregulation of prices; and export promotion.

Like the IMF formula, therefore, SAP has been a colossal failure as a recovery programme in all the countries that have had a romance with it. Every where it shows its face, it brings in its train only woes and tragedies for the people and the country. Far from re-structuring economies for the better, SAP only helps to wreck them further. Far from solving the debt crisis, SAP only makes debt-slaves of countries that turn to it. And far from freeing an economy to make autonomous growth possible, SAP only entrenches in it a dependency syndrome by adjusting it in such a way as to make it easier to be milked dry by parasites and speculators. This way, SAP fulfills its mission for imperialism.

Consider the example of other African states that have been under the IMF/SAP regime. From Ghana and Liberia in West Africa, to Zaire in Central Africa, to Kenya in East Africa, and to Zambia in Southern Africa, the story is the same. It is one of worsening crisis and a pitiable state of dependency on the West. The West now holds up Jerry Rawlings' Ghana as a showpiece of IMF/SAP package implementation, even as the cedi has become almost a worthless currency, and Ghanaians are wallowing more and more in poverty, unable to afford the very high prices of imported goods that pile up on the shelves of big stores in the country. In Liberia, IMF/World Bank officials now literally run the country, operating from the Presidency and the Ministry of Finance, where they see and sign every cheque before any expenditure is incurred, approve every plan and project, and generally tell President Doe what to do and what not to do.

ZAMBIA

But let us now take a close look at Zambia, which is perhaps the best known example of IMF/SAP failure, if only because of that country's recent break with the IMF. On 1 May 1987, Zambia's President, Kenneth Kaunda, announced, to the jubilation of most Zambians, that his government had cut its relations with the IMF, which had been in Zambia since 1977. His country, he said, would fashion out its own recovery programme, relying on its own efforts and resources.

The most immediate reason for President Kaunda's action was the disagreement between his government and the IMF over new exchange rates, interest rates, and the use of foreign exchange. The IMF wanted the Zambian government to impose no administrative controls over exchange rates; increase food prices by at least 75%; double the price of fertilizers; and increase interest rates to match the rate of inflation.

Assessing the likely impact of these measures against the background of growing anti-IMF opposition in his country, President Kaunda was quick to see that if he went along with the IMF, the days of his regime were numbered. But behind all this, and informing his moves, was the fact that, as Kaunda himself could see, the Zambia-IMF romance for over a decade had brought Zambia nothing but more troubles than he bargained for.

The 1980s were particularly bad for Zambia, which, like most Third World countries, is a mono-cultural economy, depending for most of its foreign

Kaunda. . . a break with the IMF.

exchange earnings on exports of copper — at prices dictated by the buyers. Between 1980 and 1984, for instance, copper revenues fell by 23%, though they continued to provide 95% of export revenues. In just three years, 1983-1986, the purchasing power of Zambians went down by two-thirds. Per capita income dropped from 630 dollars in 1981 to less than 200 dollars in 1987. The value of the country's currency, the kwacha, fell dramatically within this period. The debts mounted and mounted, reaching 4 billion U.S. dollars, representing 84% of Zambia's GNP by 1986. By 1986/87, Zambia's external debt had soared to 5.1 billion dollars, with 1986 external service payments in foreign exchange amounting to nearly 100% of the country's foreign exchange earnings. With nothing built up to replace copper, Zambia suffered a significant fall in the standard of living of its population, and escalating unemployment.

Such was the situation in Zambia when the Zambian working people poured on to the streets in December 1986, in mass protest against the increase in the price of maize by the government. In all, official figures put the number killed at 15, as the Zambian police opened fire on the protesters. This protest severely shocked Kaunda who, not long before that, had mocked other countries like Sudan where such protests occured and swore that there would never be such outpourings of people protesting against government policy in his Zambia. And, as usual, he cried and cried.

But Kaunda, it is clear, has not thought out an alternative to the IMF, and has not learnt his lesson. For, the news from Zambia now is that the IMF may soon re-appear on the scene. Obviously, therefore, the task of finding an alternative is one that the Zambian people must themselves shoulder. For, over a decade of romance with the IMF and the failure of the Kaunda government to diversity the economy, has left their country, their economy, and their lives completely shattered.

ZAIRE

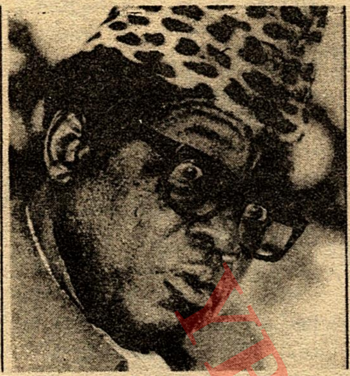
Next, let us peep into

another country that also started its romance with the IMF since 1977, to see how it has been faring under the programme. In the over 11 years of this romance, Zaire has implemented four IMF programmes aimed at saving the economy from collapse. But far from being saved, the Zairean economy has only sunk deeper into crisis.

For the details, consider first the collapse of the Zaire, Zaire's currency. By 1978, a year after the IMF came on the scene, the Zaire was at par with the U.S. dollar. Ten years later, by 1987, you needed more than 100 Zaires to get one U.S. dollar (100 Zaires = 77 cents). Such massive devaluation of the Zaire brought in its wake a very significant fall in the living standards of Zaireans.

Now, the debt issue. In 1977, Zairean foreign debt was about 2 billion dollars. By 1980 this had reached 4.9 billion dollars. And it has been on the increase since then, as even some of the interest on the debt has been converted to principal by creditors. Between 1980 and 1985 alone, Zaire spent up to 4.3 billion dollars of its earnings on debt servicing. As one observer said, Zaire "is giving development aid to the imperialist world". For, as in Nigeria, a lot of the debts are dubious or fictitious. By 1985, the debt service ratio was 46% of earnings. Today, this ratio is much higher.

Coupled with the fantastic proportion of capital flight from Zaire, this leaves the country with literally very little or nothing for its own development. Between 1983 and 1985, net capital transfers from Zaire amounted to 550 million dollars. In 1986 alone, this reached 830 million.



Mobutu.
. . richer than his country.

While all this happened, the IMF kept on advising Mobutu to ensure "efficient management" of resources, "eliminate wasteful spending", and promote export. Mobutu, the slave that he is, took the advice and effected a drastic cut in public expenditure, embarked on mass retrenchment of workers, and slashed the wages of those lucky to retain their jobs. Between 1980 and 1985, for instance, the wage bill was reduced from 43% to 17% of the budget. With the ever-increasing fall in real incomes in the country, and galloping inflation which in 1985 reached 47%, it got to a point when the monthly salary of a Zairean worker could not feed his family for 2½ days. According to a 1984 World Bank Report, a Zairean administrative officer earned only 280 Zaires per month, but his family (of six) needed 3,037 Zaires to merely survive.

In the rural areas, the situation was understandably worse. Agriculture has declined markedly. Inflation has been wreaking havoc. And, as the same World Bank Report pointed out, only 25% of the roads existing in 1960 were useable by 1984! The rural population had effectively been cut off from the urban population, and marginalised.

As all this happened and opposition against the Mobutu and IMF regime mounted, the IMF prescribed more repression. And, on Mobutu's orders, Zaire's trigger-happy *gendarmes* have been quick to shoot, and even quicker to herd dissenters into prisons. Today, Zaire is a vicious police state.

But, for Mobutu personally, and his friends, hangers-on, and foreign masters, the IMF prescription has proved particularly profitable. While the debts pile up and inflation ravages the country, and as poverty spreads its woes and miseries and life becomes a nightmare for most Zaireans, Mobutu and his friends corner more and more of the public wealth for themselves. Every Zairean loss becomes their gain. The *Wall Street Journal* reported that Mobutu's personal 'wealth' in foreign countries was 5 billion dollars — the exact equivalent of what Zaire's foreign debt was at the time.

Unless Nigerians draw the correct lessons from the tribulations of these two African countries, and act decisively, their future is going to be much worse. A word is enough for the wise.

By Rufa'i IBRAHIM.

SAP IN LATIN AMERICA

"Where are we heading to?" These are the words on the lips of many Nigerians these days, especially since the 1989 budget was announced. If we really want to know where we are heading to, we have only to look at the experience of some Latin American countries, who have been implementing the IMF Structural Adjustment Programmes (under one name or another) for over a decade. Because as far as SAP is concerned, Nigeria is just an infant. A look at what has been happening in Latin America as a result of the IMF austerity programmes can give us some idea of what the future holds for Nigeria under a SAP regime.

MEXICO

The country in Latin America which most closely resembles Nigeria in many ways is Mexico. Consider the situation there, as described in NACLA's *Report on the Americas:*

"Mexico is among the wealthiest and the poorest countries in the world. It is the capitalist world's 13th largest economy, the 11th largest nation in population, the fourth largest oil producer and the principal silver exporter. It is the second largest nation in Latin America, and the largest Spanish-speaking country in the world; it is also the developing world's second largest debtor.

"At the same time, more than half of Mexico's population suffers from malnutrition. Over half its working people have no full-time employment. Some 10% of the wealthiest households earn close to 40% of all income while the poorest 10% earn 0.9%, giving Mexico one of the most inequitable distribution of wealth in the world.

"In 1976, when Mexico's vast new oil deposits were discovered, the government proclaimed that the national problem was no longer poverty but how to deal with prosperity. Six years later the economy collapsed."

Sound familiar? But the similarities do not end there. Look at these statistics: between 1978 and 1981, the Mexican economy grew by about 8.5%, largely as a result of oil revenues. Suddenly, in 1982 it collapsed. That year inflation reached almost 100%; official unemployment doubled. Many companies were forced to close. The fiscal deficit more than doubled to 18% of GDP. Monetary speculation in foreign exchange and capital flight intensified, and the currency (the peso) was devalued from 25 to 1 dollar at the beginning of 1982, to 150 to 1 dollar by the end of the same year — a devaluation of 600% in just one year! Foreign banks, which had lent Mexico about 22 billion dollars in 1981, suddenly suspended all new credit in 1982. By August 1982, the Bank of Mexico (the equivalent of Nigeria's Central Bank) had no foreign reserves and had to suspend payment of the foreign debt which was then over 80 billion dollars. Mexico had entered *la crisis*.

President Miguel de la Madrid assumed office in December 1982, promising to do something about the situation. He promptly introduced an IMF-sponsored austerity programme. By 1987 — after five years of austerity — the results showed that this was no solution to the crisis. The austerity policies failed to generate any economic growth, and the economic crisis worsened. In 1986 inflation reached 105%, the budget deficit was still huge, and new debts had accumulated. Between 1982 and 1985, about 657,000 jobs were lost and no new ones created for the 3 million Mexicans who had joined the labour force. Although between 1983 and 1986, the

Cardenas. . . . cheated of victory.

minimum wage increased by 363%, prices of staple foods increased much more. For instance, the price of *tortillas*, a maize pancake — the staple of the Mexican diet — increased by 416%; bread by 1,800%; beans by 776%; and eggs by 582%. Not surprisingly, infant mortality increased, and malnourishment became the lot of those lucky to survive.

Just like in Nigeria, the IMF-dictated Mexican government's economic recovery programme was based on expansion of non-oil exports, promotion of foreign investment, and commitment to servicing the foreign debt, as well as privatisation and commercialisation of state-owned enterprises. As in Nigeria, the debt is a major economic and political issue. Mexico's debt is the second highest in the world. It is now estimated at about 106 billion dollars. In 1986, debt service consumed about 75% of export earnings, leaving virtually nothing for investment in development. Nevertheless, the IMF and the 550 commercial banks to whom Mexico is indebted insisted on even more austerity to pay the interest on the debt.

Meanwhile, capital flight escalated as the Mexican bourgeoisie and their foreign patrons took their profits out of the country to bank vaults abroad. Aside from debt payments, it is estimated that Mexico lost over 55 billion dollars of its national assets to the U.S. between 1975 and 1985. According to one estimate, rich Mexicans may have more money deposited in U.S. banks than the amount their country owes the United States. Again, this sounds very familiar — didn't Aliko Mohammed recently claim that Nigerians own 30,000 houses in Britain? And Aliko schooled in Britain, he is a chartered accountant, and the President of the Nigerian Stock Exchange, and has extensive international business connections, so he should know what he is talking about in this matter.

A study by the Morgan Guarantee Trust Co. estimated that between 1976 and 1982, 36 billion dollars worth of Mexican capital was sucked out of the country. This amount is more than half of the 60 billion dollars that Mexico borrowed in the same period.

'THIS DEBT IS NOT OURS'

The people of Mexico clearly reject the policies pursued by the government under the sponsorship of the IMF. In the Presidential election, held on 6 July 1988, the governing party — the PRI — which had not lost an election for 57 years, was shocked when left wing opposition candidate Quautemoc Cardenas clearly polled a majority of the popular vote. But due to the PRI's control of the electoral machinery, and through massive vote rigging, Cardenas was robbed of victory. But even though the PRI's Salinas was declared President, his government commands literally no legitimacy in the eyes of the Mexican people. As one Mexican worker put it: "This debt is not ours".

All over Latin America, the same thing is happening. Each time they have the chance, the people are saying "No" to the IMF, "No" to SAP under whatever name, and "No" to the governments that want to push these policies down their throats.

Chile was one of the first countries to implement a severe austerity programme, after bloody dictator Augusto Pinochet overthrew and murdered democratically-elected President Salvador Allende in 1973. Since then, Chileans have suffered under a regime of extreme political repression, as well as economic recession. When given a chance to voice their opinion, as happened during the October 5 referendum in which Pinochet "requested" for a further term of office, the Chilean people voted a clear "No" to Pinochet and his policies.

But in spite of this clear rejection of IMF type policies by the people of Latin America, the classes and forces that benefit from them continue to try to impose them on the people.

In Peru, President Alan Garcia, elected in 1985, gained enormous popularity when he took measures to limit Peru's debt repayment to 10% of export earnings, reject the IMF as the mediator between Peru and its creditors, and promised implementing a policy of self-reliance. But powerful forces in Peru, particularly the exporters among the bourgeoisie, led him eventually to implement an IMF—inspired austerity plan called the "Zero Plan". Lacking the will and the courage to take the alternative course, Garcia was eventually forced to devalue the currency and remove price controls. And the economy descended into chaos. Garcia is now talking of resigning, as he has lost the confidence of the Peruvian people, and is currently very unpopular.

In Brazil too, the regime of President Sarney recently suffered losses in local government elections held nationwide, as the Brazilian people rejected the government and the IMF's programme for that country.

Colombia's President Barco: *The people said 'No!!'*

In Nigeria, we are being told that SAP is bitter medicine, which, if we persevere and swallow, will eventually make us well. Is there any evidence for this? None at all! Latin American countries which have been trying to implement one form of SAP or another for years now have not seen any improvement in their economies — they have repeatedly swallowed the bitterest pills, yet they have witnessed only increasing poverty and misery for their people. The SAP medicine does not cure — it only kills.

By Patrick OBI.

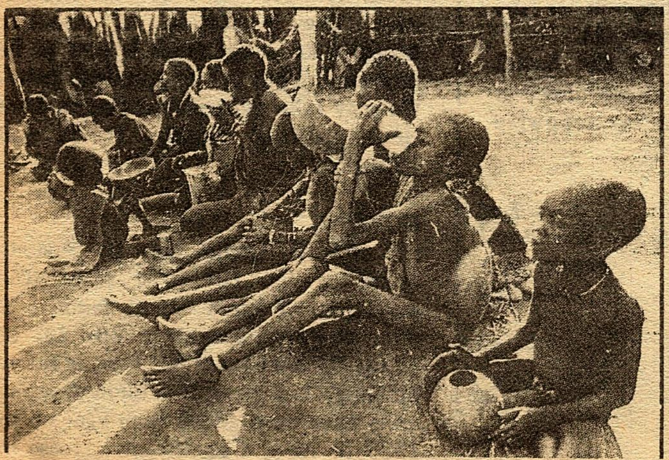
The World's Starving Generation

Half a million more children have died in the last year, millions more are malnourished, and tens of thousands have dropped out of school as a result of a dramatic reversal of economic development in much of the Third World, UNICEF reported last week.

For one sixth of humanity — 900 million people — "the march of progress has now become a retreat", according to the United Nations Children's Fund executive director, Mr. James Grant. Living standards in Africa and Latin America have fallen by between 10 and 25 per cent since the early 1980s.

In its annual report, UNICEF blames the West's inability to solve international economic problems for the increasing misery of children in poor countries. Nearly 30% of children in Mali, Mozambique and Sierra Leone, for example, do not survive to the age of five.

"In its everyday work UNICEF is brought up against a face of today's international economic problems which is not seen in the corridors of financial power. It is the face of a young child," the report — launched last week with a press conference in New Delhi — states.



Attending the press conference was the Indian Prime Minister, Mr.Rajiv Gandhi, who appealed for "a fundamental restructuring of the world order" and reordering of priorities to transfer 10% of defence spending to funding for children.

Five years have passed since UNICEF first pointed out, in diplomatic terms, that the orthodoxy of International Monetary Fund policies in developing countries was having damaging effects on the poorest of the poor, and particularly on young children.

Last week, the World Bank issued figures showing the capital outflow from the Third World to the rich was running at an annual 43 billion dollars.

The UNICEF report pulls no punches. "The developing world's debt, both in the manner in which it was incurred and in the manner in which it is being adjusted to, is an economic stain on the second half of the 20th century.

"Allowing world problems to be taken out on the growing minds and bodies of young children is the antithesis of all civilised behaviour. Nothing can justify it. And it shames and diminishes us all," the report charges.

In the developing world, only Asia has managed to maintain standards of living.

Indebted governments have slashed expenditure on social services in the last few years, with 40 of the least developed countries forced to make cuts of 50% per head on health and 25% on education.

The poor have seen very little benefit from the billions of borrowed dollars, the report states. "Now, when the party is over and the bills are coming in, it is the poor who are being asked to pay."

By Victoria BRITTAIN.

[The above article is culled from *The Guardian Weekly* (London), January 1, 1989.]

PRAY, JUST WHAT'S PERESTROIKA?

The more Nigerians see through the hoax of SAP, the more lies and distortions are piled up to cover up its true nature. One of the latest of these lies is that even the Soviet Union is following a programme of economic reforms similar to SAP. This is how the policies of revitalising socialism in the Soviet Union known as perestroika *and* glasnost *are misrepresented to mislead Nigerians in order to confuse them over SAP. The fact of the matter, of course, is that SAP is diametrically opposed to socialism because it is directed at adjusting the structure of an economy to make its systematic capitalist exploitation easier and to open the doors for expatriating the fruits of this exploitation.* Perestroika *and* glasnost, *on the other hand, are policies aimed at renewing and revitalising socialism.*

Professor Abel Aganbegyan has been one of the leading architects of perestroika *and* glasnost *in the Soviet Union. Indeed, as far back as the 1970s, Abel Aganbegyan and his colleague, Dr. Tatiana Zaslavskaya, developed and articulated the basic ideas behind* perestroika *and* glasnost *in the Journal of the Siberian Institute of Economics,* EKO.

Professor Aganbegyan has been since the 1950s and 1960s, part of the struggles of the progressive current in the Communist Party of the Soviet Union and in Soviet society, the recent significant advances of which President Mikhail Gorbachev has come to lead and personify. Aganbegyan embodies the fact that perestroika *and* glasnost *have deep historic roots in Soviet society, and did not start when western Kremlinologists in Washington and London 'discovered' Gorbachev. In a short lecture he gave at the Faculty of Social Studies, Manchester University on 26th November 1987, and published in* New Left Review, No. 169, *May-June 1988, he succinctly and with facts and figures explains what* perestroika *and* glasnost *mean. Read what he says carefully, because Abel Aganbegyan is not only a leading member of the team around Gorbachev, but even in Moscow he is introduced as "the man at the hub of the new thinking on economy'. So, read on:*

Gorbachev. . . revitalising socialism.

"*Perestroika* in the Soviet Union is a revolutionary renewal of the whole of Soviet society. It is not confined to economic change. That is, of course, my special interest as an economist, but the economic restructuring that has already begun cannot be separated from all the other aspects of *perestroika*. We plan to step up the pace of growth in the economy, but this cannot be separated from the process of democratization and of what we call *glasnost*, a greater openness in all aspects of government and social organization. The economic changes which are taking place are all based on a re-examination of Soviet history, of the successes and the failures, the periods of reform and growth as well as of degeneracy and stagnation, not forgetting a proper appreciation of the appalling destruction of two world wars and the heroic struggle of the Soviet people to survive and rebuild their shattered lives.

There are two main reasons for the Soviet Union's adoption of the economic policies of *perestroika*.

First, the growth of the Soviet economy had markedly slowed down in the last two decades as the following table reveals:

Five Year Plan Period	*Growth of GNP over 5 years (%)*	*Growth of Agricultural output over 5 years (%)*
–	–	
–	–	
1966-70	41	21
1971-75	28	13
1976-80	21	9
1981-85	16.5	6

These are official figures which do not show the increase in prices. When these are taken into account with the 4% increase in population, there was, in fact, no growth per capita over the last five year period, but rather stagnation in the economy. In 40% of industrial sectors production actually declined and this included agriculture and transport. The standard of living of two-thirds of the population began to fall. Stagnation was leading to crisis. A total *perestroika* was the only response we could make.

Secondly, there are deeper roots beneath this. Economic decline did not occur by chance but reflected a more general process. The fundamental issue was that the basic administrative method of managing the economy no longer corresponded to the needs of the country. The old policies did not reflect the new social circumstances. There was a conflict of old forms and current actual needs. *Perestroika* was needed, therefore, to overcome that mismatch — a profound transformation of society; not an evolutionary improvement, but a revolutionary, qualitative shift of a most complex nature involving all aspects of society.

STRENGTHENING SOCIAL PROVISION

The economic aspect of the *perestroika* in the Soviet Union is proceeding in three ways. The first is the strengthening of the orientation of the economy towards social needs.

The standard of living of the people has been falling behind the country's industrial capacity. Priority has in the past been given to heavy industry, social needs have received only what was left over. The proportion of resources allocated to social needs is now to be increased. That is the principal point. We may take particular examples from Housing, Food Supply, Health and Education.

HOUSING

17% of families have no separate house or flat but must share. The condition of many other families is unsatisfactory. Since the 1960s, 23% of all capital investment has been in house building, but only 2 million housing units have been added each year up to 1985 to meet a significant increase in population. The proportion of real investment was in effect being reduced. This will be changed now so that in 1986 the new housing figure will be 2.5 million units, in 1987 2.4 million and by the early 1990s 2 million a year. By the year 2000 we shall have 40 million new units so that all families can have a separate house or flat.

Rents are very low at 2.7% of income, including heat and light, and we intend to keep it so.

FOOD SUPPLY

Nobody is starving and some, like me, are, as you see, overweight, but food consumption per year in relation to requirements is still as follows:

		What our dieticians consider optimal
Meat	62kg.	75-80kg.
Milk	140kg.	420-440kg.
Fruit	30kg.	60-80kg.

A portion of our food is imported. In the 1986-90 Five Year Plan this included 40m tonnes of grain (a quarter of our meat was produced from the grain) plus 1m tonnes of meat. This was bought in exchange for oil while the oil price was halved over this period. It is unacceptable to continue like this.

Increased purchasing power in the general population has been raising the demand for goods and especially for meat, milk and fruit, and there was a continuing shortage of supplies, aggravated by the low state prices of food products — fixed usually far below cost, e.g. meat production cost 4.8 doubles per kg. and retails at 1.8 roubles per kg.; milk production costs 58 kopeck per kg. and retails at 28 kopeck per kg.

In 1936 food subsidies had risen to 57 billions of roubles in a total state budget of 430 billions. It became a major problem how to get out of this mess.

The following measures are proposed under *perestroika*:

i. to increase agricultural output between 1986 and 1990 by 14.4%. Major measures have been taken to increase intensive farming. Administrative measures — commands and requisitions — are to be replaced by economic stimulation through raised prices and freer markets. In 1986-87 agricultural output was already raised; grain from 180m tonnes to 210m tonnes, meat from 15.2m tonnes to 18.7m tonnes; dairy products from 94.6m tonnes to 105m tonnes. This has permitted imports to be reduced, but the problem is not resolved since not all families have yet felt the benefit of the improvements.

ii. to reform the structure of retail prices by 1990. Retail meat and milk prices will have to be raised and compensation made to ensure there is no fall in living standards. There is serious popular concern here and it is intended to debate publicly all price rises at least four months in advance of these planned changes.

PUBLIC HEALTH

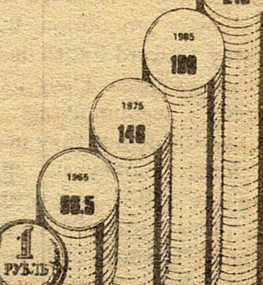
At the end of the 1950s and in the early 1960s the Soviet Union could compare favourably with other countries, e.g. mortality rate, 6-7 per 1000 (i.e. best in the world); life expectation, 70 years (as in Japan); child mortality, in the top 15. Since then there has been a serious deterioration, from three main causes: increased sales of alcohol, e.g. vodka sales up 100%, wine sales up 400% in 20 years, were largely responsible for raising the male mortality; the proportion of national income spent on health care was reduced to two or three times less than in other advanced countries. Technical advances in other countries have not been enjoyed by the USSR in the use of drugs. etc; the pay of doctors and nurses has fallen relatively and many nurses' jobs remain unfilled. As a result, by 1985 mortality was up to 10.8 per 1000, life expectancy down by 2 years to 68 (while elsewhere it had risen by 3 to 4 years).

As steps to rectify matters, the health care budget and capital investment in health for 1986-87 were raised by 50%. The campaign against alcohol has reduced consumption by a half. Already the male mortality rate (from accidents and alcoholic poisoning) has fallen by 22% to 9.6 per 1000 and life expectancy has risen again to 70 years. Medical staff have had a 30% increase in salaries.

Of course, this is only one year and there are other new sets of measures, especially affecting the 17 million old age pensioners. The legislation here dates back to 1956 when it provided an average pension equal to 60% of wages to women at 55 and to men at 60, or even earlier to those working in heavy industry. Today the pension equals only 40% of wages in the cities and 30% in the countryside. This must be improved. A new law next year will give new concessions to pensioners continuing to work. All these measures will need a big increase in the resources allocated.

EDUCATION

In the 1950s education took 10% of the National Income. When the first Sputnik was launched, a Commission in the USA examined the cause of Soviet advances and decided that the secret lay in Soviet education at school level. At that time the US spent only 4% of GNP on education compared with USSR's 10%.



GROWTH OF AVERAGE MONTHLY PAY OF FACTORY AND OFFICE EMPLOYEES (roubles)

By 1985 US spending on education had been raised to 11% while that of the Soviet Union had fallen to 7%, well below the demands of modern life. Schools are badly equipped, teachers badly paid and of low quality. Their salaries were raised in 1986-87 by 30% but, of course, the results will not show up for some time.

This, then, is the first aspect of *perestroika* — a shift of resources to raise the general standard of living. But all this requires higher output based on higher productivity.

INTENSIVE DEVELOPMENT

The second main element in *perestroika* is the transfer from extensive growth. In past five-year plans, the labour force increased over the five year period on average by 10 to 11 million, fuel consumption increased on average by 45% to 50% and in this way output was increased.

But since the mid 1970s such increases have not been available — the labour force increased by 3 million in the five years. Over the last fifteen years it increased by 20 million less than in the previous fifteen years because of the demographic results of the last war, fewer young people and more pensioners. To meet this reduction, labour productivity would have to be raised by 100%.

In fuel production, deteriorating geological conditions have meant that output has been raised in the last five year period by only 3-5%. In raw material production the same problems have been encountered and there have been increased demands for ecological protection and conservation. In capital formation the increase has dropped to 25% over the last five year period from twice that figure before. All this has meant a slowing down in growth of the economy, just when acceleration was needed. The only answer is increased efficiency through a major shift to intensive production. But how?

The way forward has to lie through technological progress. There have been revolutionary technological achievements in the USSR but they need to be applied. Much money is spent on science in the USSR and a high level achieved, but discoveries are not applied. There has been little renewal of production plant. There have been faulty investments, policies targeted on extra construction instead of technical renovation, and inadequate resources allocated to engineering, which has especially fallen behind. In 1985 a survey of engineering works found that 71% of them were obsolete but only 3.1% were being taken out of service each year. A change of policy was urgently required and in 1988, 9.3% of plant will be renewed, rising to 13% by 1990. This implies a fundamental technical reorganization. Capital investment between 1981 and 1985 was increased by 24%. It is planned to raise it by 80% between 1986 and 1990, and this will mainly take the form of reorganization of existing plant and not of new construction. Already in 1986-87 this was taking place to an extent far beyond the rate during the whole previous seven years. Such a process of transformation in manufacturing is painful but it will result in increasing labour productivity by 1.5 to 2 times, while reducing metal consumption by 15%.

MANAGEMENT REFORM

The third element in *perestroika* is the reform of management — moving from administrative methods to economic measures. Everything else depends on this reform. Enterprises have to change in their economic management from a system of administrative commands to regulation by economic means — prices, interest charges, wholesaling. This means the reform of finance and banking as well as of price formation, and a move away from centralised allocation of resources to buying and selling in the market. These reforms are targeted for 1988-90 so that the new era will be ushered in with the following five year period.

The distinctive feature of this reform is industrial democracy moving towards self-management in enterprises. The increased role of the workers in enterprises will involve them in determining the enterprise plan, the allocation of resources and the election of managers. It is a revolutionary programme. There will be much opposition, especially from management that fears the risks and dislikes change. This can only be overcome because the whole society wants to make a change. The driving force is political openness and democratization. The first stages, the first experiments, have already begun. The first laws have been passed and will come into operation in 1988. The next stage will involve big and onerous changes, but we believe that the direction of change is correct."

MIDDLE-EAST

THE PALESTINIAN STRUGGLE: A NEW STAGE

When the Palestinian Uprising (*intifadah*) in the Israeli-occupied territories began on Tuesday, 8 December 1987, the Zionists and their backers in the United States and Western Europe believed that it would be ended within a matter of weeks. In fact, in an Israeli television interview on Thursday, 14 January, 1988, barely five weeks after the uprising began, Defence Minister Yitzhak Rabin,, fuming and beating his chest before the camera boasted: "They (the Palestinians) are leading it in the wrong way, in a manner of violence, but we will suppress this violence. It might take another week or two, or another month or two, but we shall do it. We will maintain the necessary armed forces there."

A Palestinian Refugee Camp

Yet, in spite of this chest beating, massive deployment of troops into the occupied territories, the cold-blooded murder of about 400 unarmed Palestinians, and the brutal beating, maiming, and arrests and deportations of thousands more, the Israelis have woefully failed to suppress this uprising, now in its 14th month. Throughout this period, the *intifadah* maintained its momentum, vitality and political significance as a popular resistance by the Palestinians, under the leadership of the Palestine Liberation Organisation

(PLO) against the ruthless Israeli occupation of their national homeland. The Palestinian youthful stone-throwers have indeed broken the myth of the invincibility of the Israeli army. Hence the uprising has come to be known as the 'stones revolution'.

But it is not possible to understand this determination of the Palestinians to defy the repression unleashed on them by the Israelis and continue with the uprising for more than one year, unless we appreciate the conditions under which they are made to live. The uprising has been taking place in the West Bank, Gaza, and West Jerusalem, which were annexed by Israel in the war it provoked in 1967 against the Arabs. Since the occupation, the Israelis have imposed intolerable conditions on the Palestinians.

For example, Israel has confiscated 52% of the West Bank and 30% of Gaza from the Palestinian inhabitants. These areas have been handed over to Jewish settlers to establish new settlements. There are now more than 52,000 of these settlers in the West Bank alone. The population of the settlers in the occupied territories has gone up to more than 85,000, and will no doubt go much higher as the new Israeli coalition government of Labour and Likud pursues a policy of continuing settlement. The Israeli and Palestinian communities are governed by different sets of laws.

But the Palestinian's problems, compounded as they are by Israeli land-grabbing, go beyond this. The Israelis suck out hundreds of millions of dollars from the Palestinians every year, in various ways. The occupied territories have already been turned into a captive market by the Israelis. They are second only to the United States as Israel's main trading partner. Annually, Israeli goods worth more than 850 million U.S. dollars are sold in the occupied territories. Each year, the Israelis squeeze out more than 200 million dollars in the name of taxes from the Palestinians. The Palestinians in the West Bank, in particular, pay travel tax on the two bridges linking them with Jordan whenever they succeed in obtaining permission to visit their relations in that country. From this tax alone, the Israeli government makes an annual income of 35 million dollars. The Palestinians, like the Blacks in South Africa, constitute a major source of cheap labour to Israeli industries and the service sector. Each day, they commute to Israel, to work, and at the end of each month, the Israelis deduct from each Palestinian worker what they call employee benefits, even though the Palestinians are not eligible for this since they are not considered to be Israeli citizens. It is established that from this tax alone, the Israelis have robbed from the pockets of Palestinian workers some 1 billion dollars since 1967. In spite of all this huge amount the Israelis extract from the occupied territories, the government allocates only a miserable 240 million dollars per year on health, education and other related social services for the Palestinians. The marked contrast between the living conditions of Palestinians and Israelis can be seen in their per capita public consumption ratio: in 1985, it was 185 dollars in the occupied territories, compared to 1,350 dollars in Israel.

The denial of the most basic civil liberties to the Palestinians by the Israelis is also one of the deep-rooted causes of the uprising in the occupied territories. Since the occupation 21 years ago, Palestinians have been subjected to cruel torture, imprisonment, detention, deportation, house demolition, cold-blooded murder, and other repugnant treatment which in recent times can only be compared to the treatment of the Jews by Adolf Hitler and the Blacks by the apartheid regime in South Africa. The Israelis make no distinction between adults and children, men and women — all are subjected to the same punishment under the Israeli law, enforced by the notorious Israeli Defence Force (IDF). It is these conditions which produced a new generation of Palestinians in the occupied territories, born and bred in an extremely hostile environment, living and working under slave conditions, without dignity and freedom. A Palestinian journalist in the occupied territories, Daoud Kuttab, describes the conditions in this way:

". . . unlike children in refugee camps elsewhere, children born in refugee camps under occupation drink their mothers' milk while their camp is under curfew; they wake up in the middle of the night to the sound of rubber bullets and rumours of possible settler attack. As they grow up, they quickly learn the political lessons of the occupation. Soldiers, batons, tear gas, rubber bullets, arrests, torture, curfews, closure of camp entrances, administrative detention, and town arrests are all prominent entries in the refugee camps' daily dictionary."

It is no wonder that the current Palestinian uprising is dominated by the younger generation, aged between 9 and 21, all of whom were born under the repression of Israeli occupation Indeed, more than 50% of the 1.5 million Palestinians in the occupied territories are under the age of 21.

However, all these miserable conditions under which Palestinians in the occupied territories have been forced to live since 1967 tell only part of the story of their ordeal. This ordeal, this tragedy of the Palestinian people, began with the declaration of the State of Israel on the night of the 14th May 1948, on Palestinian soil by hard-core Zionists, following the adoption by the United Nations General Assembly of Resolution 181 (II) on 29th November 1947, with 33 votes in favour, 13 against, and 10 abstentions. This resolution partitioned Palestine into a Jewish and an Arab state. The adoption of the resolution was postponed twice, so as to help to secure the required two thirds majority through the use of threats, intimidation, and bribery by Zionists with the active support of the U.S. government. Liberia, Haiti and the Philippines were, for instance, forced by the U.S. government to switch their votes to *Yes* for the resolution so as to make up the two thirds requirement. Several other countries like Sweden, Canada, Belgium and New Zealand grudgingly voted for the resolution as a result of pressure mounted on them.

The adoption of resolution 181 marked the triumph of the Zionist Movement, set up in 1897 under the leadership of Theodore Hertzl, to bring Jews together into one country. Although right from that time they had been eyeing Palestine, until 1904 the Zionists were prepared to accept a homeland in any suitable location. This is why Cyprus, the Sinai Peninsula, East Africa, and Argentina were considered as possible areas for the Zionist homeland. But events turned sharply in their favour in 1917, when the British government, through the Balfour Declaration, announced that it favoured the establishment of a national home for the Jewish people in Palestine.

Among other considerations, the

Balfour Declaration was particularly aimed at encouraging influential Zionists in the United States to support Britain in World War I. The same British government had earlier on convinced the Arabs of Palestine and the neighbouring areas in 1915 to rebel against Turkey, and join the war on her side in return for independence at the end of the war. But after the war, Britain took over the mandate over Palestine and worked towards the creation of a Jewish homeland there.

confiscated their properties worth more than 2 billion dollars. By 1967, Israel went on to annex the Arab state of Palestine, which is now called the occupied territories. The activities of Israel led to the dispersal of millions of Palestinians into the diaspora, most of whom are still living in refugee camps.

Attempts have been made time and time again to justify the existence and the activities of the State of Israel. One of these attempts involves whipping up

Capucci, Arafat... fighting as one for a homeland.

When the state of Israel was established in 1948, the Palestinians rejected it on two main grounds. Firstly, the action was in violation of the UN Charter itself, which gives every nation the right to determine its own destiny. And in this case, neither the British government nor the United Nations had sought for the views of the Palestinian people on the matter. Secondly, the newly created Jewish State of Israel was handed over entirely to the Jews even when half of the population of the country was Arab, and the Jews owned less than 10% of the land. The population of Israel in 1948 was made up of 498,000 Jews and 497,000 Arabs.

Since 1948, the Zionists have unleashed terrorism to evict the Arabs in Palestinian Israel, and confiscate their properties, with the help of such terrorist organisations like Irgun Zuai Leumi, led by Menachem Begin. For example, by 1962, the Israelis took over completely 388 Arab towns and

sentiments. People are made to believe that the Jews in Israel are 'Christians' fighting the Muslim Arabs, and that it is the Jews, not the Arabs, who are the rightful and original owners of the area of Palestine. All these are far from the truth.

For example, as far back as 1918, there were 574,000 Muslim Arabs, 70,000 Christian Arabs, and 56,000 Jews in the total area of Palestine. The Palestinian Arabs have been in Palestine long before the coming of Islam about 1,300 years ago. They are the descendants of the Jebusites, Philistines, Canaanites and Hittites, all of whom were in Palestine before Islam. When the Jews invaded Palestine about 1,500 B.C. they found them there. Thereafter, the Jews dispersed from Palestine, leaving behind the Arabs. The Arabs have actually lived in Palestine on a continuous basis for a period of about 4,000 years. This is the moral and legal basis on which the

Palestinian struggle for a homeland is rooted. It brings Palestinians of different classes and religions together, as has been aptly expressed by a leading Palestinian Arab, Hilarion Capucci, the Catholic Archbishop of Jerusalem, who was jailed for three and a half years by the Israelis for his role in the Palestinian struggle and deported to Rome. He said:

"I am a man of the Church. Because of that, I must defend the rights of my people, christians and moslems alike. In the history of the Arab patriotic struggle there is a wonderful saying: 'Religion is for God and the homeland is for all of us.'

It is this type of unity forged by the Palestinian people over and above diversionary divisions since 1948 which has made their struggle so resolute, and has now brought them close to victory. Yasser Arafat is a Muslim. Hilarion Capucci is a Christian, but this has not put a wedge between them in their united struggle for the liberation of their homeland.

Indeed, it is this unity that has now forced even the rabid sponsor of Israeli atrocities, the government of the United States, into a position where it has become so isolated that it could not prevent the UN General Assembly from moving to Geneva from New York in order to hear Arafat address them, after the U.S. denied him a visa to enter that country. In his address, Yasser Arafat clarified the position of the PLO — i.e. that they are not out to destroy the Israeli people, but that they are only fighting to establish their own homeland. This development scuttled the pro-Zionist strategy of the United States government and other supporters of Israel. They have now been forced to revise their position of giving total support to the atrocities and the hysteria of the Israeli leadership. Even the United States is now officially holding talks with the PLO. The PLO itself gained new stature when, at its meeting in Algiers on November 15, 1988, it declared the establishment of an independent state on Palestinian national soil. The sustained Palestinian uprising, and the unity and firmness of the PLO leadership, has now brought the Palestinians much closer to achieving their goal. This marks a new stage in one of the most important struggles for national liberation in recent times.

By Alkasum ABBA.

THE POPE AND APARTHEID:

What's Good For The Goose...

Pope John Paul II's tour to Southern Africa in mid-September 1988 has come and gone. But for sometime to come his message or appeasement to the racist minority regime in South Africa, which he solicitously imparted to his audiences on this gratuitous tour, will linger on in the minds of my fellow Roman Catholics in Africa. Undoubtedly, if the Pope's blanket condemnation of violence is allowed to pass unchallenged, it could easily devitalize the mounting opposition against apartheid. African Catholics generally tend to be credulous people who believe everything said by the Pope. There is a real possibility, therefore, that many Catholic bigots in South Africa may become passionate supporters of the Pope's non-violent approach to South Africa's political problems.

But before anyone lays down his arms he should first ponder whether it is more noble to obey the Pope's whims or to fulfill his national duty — namely to destroy apartheid. The Catholic Church doctrine countenances the concept of a "just war", i.e., counter-violence in self defence. Indeed, never before in modern times has a Pope publicly and unequivocally prevailed on a nation subjected either to a foreign military occupation or internal savage repression, to forfeit their right to engage in counter-violence in self defence. In fact, not a long time ago Popes themselves waged wars to defend papal states in the Italian peninsula against external aggression. This apart, history knows no modern nation including Catholic ones that has attained sovereign status without ever having resorted to violence to promote its interests.

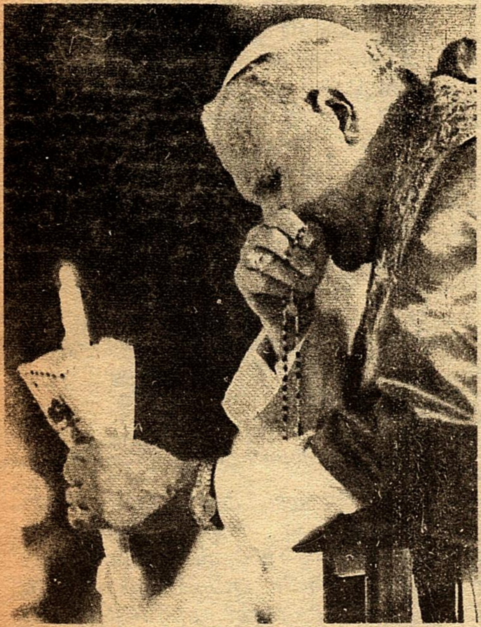
Thus, until John Paul II's papacy the Vatican viewed fighting in a "just war" for one's country as a meritorious duty binding on Catholics. In 1945, Pope Pius XII appointed the Archbishop of Toulouse, France, Monsignor Saliege, a Cardinal in recognition of his patriotic services to the French people during the Second World War. Saliege's services included his outspoken condemnation of Nazism and badgering young Frenchmen to join the Resistance struggle against France's enemies, namely Nazi Germany and Fascist Italy. No wonder the day Saliege received his red *biretta* (a Cardinal's cap), "every Frenchman who fought for France thought he had a red *biretta* on his head".

It can thus be concluded that John Paul II's admonition to the people of South Africa not to resort to violence to rid themselves of an iniquitous and tyrannous apartheid regime is a personal opinion which is not binding. It must be judged on its own merits.

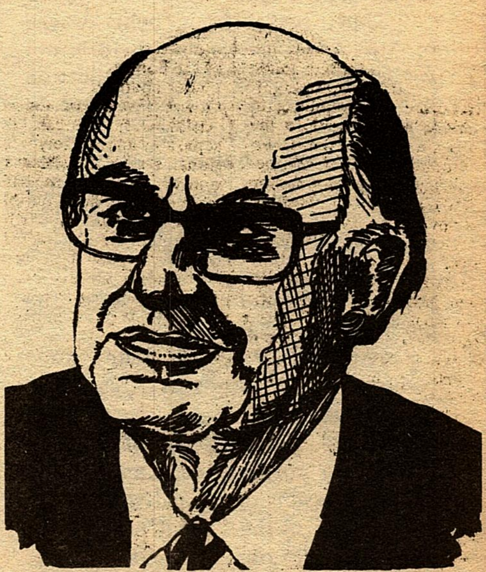
To date, the Pope has said or done little to show that he condemns the evil of apartheid. His sugar-coated criticisms of this nefarious system are often feeble and without apparent conviction. In fact, the Pope's utterances on the political situation in South Africa tend to suggest that he looks at apartheid benignly.

Listen to this, for example. The very Pope who claims to support non-violent methods to end apartheid told a press conference in Harare, Zimbabwe, on September 14, 1988, that he deplored the call for the imposition of economic sanctions against South Africa. The Pope also denounced calls for acts of civil disobedience against the Boer regime such as the boycott of racist-based elections. In fact, he poured scorn upon Archbishop Desmond Tutu and other patriotic minded South African clergymen and other anti-apartheid activists for supporting these measures. Surprisingly, the Pope offered no humanistic, alternative peaceful measures of his own to those he deplored except, of course, the prayer, e.g.: "Trust and Obey. For there is no other way. To be happy in Jesus. But to trust and obey".

The Pope ought to be reminded, however, that in President Pieter Botha's South Africa, not only is the black man denied political rights, but



Pope John Paul...friend of Apartheid?



Botha: Racist pig.

also the freedom to worship his God in a manner and place of his own choosing. He requires a police permit to pray for his fallen heroes like late Steve Biko, for example! The ungodly behaviour of the Boer government is understandable, however. The Boers, as a minority settler ruling clique know too well that they can't cling on to the reins of power without aggression and repression against black South Africans. Therefore, the Pope's admonition to the black population in South Africa not to resort to violence to overthrow the apartheid system is futile and should be jettisoned. Indeed, racism, like Nazism, is violence in its natural state, and will only yield when confronted with greater violence. Such, then, is the mission of the African National Congress (ANC) and other anti-apartheid organisations.

A "JUST WAR"

The ANC freedom fighters who dare to confront the racist regime's trigger-happy troops and police do not have a voracious appetite for violence. They comprise men and women with upright consciences who have conquered man's indomitable enemy, i.e., "self-love". It has given way to patriotic heroism. Their courage, as exemplified by that of their leader Nelson Mandela, is high and stainless. Yes, Mandela "is no ordinary man". This description is very befitting to a man who prefers prison life, at Pollsmoor prison in South Africa, to denouncing his kinsmen's inalienable right to engage in counter-violence in self defence against the racist regime's aggression.

Thus, the struggle being waged by the ANC against apartheid is not for self enrichment or self glorification but to restore to the black man in South Africa his God-given inalienable rights, namely human dignity and sovereignty, which he is now denied by the racist minority regime. The ANC freedom fighters are, therefore, engaged in a "just war", i.e. counter-violence in self defence against the racist regime's aggression.

The sceptics can take some comfort in the words of Archbishop Angelo Roncalli (later Pope John XXIII) on the morality of counter violence in self defence. Commenting on the invasion of his native Italy by the armies of the "allied powers" in 1944, Roncalli observed: "It is useless to argue about who is right and who is wrong. We Italians helped to cause this war, and *now we must pay*." Pope John XXIII's message here is quite relevant. Those who wage wars of aggression and the perpetrators of repression rightly deserve their victims' counter-violence.

BENIGN ATTITUDE

Obviously, the anti-apartheid groups and activists in South Africa were filled with unbridled optimism that Pope John Paul II's tour to Southern Africa would provide an opportune moment for him to condemn apartheid in unequivocal terms. But alas! He didn't. Instead, he sought to entice the anti-apartheid activists to lay down their arms (stones and bottles!) and pick up their Bibles to pray for national reconciliation. But he didn't call upon President Botha to disband the Boer army. Nor did he condemn the Boer army's tyrannical acts against the black population. A surprise perhaps? But not quite.

The Pope's failure to make a distinction between Boer-inspired aggression and ANC-sponsored counter violence in self defence mirrors his ultra-conservative views on Catholic moral doctrine. Ironically enough, Pope John Paul II's concept of Catholic morality is against popular democracy and economic welfare which blacks in South Africa are struggling to attain.

Critical voices have it that as a consequence of the rejection of his conservative interpretation of Catholic moral doctrine by Catholic churches in North America and Western Europe, Pope John Paul II views the future of the Church as being in "the Third World". Why? Because the prevalent conditions of poverty, disease, and ignorance in the Third World countries coupled with political repression make these countries a fertile ground for his brand of ultra-conservative Catholic morality. Who, then, should be surprised that the Pope is not an advocate of the democratisation of the political system in South Africa? To say the least, the Pope's commitment to the ultra-conservative brand of Catholic morality is so deep that no human suffering is compelling enough to attenuate it.

What is surprising perhaps is that Roman Catholic bishops in South Africa have acquiesced in the Pope's perfidious calls for a non-violent option to the extermination of apartheid; and non-participation in politics by the clergy. This is sad. The Catholic community in South Africa, as a group, can't play a meaningful role in the crusade against apartheid without their bishops' support. It is not enough for the Catholic bishops in South Africa to make puny and cautious criticisms of apartheid. If change is to come, and to come soon at that, the Catholic bishops must team up with clergymen of other churches to denounce the perpetrators of apartheid and call for its immediate eradication by all means including violence. South Africa deserves to produce her own Cardinal Saliege. And the time is now.

The Roman Catholic bishops' unwillingness to play a leading role in anti-apartheid organisations is highly regrettable. Their Lordships should emulate the patriotic example of their counterparts in Pope John Paul II's native Poland where the leadership of the Catholic Church is the mouthpiece of the opponents of the Polish government, of course with the concurrence of the Pope. What's sauce for the goose is sauce for the gander.

I have met a number of Catholic clergymen in some African countries who strongly support civil disobedience against tyrannical and repressive regimes such as the racist regime in South Africa. Undoubtedly, men of similar disposition can be found among the leadership of the Catholic Church in South Africa. Let them stand up and be counted. Let them come aboard Archbishop Desmond Tutu's "heroic ship". And, if need be, let them sink with him. They will not die in vain. Like other fallen heroes of the struggle against apartheid, they will be honoured and hailed by "men of good will" everywhere for their heroic services to mankind. Apartheid is a crime against humanity. Don't just condemn it — exterminate it!

By: *Peter Kazenga Tibenderana.*

[Peter Kazenga Tibenderana has been teaching and studying history in Nigeria since 1969, and is now moving from Ahmadu Bello University to become Professor of History at Makerere University, Uganda.]

Who Wanted The NLC Dead?

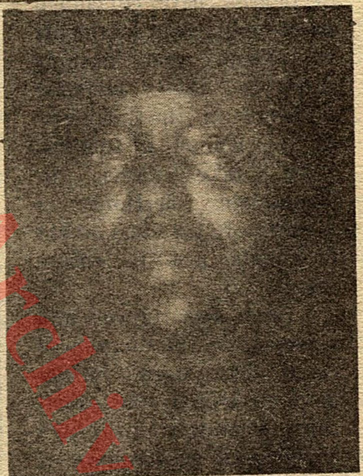
It was a narrow escape. Too narrow for comfort, but an escape all the same. The Nigerian Labour Congress (NLC) has survived one of the most serious threats to its corporate existence in recent years.

But the only way to guard against falling prey to even deadlier attempts is to learn from what has happened. Two canker-worms have burrowed deep into the flesh of the Nigerian labour movement since its early beginnings. First, is the worm of opportunism. The second is lack of accountability. This twin problem became quite pronounced during the life span of the third NLC, 1978-1988.

At its birth, this NLC took off as an amalgam of the old, pro-imperialist United Labour Congress (ULC) and the radical, anti-imperialist Nigerian Trade Union Congress (NTUC). The ideological tussle between these two defunct organisations was supposed to have given way when Hassan Sunmonu of the NTUC emerged as President of the 3rd Nigerian Labour Congress and David Ojeli of the old ULC became his deputy. Such a hope was further strengthened when another 'old boy' of the ULC, Aliyu Musa Dangiwa, emerged as the General Secretary of the Congress.

But just as the NLC was finding its feet, the leaders of the two factions regrouped and retreated to their previous positions. What signalled this retreat was the entry of Bassey Etinam, the General Secretary of the Customs, Excise and Immigration staff union into that right wing party of the ruling oligarchy — the National Party of Nigeria. Bassey Etinam was later on to become a member of the House of Representatives, and even the chairman of its sub-committee on labour. Another leading member of the new NLC, David Ojeli, similarly started hob-nobbing in the most opportunistic manner with stalwarts of the NPN such as Yunusa Kaltungo, former President of the ULC and the House Majority Leader, Bassey Etinam and Magaji Mu'azu, Shagari's Special Assistant.

Sunmonu. . . Second NLC President.



Bafyau. . . New NLC boss.

The NPN government of Shagari then drew a master-plan to evict Sunmonu from the Presidency of the NLC and to replace him with Ojeli. The strategy, based on the then NPN-NPP accord, was to whip up regional emotions, thereby forging an alliance between northern and eastern-based labour leaders. This was an attempt to reduce the support of Hassan Sunmonu to a so-called Yoruba constituency in the labour movement.

On 16th September 1980, a meeting was convened at the Yankari Game Reserve in Bauchi. Invitees to the meeting were chairmen and secretaries of all State Councils of the NLC in the ten northern states. These were all supposed to be opposed to Sunmonu's leadership. Also expected at the meeting were Yunusa Kaltungo, Bassey Etinam and about five Special Assistants and Advisers to President Shagari. Immediately after that meeting, an organisation calling itself the Committee for Democratic Trade Unionism (ODTU) formally came into being. Almost immediately too, David Ojeli was identified as the CDTU's leader.

The pro-NPN and pro-imperialist nature of the CDTU and its leadership became glaring when at the NLC's first Delegates' Conference in February, 1981, in Kano, people like Vice-President Ekwueme, Ministers, Special Advisors, and dozens of right-wing NPN legislators, led by Yunusa Kaltungo, showed up to promote and support Ojeli's candidacy. Even the United States' Special Representative to the United Nations, Mr. Andrew Young, flew into Kano to show and express solidarity with the candidature of David Ojeli for NLC's Presidency.

At the conference opening ceremony, Vice-President Alex Ekwueme reminded delegates that trade unionists must "allow democracy to take its course", in a veiled endorsement of Ojeli's candidature. In spite of all these, Sunmonu defeated Ojeli by a wide margin of 198 to 111 votes. All 'democrats' left Kano silently having been defeated, but vowing to fight on.

Ojeli's leadership of the democrats became eroded immediately after the conference. His own base, the Nigeria Civil Service Union, had become weakened as a result of serious internal rifts. This internal rift continued, and by the time the Second Delegates Conference of the NLC was convened in Enugu, in February 1984, David Ojeli was a mere on-looker. The democrats were scattered, and shattered. But they tried to save face by making some important arrangements which saw Alhaji Haruna Agbonikhena of the Nigeria Ports Authority Workers Union as an interim leader. However, the right wing would not give up. They tried to sow confusion in the ranks of the progressive camp of the labour movement. For instance, they got the courts to issue an injunction restraining John Dubre of the National Union of Petroleum and Natural Gas Workers (NUPENG) from contesting.

But the progressive camp countered this strategy by endorsing Ali Ciroma, of the Medical and Health Workers Union of

Nigeria, who eventually won the election.

After that election, Haruna Agbonikhena's leadership of the democrats could not be sustained, and Takai Shamang, a mister-nobody at the second conference, emerged as the leading personality around which the rag-tag rump of democrats began to organise.

What is interesting about these developments is that within the reactionary camp, no leader has been able to survive an electoral defeat. At the Ibadan inaugural conference of 1978, Agbesasan of the National Union of Railwaymen (NUR) led the democrats. At Kano in 1981 it was Ojeli of the Nigerian Civil Service Union. At Enugu in 1984, Agbonikhena of Ports Authority workers union took over the flag. The 1988 Benin contest saw Takai Shamang. If Shamang had survived to lead the democrats in the December 1988 conference which heralded the birth of the 4th NLC, he would have made history!

The February 1988 conference was aborted even before it took off, thanks to the collusion between the democrats and the state. The democrats boycotted the conference proper and 'organised' their own which attracted mostly break-away factions of the main unions. Their ambition was to prevent the main conference from obtaining the constitutional requirement of 60% quorum. This strategy failed. Despite that failure, however, the democrats mounted a last minute strategy which saw Takai Shamang 'emerging' as a President of the NLC of some sorts.

But this is not to say that all is well in the progressive camp. For opportunism, coercion, and high-handedness began to rear their ugly heads even in that camp. Take a few illustrations: Alphonsus Okwese, a leading personality in the National Union of Hotel and Personal Services, having failed to ascend to the throne of General Secretaryship of that union, and unwilling to serve under someone else, quietly sneaked his way into the National Union of Petroleum and Natural Gas Workers to fish for some juicier options. On realising that there too he was losing out, Okwese finally quit only to re-surface as a Manager in an oil company. Similarly, several General Secretaries have concluded pacts with their Presidents to ensure that nothing threatens their lucrative positions in the hierarchy of the labour aristocracy. They take oaths to manipulate elections in favour of the incumbent presidents just to ensure this.

Such opportunism and careerism in the progressive camp has been further demonstrated by the leadership's reaction to last year's government proscription of the NLC. Not only were they slow to come out with an articulate reaction, but even when they did, it was a divided and inconsistent response. Having decided not to hand over to the Sole Administrator, their leader, Ali Ciroma, unilaterally over-turned this decision and handed over. When later it was decided to challenge Government action in an open court, this too was abandoned mid-way. Again, when it was decided to refuse to recognise the SoleAdministrator and not to co-operate with him, this position was also later abandoned. Obviously, the reasons for these contradictions are that after weighing the implications of their actions, the labour leaders came to the realisation that to ultimately succeed in defeating the machinations of government, the rank and file must be mobilised. This involved obvious personal risks which they are not willing or prepared to take.

Between the time the third NLC was born in 1978 and when it died last February, jobbery, careerism, and opportunism had become almost a second nature to many of its leading activists.

What the federal government therefore did was to administer the final dose to a patient with a terminal illness. So the Third NLC died. But from its terminal illness can be discerned lessons and antidotes for a virile labour organisation that could be capable of fighting and defending the interests of the working people of Nigeria.

Now that the Fourth NLC has been ushered in with the election of a new leadership, the need is even more urgent for the working people of Nigeria and their leaders to assume a more prominent role in the on-going struggles by progressive forces for the total liberation of Nigeria.

By Muhammad KHALID.

POET'S VIEWLINE

FISTS IN NUMBER

In the face of repression
says the common man,
"The only ones
to save us,
Are our men in arms";

But these ones
have grown bulky,
grown lazy —
For they have fed on greed.

A trade with the leaders
they since concluded,
The price fully paid.

Those for your protection
Presumed employed,
To you now
have turned their bayonets.

Then they are no more the
messiahs!
They are no more!

But pretenders like the others.

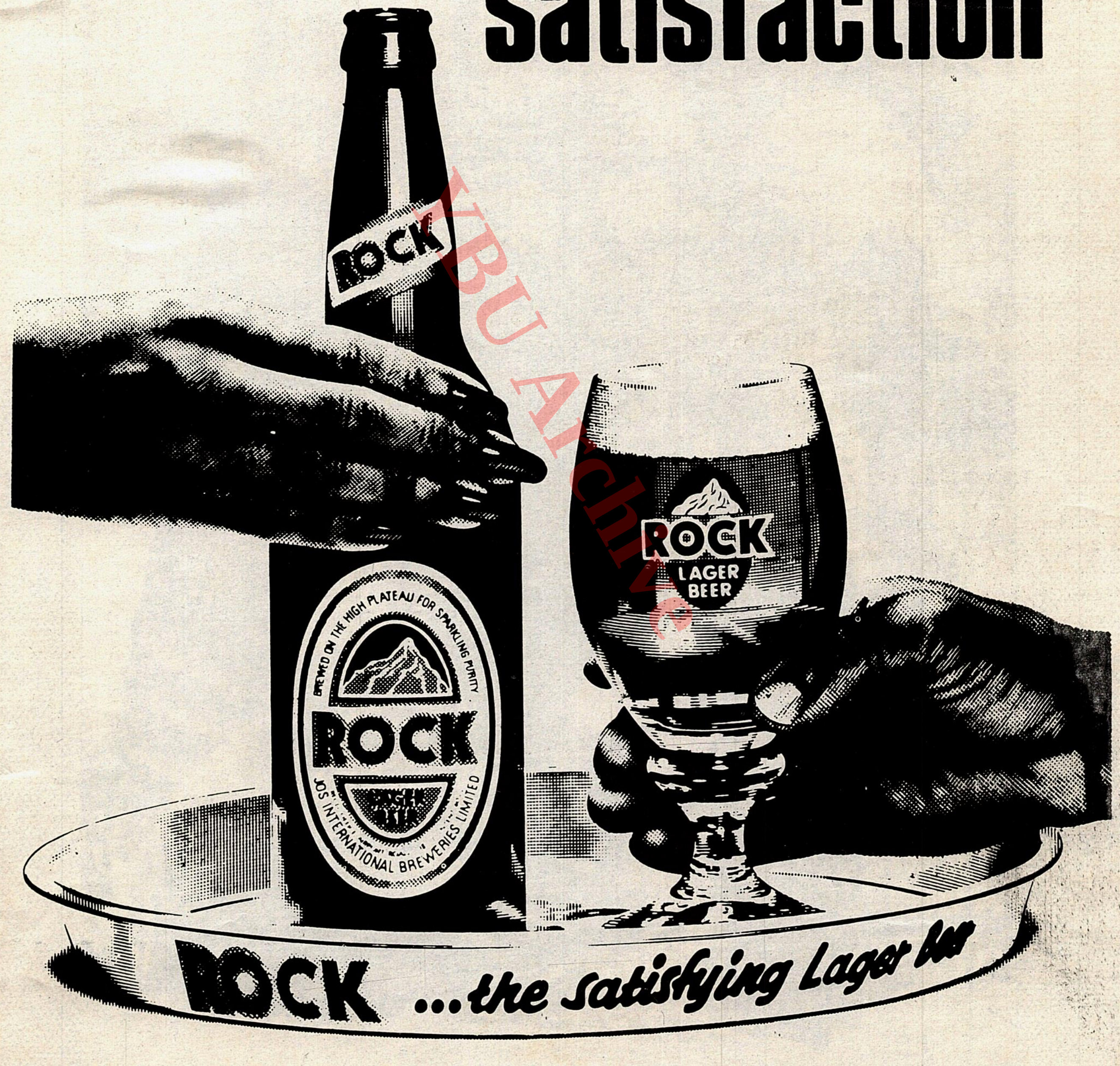
Awake then common man
from your slumber;
No one can save you
but your own effort.

You have had dark days
and for brighter,
You have to raise
Fists in number,

For the messiah is
Only the people.

Sulaiman Ibrahim

Reach out... for real satisfaction



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