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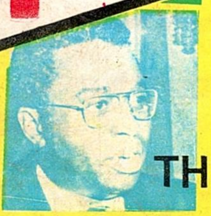
GRINDING TO A HALT!



BUDGET '88: THE 'BIG CHOP'

DISCLAIMER

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MANAGEMENT

MOVEMENT OF OFFICE AND SUSPENSION OF SUBSCRIPTION

The Management of The Analyst wishes to inform its numerous readers and well wishers that with effect from January 1, 1988 it has moved its Head Office from No. 1 Kurra Street, West of Mines, Jos to Nos. 1 and 2, Baka Street, Unguwar Sabon Yelwa, Western Bye-Pass, Kaduna South, P.O. Box 2736, Kaduna, Nigeria.

The Management also wishes to hereby announce the immediate suspension of all new subscription to the Magazine. This is in order to give us time for all the necessary adjustments.

Henceforth, all official communications should be directed to the Kaduna address.

Wishing all a happy New Year.

MANAGEMENT

The Analyst

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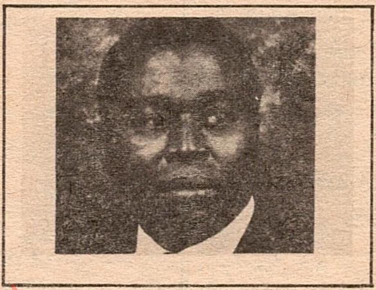
In this The Analyst

The transport sector in Nigeria, in spite of being the most favoured in terms of budgetary allocations, is today in a highly deplorable state — with the country itself grinding to a halt. What and who is responsible for this? What happened to the billions sunk into this sector?..... Page 7



The 1988 Federal budget, as others before it, is full of impressive figures and catchy phrases that dazzle and confuse the public. But just what are the real facts and truths behind the figures and phrases? .... Page 17

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LETTERS

A CALL TO ACTION

After reading this articles in your Volue 2 Number 7 issue on "How they live, how we die" especially the one titled "The muddle of "87", I wept. The last paragraphs in that article were clarion calls for action which reminded me of the just concluded local government election which saw money politics resurfacing, especially in Bendel State.

I sincerely believe, as you do too, that all hope is not lost. If we choose the option of uniting and acting collectively, with a strong and unflagging desire to control our own destines, then our goal(s) would be achieved no matter how much the money bags try to make money the be-all and end-all in the politics of the Third Republic.

Okorodudu Eyarefe,
Benin City.

.... and A Timely Warning

Your covery story "HOW THEY LIVE, HOW WE DIE" (Vol. 2 No. 7) is the article of the year as far as I am concerned.

To say the least, this article warned Nigerian masses that they should shut their ears to whatever is being said by the manipulators of Religion, Ethnicity and Regionalism.

The next elections should not be between southerners and northerners or between Muslims and Christians. Rather, it must be between the HAVES and the HAVE NOTS. This is the only way of uniting the two "nations" in this country.

A. B. Lamido Misau,
Lagos.

S.O.S. to DFRRI

DFRRI ought to be reminded of Waja district — Waja people — well known but forgotten. With a rich history a population of over 400,000, and vast economic resources, Waja District has no single all-seasonal road, not to talk of pipe borne water and electricity. More saddening is the fact that Waja is cut off from the shortest route that leads to a hospital, 90 kilometres by road.

One expects that such places would feature prominently in DFRRI projects. That everything is silent confirms our fear of being doubly forgotten.

Suleiman Gadah,
Kaduna

Forced Labour For DFRRI in Zuru

In Zuru Local Government Area in Sokoto State, the authorities are now taxing the masses of Tungan Kibiya, Bahago and Senchi N2.00 per each taxable adult. Those who cannot afford N2.00 are forced to go into forced labour with the workers of D.F.F.R.I. Such unwarranted harassment has even made some of the masses to flee from their homes and houses to "safer" areas.

Some of those who could not afford this sum were brutalised and even driven from their farms, even when harvesting their crops, to go and work for D.F.R.R.I See the evil of D.F.R.R.I to these defenceless peasants?

Hasheem Aboo-Bakr Ladan,
Sokoto.

The more You Look the Less You See in Benue State.

Major Mohammed Umar (Vol. 2, No. 6) says that much as we are entitled to know, there are limits to what we should know and what we can understand.

Of course, if we cannot know why distances of 8km and 16km from Tsemker to Koti to Yough and from Ihugh to Korinya, both in Vandeikya Local Government area, are now claimed by D.F.F.R.I. to be 40 and 37km. respectively, how can we understand the expenditures said to have been incured on these roads?

Benue D.F.F.R.I. has flagrantly refused to work to specifications, and feeds the public with false or no information at all. The directorate has so far earned itself a bad image. Lagos must act and quickly too. We are waiting.

Michael A. Abuku,
Makurdi.

All letters to the Editor should be brief, to the point and written in clear, simple English.

The letters should be sent to our new address:

The Analyst,
No. 1 and 2, Baka Street,
Unguwar Sabon Yelwa,
Western Bye-Pass,
Kaduna South,
P.O. Box 2736,
Kaduna.
NIGERIA.

COMMENT

STOP THE ROT

That transportation is crucial in the development of a nation is a fact that hardly needs re-stating. It is a vital factor in any nation's economic and social life, not just because it makes possible the movement of people and goods up and down, and inside and outside the country, but also because it is crucial to a nation's security and a cementer of its unity. And, right from the days of donkeys and camels, investment in transportation has always been a potential engine of growth. But in Nigeria, unfortunately, it has constituted a source of a massive haemorrhage of our resources, and its wasteful and inefficient state has become a major blockage in our development and integration.

Infact, the transport system in Nigeria today is grinding to a halt. And this, inspite of the massive resources sunk into it. In all our development plans so far, infact, there has been more capital investment in transport than in any one single sector. In twenty five years (1962—86), for instance, over N10 billion was sunk into the transport sector — with little to show for it today. Clearly, therefore, the highly deplorable state of our transport system is not to be blamed on lack of, or even insufficient, public investment in it. It is to be blamed rather on the deliberate and persistent way such massive public investments have been channelled and used by governments to enrich private vested interests who, in collaboration with public officials, have been milking and plundering this country through the transport sector.

CHAOTIC

This is at the root of the unco-ordinated and chaotic nature of the transport sector in Nigeria. It explains why governments in Nigeria have always preferred to sink huge amounts of money into roads, airports and the so-called coastal ports, but not into developing rail, inland waterways and other much cheaper, and more efficient and durable modes of tranport. And they do this inspite of the fact that even before the First National Development Plan (1962—1968) was worked out, Nigerian leaders themselves commissioned a study which informed them that the cost of transporting by road was three times that by water and two times that by rail.

SELLING OUT

All this, doubtless, has made impossible the rational and efficient development of our transport system. But it has made multi-millionaires of road contractors and their financiers, suppliers of construction plants and motor vehicles, transporters, and public officials who give the contracts and pay compensations.

But what is even worse is that the government now seems poised to hand over entirely the transport sector to private hands. Certainly, it now appears as if the government has finally decided to ground the National Carrier and leave both domestic and international operations to the Kabos, Okadas, Jambos, Gas, intercontinentals, and even economic pimps, hustlers and self-confessed gigolos in the air transport business. And in the case of shipping, so crucial to a country like ours, the government is also selling out the national interests to a cabal of tycoons and retired generals. This is clearly evidenced by the appointment to the Board of NNSL (Nigerian National Shipping Line) agents of the clique.

But there is much more to the problem of transport in Nigeria than all this. For, inspite of the billions sunk, and still being sunk in it, travelling in Nigeria, whether by road or by air, is still a nightmare: harzardous, frustrating and even humiliating. For workers in particular, going to and from work leaves them completely drained. For the rural dwellers, it is not just their productivity that is undermined but they are milked and virtually held at ransome by transporters who are actually the middlemen and money lenders.

And now that SAP (Structural Adjustment Programme) has made the cost of bicycles, motor-cycles, motor vehicles and even donkeys so prohibitive, with spare parts beyond the reach of most vehicle owners, the transport system has become one of the most serious bottlenecks to economic recovery and growth in Nigeria.

The Analyst believes it is high time the government stopped taking the side of those who, for the past twenty-seven years, have fed fat on the transport sector. While there is clearly a role for individual enterprise in some areas of road and water transport, the planning, development and operation of the transport system can only be properly done, in the overall national interest, by co-operatives, workers' organisations, local councils and state and federal governments. These alone can effectively re-order the priorities in this sector in the overall interest of the nation. The fanciful idea of a Task Force on Mass Transit proposed in the President's 1988 Budget Speech will not do: it will just be another conduit for siphoning public funds, as has been the case with such cynical operations and exercises in the past.

RADICAL BREAK

What, in our view, the government should do, immediately, in the urban areas, is to make it mandatory for all institutions, and companies to provide for their workers and staff suitable vehicles to be operated by elected representatives of the workers. In the rural areas, the people should be encouraged to form co-operatives to purchase new or second-hand buses for their use. The bus services run by State governments should be revitalized and placed under the control of Boards made up of a majority elected by these co-operatives, workers' organizations and the local councils. The credit guidelines to the banks should be such as to ensure that these bodies get special low interest loans for this purpose.

To facilitate these, the government should standardize the

types of vehicles and spare parts to be used in this country and bring to an end the riotous proliferation of vehicles and parts. Local manufacture of plants, vehicles, and spare parts must also be planned by the Federal Government.

But even before the Fifth National Plan is used to start re-ordering the priorities in our transport sector to make it serve as a generator of progress, the government should give waterways and the railways the high priority they deserve. This can only be done by freeing them from bureaucratic and kleptocratic stranglehold. Nigerians demand and deserve a transport system worthy of the size, resources and potentials of our country. This is impossible without a radical break from twenty-seven years of plunder, chaos and frustration.

COVER STORY

NIGERIA: Grinding To A Halt!

Transportation and the development of human civilization are like siamese twins: they are so intricately linked that one cannot exist without the other. Rome would never have been Rome without the Apian Way. Britania would not have ruled the world if it had not ruled the waves. Similarly, but for the trans-Saharan trade routes the great empires of Western Sudan like Ghana, Mali and Songhai would not have played the role they did, at the time they did, in the history of Africa.

Indeed, not only is transportation an essential factor in the development of human civilization, the sustenance of even that civilization to a large extent depends on it. The linking of different groups of producers and consumers which is very crucial for economic development; the cementing of bonds of unity, understanding and tolerance between various socio-cultural groups in the society; the promotion and exchange of various intellectual currents, new inventions, new techniques, etc; all these are to a very large extent dependent on the existence of a fairly well articulated and co-ordinated transport and communication system.

It was precisely because of this, that one of the first things that the British did when they conquered Nigeria was to immediately mobilize labour for the establishment of a new network of road, rail and water transport system, deliberately and consciously designed to serve her imperial interests. For instance, railway construction started in Lagos in 1898, and by 1912 it had reached Kano. By 1927 it had reached Jos and other parts of the hinterland. Side by side with the rail system the colonial government also mobilized forced labour to construct a network of roads leading from agricultural and mineral production centres to the railway terminals. The rivers Niger and Benue were also fully exploited for navigation purposes up to Bussa, Yola, and even Garoua in the Cameroons.

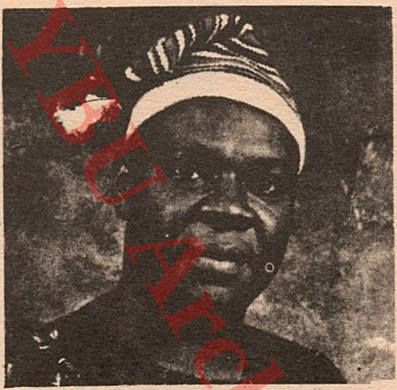
The impact was immediate. The export of Nigeria's primary agricultural and mineral resources to Britain jumped. For instance, export of groundnuts from Nigeria in 1911 and 1912 were 1,179 tons and 2,518 tons valued at £10,000 and £19,000 respectively. But after the railroad reached Kano, exports in 1913 jumped to 19,000 tons valued at £175,000. By 1920, exports of groundnuts reached 45,000 tons valued at over £1 million.

The same was true for cotton and hides and skins.. In 1911, exports of cotton, were valued at about £100,000 but jumped to £356,000 in 1913 and over £1 million by 1917. Similarly, the import of British manufactured goods received a tremendous boost. By the time the country became independent in 1960 exports to Britain stood at £169.6 million, and in that year the country imported £215 million worth of goods from Britain.

Thus, the motive force behind the transport policy of the colonial government was to promote the rapid and extensive exploitation of Nigeria's human and material resources and the export of the country's primary products, on one hand, and on the other, the dumping of British manufactures in Nigeria. This is also why the structure of this transport network remained essentially vertical, from north to south, from the coast to the hinterland. No effort was made whatsoever to develop a lateral and multi-dimensional network of road, rail and riverine transportation between the various economic zones within the country, like between cereal and root crop producing areas or between historically long standing trading partners.

But if the colonial regime fashioned out Nigeria's transport system to serve imperial interests, their Nigerian successors, redesigned and redefined it to serve their own self-serving individual and class interests. As early as June 1960, the departing colonial government commissioned the Stanford Research Institute of the U.S.A. to carry out a comprehensive survey, and recommend an efficient and integrated transportation policy for Nigeria. Among the, many findings of this committee was that rail and water transportation were the cheapest and most reliable for the country. For instance, the report pointed out that the average real cost of road transport in Nigeria was 6 pence per ton mile. In contrast, the average cost of rail transport was 2.2 pence per ton mile, while that for water transport was as low as 1.7 pence per ton mile. In addition, the quoted cost for rail transport reflected the full economic costs, whereas the costs given for both road and river transport did not include the maintenance of the roads and waterways.

This report was submitted to the Balewa government in 1961, and there can be no doubt that the government was fully aware of the findings contained in it. But these were ignored. From 1961 onwards, official policy gave greater priority to road transportation. Even when it was accepted in official circles that the development of the railways and the waterways was the more rational option, this grudging acceptance was wholly subverted in practice. For example, in the 1962—68 Development Plan, N168.7 million was allocated to the development of road transportation as against the miserable N43.3 million allocated to the railways. In the 1970-74 Plan, the situation got even worse, with N360 million allocated to road



KALU — KALU: New Transport Boss

transportation and the railways being allocated only N81 million. In the 1975-8-Plan period, road transportation received an allocation of N8 billion while a paltry N1 billion was allocated to the railways. In the 1981-85 Plan, the road system was allocated N7.5 billion while the railways were left to make do with just N1.6 billion. Even this amount allocated to the railways is deceptive because, out of it, N1.3 billion was a special allocation made for the take-off of the standard guage system under the Chairmanship of Dr Ibrahim Tahir — a project that has since become stillborn, after guzzling huge sums of public funds.

This bias for the more expensive and inefficient road transport system can also be glimpsed from the huge investment that has been made in public utilities right from their inception up to December 1983. For example, the Nigerian Airports Authority alone gulped N2.5 billion while the Nigeria Airways swallowed N151.6 million. Thus, the aviation industry alone as of December 1983 has had more than N2.5 billion expended on it. The Nigerian Railway Corporation on the other hand, has since its inception only had an investment of N1.2 billion. But this outrageous discrimination against the more popular and cheaper means of transportation in the country is not justified if one takes a look at the relative passenger and freight traffic of the two modes.

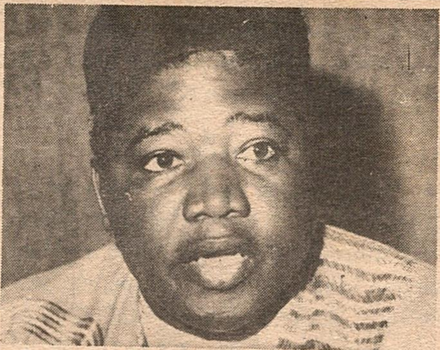
In 1984, the Nigerian Airways carried a total of 1,967,720 passengers on its domestic and international routes, and 8,300 tons of cargo. On the other hand, the average annual passenger traffic of the Nigeria Railways before 1984 stood at 15.3 million while its freight traffic was 3 million tons.

It is obvious therefore, that the problem of the Nigerian transport system is not so much the result of insufficient public investment in the industry, as it is due to investment in the wrong mode of transportation, and the day light robbery and the shamefaced looting of money and resources by the officials entrusted with responsibility for running these services? These officials chose, and still do choose, to sink more money into air and road transportation, against the mass of evidence available to them about the limitations of these modes of transport, because of their vested interests and that of their masters and patrons in London, New York, Paris, Bonn, Tokyo and of late even Brasilia.

Evidence available from several reports of commissions of inquiry into these utilities proves as much. If you take the case of the Nigerian Railway Corporation for instance, you will find that the failure of that Corporation to make profit between 1961—65 was largely due to the fact that its Chairman, Dr C. Ikejiani, and its General Manager, Mr J. C. Egbuna subverted the organization by using their official positions to divert freight meant for the NRC to a firm of road transporters which was a subsidiary of United Transport Overseas Limited of U.K., that is, United Transport Contractors (Nigeria) Limited, of which they were both directors. When Ikejiani was asked about this conflict of interest on 23rd February 1965, he brazenly retorted, "I have every right to be a director of any company, even that which is in competition with the corporation"!! The loss of £233,000 by the corporation on the Borno extension to NAMCO, a company in which Dr Ikejiani was a shareholder was not therefore surprising.

The same subvertion of railway transportation system was perpetrated by the government of Northern Nigeria. At the time when the railway was operating at below 20% capacity, and the NPC-NCNC federal government had refused to give the corporation a government grant, the Northern Nigeria government directed the Northern Regional Development Corporation to extend loans to road transporters, one of which was a £150,000 loan to Dantata to expand his fleet of haulage trucks. This further subverted the role of the Borno Railway extension.

Even as late as 1976, the unbridled pampering of road transportation by government continued unabated. For example, in its views on the Report of the Judicial Commission of Inquiry into shortages of petroleum products in 1976 the government of General Olusegun Obasanjo decided that "substantial assistance should be given to indigenous bulk lorry owners by making available to them the facilities provided by the Nigerian Bank for Commerce and Industry, taking steps to reduce the rather high insurance premium on road tankers and issuing directives to tanker dealers to have adequate supply of tankers and to stock essential spare parts." In fact, the government even went as far as saying that it had plans to build up a fleet of government-owned tankers. Although over 500 trucks, many of which were tankers, were purchased for the National



IBRAHIM TAHIR:
Boss Of The Standard Guage Committee

Freight Company, established in 1977, the bulk of the new road haulage went to a corterie of road haulage contractors patronized by Obasanjo and Yar'Adua, one of the best known of whom was Alhaji A. A. Chanchangi. This rapid expansion of heavy road haulage was one of the factors that wrecked the North-South highway which was not built for such traffic.

And to make matters worse, during the Shagari administration, the federal government chose to contract out the haulage of fertilizer up country through private road transporters, at over 4 times the cost offered for the same service by the N.R.C. For example, whereas the N.R.C. was charging N34.50 for transporting a ton of fertilizer from Apapa to Kano, the powerful road transporters were awarded the contract at the rate of N129.50 per ton. This further destroyed the network. However, the drain of the nation's economic resources, which this priority given to the road haulage interests entails, does not end at subverting the evolution of a cheap, efficient and reliable railway network

Jeremiah T. Useni
Friend Of The Private Airlines

alone. This drain extends to the huge sums that have been sunk on highly inflated road construction contracts and on the resources and foreign exchange which have been siphoned out through the importation of a motley of motor vehicles and their spare parts. It also extends to the importation of heavy road construction plants and vehicles, the carcasses of which litter all nooks and corners of the country. Of course, petroleum products and other lubricants, essential for the maintenance of these vehicles also have to be imported. The assembly plants which were established ostensibly to cut this foreign exchange drain have become Frankenstein monsters, voraciously devouring more and more foreign exchange. The cost of hospitalization, human suffering and economic and social dislocation caused through motor accidents is incalculable.

This is the dismal legacy, which the Babangida administration is sustaining, and which it is poised to further entrench. If anybody is in doubt about the regime's commitment to this dismal legacy, then he/she should take a look at the massive outlay being made by the Directorate of Food, Roads and Rural Infrastructure (DFRRI) ostensibly for the development of a rural roads network. Between February 1986 and May 1987 alone, the directorate claimed that it expended as much as N166.2 million on rural roads. Yet there is literary nothing on the ground to show for this massive public investment! This level of public expenditure is being incurred inspite of the fact that SAP has made it literally impossible for the vehicles and spare parts for plying these roads to be obtained.

As if the experiences of DFRRI are not anything to learn from, the government has this year set aside a whopping N700 million for its new baby, the Mass Transit Programme. But if the experiences of the various government-owned transport programmes are anything to go by, then this baby is destined to die prematurely. The government does not seem to appreciate the failure of earlier ventures such as the WRDC and NRDC transport ventures (born out of the puchase of the Arab Brothers trucks by Sardauna and Awolowo) and other transport corporations established by state governments such as the Lagos City Transport Service (L.C.T.S.) of Scania notoriety. All these are now well known as examples of goldmines for the itchy fingers of thieving public officers in Khaki and Agbada. Meanwhile, the commuters were left in physical suffering and mental anguish.

If it is true, as the government wants us to believe, that it has finally realized that public transportation in this country is rapidly grinding to a halt, then the way to go about salvaging this messy situation, is not to repeat the mistakes (oftentimes deliberate) of the past. The problem of urban mass transportation in this country, as that of rural tranportation, can only be decisively tackled when the commuters themselves are involved in the running and control of these services, and when under such popular control and direction the abundant resources of this country are used for fashioning out a self-reliant, integrated, articulated, and efficient transport system. Nigeria has the coal, iron-ore, the petroleum, the rubber, the timber, the human expertise, and the money to build up such a system of transportation. This new transport policy which we are recommending should revolve around the development and modernisation of our rail and water ways and should include the standardization of all the vehicles in use in the country. It is only on the basis of such a policy that transportation can play the dynamic role which it should play in the transformation of the economic and social life of our society.

RAILWAYS: *Reliable, Cheap but Neglected*

The option is thus clear: it is either we continue grinding to a halt or we take a radical step towards rehabilitating and revitalizing our transport system. The resources are there to do this. What is lacking is the will, the honesty, and the political commitment.

By: Alkasum Abba, Pius Gbasha & Richard Umaru.

Carnage On The Highways

Malaria may still be the number one killer disease in Nigeria. But its occupation of that stool of morbid primacy is daily being challenged by road accidents. According to the accident data of the Nigeria Police, between 1960 and 1986 a total of 612,000 accidents were officially recorded. From these 187,879 persons were killed, on the spot, while 472,369 were injured, many grieviously.

By this it means that in the past 25 years Nigeria recorded an average annual accident rate of 23,542. In other words, every day there were about 66 accidents recorded by the police on Nigerian roads. During the same period, the country officially recorded a yearly death rate from road accidents of 5,503 persons. This means that for 26 years 15 persons were killed everyday on Nigerian roads. It is important to remember that these figures do not include the several cases of accidents that go unrecorded by the police and those who die later in their homes.

To appreciate the enormity of this rate of carnage it is necessary to compare these figures with those of other countries. For instance whereas road accident death rates per 10,000 registered vehicles for U.S.A. is about 3, U.K. 5, Libya 20, Oman 60, and India also 60, for Nigeria the fatility ratio for the same 10,000 registered vehicles is 140. This is the highest recorded anywhere in the World?

Besides, the physical and psychological damage and pain which these accidents cause to the surviving victims and their relations, the economic costs to the society resulting from the loss of the vehicles, the loss of manpower, and the cost of hospitalization and medication are incalculable.

However, at 1978 costs, Nigeria's non-human losses through road accidents were estimated to amount to more than one billion U.S. dollers!

There are of course many factors responsible for this relatively high rate of accidents in Nigeria.

First, is the rapid, unplanned and chaotic expansion of motor vehicle traffic in the country since independence, particularly during the era of the oil boom. This was the result of the import-dependent capitalist economy, dominated and controlled by unpatriotic cliques, many of whom made their fortunes from milking road construction and transport, which Nigeria operates. For instance, motor vehicle imports into Nigeria jumped from 14,786 in 1961 to

An Accident Victim

61,597 in 1973. Similarly, the number of registered motor vehicles in the country rose from 70,410 in 1975 to 187,689 in 1977, that is, a rise of 270 percent in just a period of two years!

Matters are not helped either by the emergence of transport moguls, such as the owners of commercial luxury buses, who with Police protection encourage their drivers to drive recklessly for maximum private profit. These drunken and doped kami-kazi drivers are the greatest threat to life on Nigerian roads. Indeed to drive and survive on Nigerian roads one has to, so to speak have six eyes: two in front, two at the back, and one on either side!

Rural Nigeria: GOING BACK TO THE DONKEY?

One cannot talk about transportation in Nigeria without looking at the situation in our rural areas. It is here that the bulk of our population lives; it is also here that the productive activities of the people are concentrated. Inspite of these facts, our rural areas have always been treated with the most callous neglect and utmost contempt.

Take a look at the road network in Nigeria. The highways only link one urban centre to another, and adjacent to these are innumerable pathways and bush tracks leading into the interior. It is these pathways and tracks that carry the bulk of the food and raw materials that are required in the urban centres.

This is a pattern which was initially established to facilitate the exploitative economic and political relations between rural and urban areas under colonialism. Under this system, rural wealth and labour services were first ferried on these rural pathways to the urban centres of commerce and administration, and from there siphoned and expatriated to the European centres of power.

THE PATIENT DONKEY

The means of transportation then consisted mainly of head portage and pack animals, the most ubiquitous of which was that versatile, yet stubborn animal — the donkey. Of course camels cannot be forgotten, but their use was mainly restricted to the far northern areas.

The donkey stood out as the most common, and most reliable means of transportation. It was cheap, could eat anything, could cover 38 kilometres a day, and could even go for five days without water. Infinitely patient, the donkey was not even bothered by its full burden of over 50 kilograms.

As late as the early seventies, the pattern of rural-urban transportation, largely dominated by the donkey and human carriage, had survived. In fact, only long-distance transportation and inter-urban movements of goods and people were carried on bitumen-surfaced roads which were few and far apart. Short distance travel within rural areas, and between the rural areas and the nearest road networks, largely remained the domain of the donkey.

In 1970, ABU Professor, Michael Mortimore estimated that there were over one thousand donkeys within Kano City walls alone, and their number in the rural areas was inestimable. Mortimore found that during the dry season an average of 3,500 donkeys from rural localities go into Kano City daily, loaded with commodities ranging from food to firewood. They return later in the day carrying manure and manufactured commodities. The manure from Kano City played a vital role in the maintenance of soil fertility in the surrounding, intensively cultivated, land. Thus the donkey also helped in sanitising the city, by removing both human and animal waste which in 1970 was estimated at between 140 to 185 tons a day.

During harvest, donkeys were not only useful in evacuating produce from the farm to the house, but were also useful in inter-rural commodity trade. In fact, in areas with very poor road network, donkeys were used for long-distance transportation as well.

In the southern part of the country where the terrain and the climate make it difficult for the donkey to operate, most transportation of goods and services in the rural areas, is done by human portage.

As late as 1982, Olufemi Oludimu found out that in the rural areas of Ogun State, 60 percent of the food crops meant for the markets were transported off-farm by head. Revealed Oludimu: "Human portage is often necessitated by the lack of motorable roads, especially between the farm gate and the village market. As most farms can be approached only by footpaths, farmers have to headload produce by themselves or through hired labour".

THE BOOM

The "oil boom" of the mid-seventies drastically changed the character of rural transportation without transforming the infra-structure. Indeed, many highways were constructed, but most of them only re-inforced the existing urban-based network. No attempt was made to improve pathways which link rural areas with one another. The road network was mainly designed to re-inforce the parasitism of the city on its rural hinterland.

Another consequence of the "boom" was that it facilitated the massive importation of cars, lorries, buses, pick-ups and trucks. Bicycle and motorcycle assembly plants mushroomed. Many a peasant was able to purchase a bicycle, and some even acquired motorcycles. A few rich peasants were even able to afford pick-ups and trucks, as vehicles, fuel, and spareparts were then cheap. The donkey was relegated to the background, and many peasant families disposed of their donkeys. It was the jet-age. At that time, it was common sight to see herds of donkeys loaded in lorries and trailers, on their way to the slaughter house. But the pathways largely remained as they were. Efforts to widen the narrow tracks by bulldozer were made here and there, but this made the situation even worse.

During the rainy season, many of these roads, become a muddy quaqmire because they were not designed to accommodate the heavy vehicles that now plied them. Some were motorable only in the dry season, as bridges were not constructed and several villages became even more isolated. Thus, while the means of transportation changed, the infrastructure remained as it was. In many places, it even deteriorated.

THE BUBBLE BURSTS

Then came the crash of the 80s. The oil boom burst. Prices of vehicles, spares and fuel soared beyond the reach of not only the ordinary peasant, but the kulaks (rich peasants) as well. Vehicle maintenance became an impossibility.

Infact, while in 1982/83 a Suzuki/Yamaha 100cc cost only N500.00, the same motorcycle now costs upwards of N7,000.00. And as running costs, that is, fueling, servicing and replacement of worn parts, could consume anything upwards of N60.00 per month. Many rushed to sell off their motorcycles. It had become a luxury they could ill-afford.

Donkey: An Engendered Specie

A rich peasant in the 70s could muster between two and three thousand naira to buy a pick-up truck.

That truck is now beyond his reach, since he cannot cough out the upwards of N40,000 that is now required to purchase the same vehicle.

Even the bicycle is now beyond the reach of the ordinary rural dwelling Nigerian. A Raleigh bicycle which as late as 1982 cost between N80 and N140, today can only be purchased for between N400 and N1,000, depending on its accessories. Bicycle tyres now cost N22.00, and the tubes sell at N15.00. What is more, monthly running expenses could today cost the bicycle owner upwards of N15.00.

Thus, by the mid-eighties, not only had the rural roads been destroyed, but the vehicles that used to ply them, had literally disappeared. The rural transportation system came to a standstill.

DFRRI: THE FANFARE

Yet, pitched squarely against the glare of this truth is the incredible fact that, taking only the period between 1962 and 1985, well over N10 billion was said to have been spent on road construction in Nigeria alone. And, if we were to consider only the 1981-85 plan period, local governments all over Nigeria were supposed to have spent over N597 million in the provision of rural roads alone. But there is nothing on the ground to show for all this.

This was officially confirmed in February 1986, when the Federal Government set up the extra-ordinary agency called DFRRI — The Directorate of Foods, Roads and Rural Infrastructure.

Launched with a budget of over N430 million, DFRRI announced with fanfare, that it was going to build all those rural feeder roads, sink all those bore holes, provide all those improved seeds, and construct all those other rural infrastructure that had always ended up as the loot of a clique of public officers, traditional rulers and contractors, local and foreign.

Within its first year of operation, DFRRI announced that it had constructed 30,000 kms of rural feeder roads alone, all over the states of Nigeria, at the actual cost of over N166 million. In the 1987 budget the directorate was allocated a further sum of over N400 million to continue with its 'good work'; and this year the government has allocated it the unprecedented sum of over N500 million.

DFRRI: THE ANGER

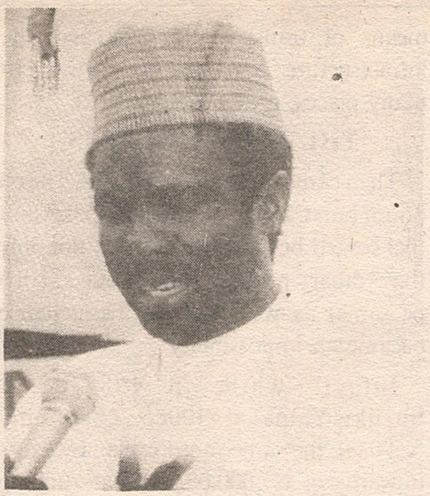
But rural Nigerians every where have been seething with anger.

Not only were the roads not being constructed, but even in the rare instances where DFRRI had attempted a mockpresence, it had only made age-old rural pathways impassable. Without roads, trucks, motorcycles and even bicycles, rural Nigerians everywhere are being forced back to trekking, head portage and the beast of burden.

But even the donkey is fast disappearing from the rural scene. Said Mallam Gambo of Kudingi village near Zaria: "They are eating all of them up. With the prices they pay, talaka can ill-afford to keep a donkey. Look, three years ago, you could go to a neighbour and hire a donkey at one naira for a day-long job. You could even buy one for N120.00. Now, meat merchants pay up to N700.00 for an average-size donkey.

Tell me, in the midst of all this suffering, how long can one resist the temptation of selling his donkey?"

Thus it is clear that rural transportation is currently facing a very profound crisis, and this crisis is a direct



JERRY GANA:
Unconvincing Defender of DFRRI

result of the collusion of public officers with foreign and domestic contractors to loot and siphon out funds sunk ostensibly for "rural development". As clearly established in the case of DFRRI, the 'feeder roads' are simply not there, the money meant for their construction having been used to feed the bank accounts of a greedy clique of the rich and powerful. Even the trucks, motor cycles and bicycles that used to ply the rural pathways are rapidly disappearing.

SAVE THE DONKEY

No doubt, even in this jet age, the resilent, dependable, and patient donkey is vital, and will continue to be vital to transportation in many rural areas where the terrain makes it impossible for the motor vehicle to operate. A decisive measure must therefore be taken to stop its dangerous and wasteful consumption. But rural Nigerians, as well as their urban counterparts, must stand up, organise, and resolutely resist the sinister attempt being made by the DFRRI to return us to the donkey, and head portage, as our sole means of transportation.

By:
Sa'idu Adamu & Yahaya Abdullahi.

MASS TRANSIT: The Big Chop

President Babangida's announcement that a whopping sum of N700 million is going to be spent to rehabilitate and revitalise urban transport, this year, is the star attraction of the 1988 budget. When this is set alongside the several hundred million naira that DFRRI is going to allocate to rural roads, it does appear as if for the long-suffering Nigerian commuter salvation is just around the corner.

One old worker in Kaduna when asked what he feels about this, since he has been groaning over transport to work, to the market and to his village, simply said: "na big talk, big money, and big chop!". He said he has seen all this type of big talk about putting money into transport to really make it work, since the days when in Kaduna, in particular, everybody went into esctasy over the Borno Railway Extension, and it turned out to be just big talk and a conduit for a few people to get rich.

How correct is this old man? Is he just being cynical, as he is about to retire and sees the future as gloomy and uncertain, with inflation and the unemployment of his children turning his pension and gratuity to less than chicken-feed? Let us take a look at the records over the billions sunk into transport in the past.

1975—80

The 1988 budget is not the first in which over one billion naira has been allocated to transport for capital projects. In the Third National Development Plan of 1975—80, the Gowon regime allocated a sum of about N7 billion to the transport sector alone for the five years of the plan. This came to well over one billion per year, almost 70% of which was for road transport alone. Under Obasanjo this sum was revised upwards and the transport sector was allocated a whopping N9.8 billion, which came to about two billion naira to be spent in every year of the plan. And given the fact that the naira is now less than one-quarter in value to what it was in those days, the amounts allocated were truly massive.

The objectives to be achieved for the transport system were as grandiose as the billions of naira allocated.

The aim, which according to the plan was eminently rational and patriotic, was: "...to develop and assure the continued and expanding availability of fast, safe, and economical transport services needed in a growing and changing economy, in order to move people and goods in response to public and private demand at the lowest cost consistent with health, safety, convenience and other broad public objectives."

On 31st March 1979, Obasanjo announced that N3.9 billion had been spent on 9,900 kms of roads. Several billions more were also spent on airports, sea and river ports, trucks, ships, aeroplanes and vehicle assembly plants. In 1977-80 the Peugeot Assembly Plant in Kaduna, imported 141,000 vehicles, by air, for assembling. For the year 1980 alone the company paid N337 million for these car imports. All this is not part of the billions sunk into the transport sector mentioned earlier.

After the end of this Third Plan, the total actual amount of money sunk into

KSTA BUSES: Supposedly New, But Already Smoking.

transport by all governments in this country came to N6.8 billion naira, which came ;to 23% of the total plan expenditure and was about double the total spent by all governments for education and health combined. Of course over 90% went into roads, ports and airports. The inland water ways and railways, the cheaper and more durable modes of transport, and the only one on which industries can be built, were grossly neglected. The waterways silted up, the locomotives, wharfs and boats broke down, as one glossy car after another was reeled off the new assembly plants, and sped down one velvety newly-tarred road.

During this period too there was a galore of task forces. There was one for ports decongestion, another for the railways and others which were not known to the public, but on which hundreds of millions of naira were spent.

UMARU DIKKO

The Shagari regime, when it came in October 1979, did not seriously investigate how its predecessors conducted themselves. Although it is widely believed in some circles that Umaru Dikko grabbed the transport portfolio because it was the most lucrative, one of the first things he did was to copy all documents which proved the looting that went under Obasanjo. These documents he sent abroad and were said to be a principal reason for the kidnap attempt on him involving a very highly—placed member of the junta under Obasanjo, who held the transport portfolio and continued to control it up to 1979 through his partners and minions.

Whatever may have been behind Umaru Dikko's near-miss in the hands of the Isreali Mossad and its Nigerian friends, the Shagari regime did do one thing which gave us an insight into the plunder that went into road construction in 1975—79. A high-powered ministerial committee, early in the life of the regime, discovered that in 1977—79 the cost of building a single, two lane, carriage-way in Nigeria was twice what it cost in Algeria, and about thrice what it cost in Kenya. With N105,553 you could get one kilometre of a single, two lane, carriageway in Kenya. Nigerian governments were on the other hand paying N294,000 for one kilometre of a single, two lane carriage-way. The oil boom alone cannot explain this, because Algeria, a more important crude oil and gas exporter than Nigeria whose wages for construction workers were over twice those paid in Nigeria, was constructing one kilometre of a single two lane, carriage-way for only N149,252.

From these figures in the Essang Report on high construction costs in Nigeria we can safely estimate that out of the N3.9 billion Obasanjo said they sunk into 9,900 kms of roads, between April 1975 and December 1978, N1.95 billion was salted away through inflation of contracts alone. This is a conservative estimate, but it at least gives us some idea how much "big chop" the Obasanjo regime had from roads alone.

The Murtala Mohammed Airport, built at the cost of over N300 million, is also coservatively estimated to have had its costs inflated by over N150 million. Airports of exactly the same type and specifications have been built in other countries, like Kenya, for half of the cost in Nigeria.

This is not to talk about the much more lucrative dredging and construction of ports, where the massive inflation under Shagari shows what the scale was.

The purchase of ships for the NNSL and of the 300 trucks for the National Freight Company were also turned into gold mines.

Some of those who plundered the transport sector during the Third Plan period (1975—80) are now using the fruits of their plunder to take it over completely in the name of efficient private enterprise. As pointed out in the comment, the government is conniving with them as shown in the case of shipping and the airlines. Nigerians are watching closely to see their role in the mass transit programme.

THE SCANIA RIP-OFF

Government-owned transport corporations are often said to have been designed to render efficient, cheap and reliable means of transport to the general public. In practice, however, the story is totally different. The reason for this, is very simple. The transport corporations, like several other similar government owned companies, have been set up primarily to serve as conduit — pipes for sucking public money. This explains why they have a notorious legacy of being inefficient, unreliable and unprofitable. The result is that they either collapse shortly after being established, or they are maintained at high public cost, for more looting.

The Scania scandal of 1970 in Lagos State is one of the biggest rip-offs in the public transport sector in Nigeria and it demonstrates vividly, how self-seeking public office holders connive with vested private interests to wreck public corporations and loot money shamelessly. The scandal centred around the purchase of 100 *Scania vabis metropol C. 50* buses from a Swedish company, Muskin Gamma AB, in 1970 by the Lagos City Transport Service (L.C.T.S.).

GREASY DEAL

In the name of expanding its services to the one million daily commuters in Lagos, the L.C.T.S. decided in 1970 to increase its 246 fleet by an additional 100 buses. But instead of ordering for good, durable and new buses, the management and board of the L.C.T.S. decided to buy old and re-conditioned buses that they knew could not render the required services to the needy Lagos commuters. The L.C.T.S. paid a total sum of £291,413:0s:6d, to the Swedish company, Muskin Gamma, for the hundred buses. This sum is now equivalent to about £2.9 million or about N20 million at current exchange rates.

Indeed to say that the price is outrageous may even be an underestimation of the rip-off in this big and greasy deal. For, the buses paid for by L.C.T.S. at £3,000 per bus were earlier in the year offered to Messrs Oshinowow Transport Service Limited of Lagos and Alhaji M. A. Lawal of Ibadan as re-conditioned buses at a paltry sum of £1,500 per bus. Neither of them accepted the offer. Yet the Lagos City Transport Service paid, in full, twice this price!

THE CRIMINAL MASTERMIND

However, this is just the tip of the ice-berg. For, the buses were actually sold to a Lagos company, Auto Enterprises, owned by Chief Adisa Akinloye, (alias Adisco Baby) who is well known in every city, town and village in Nigeria as the Chairman of the National Party of Nigeria from 1978 to 1983. Chief Akinloye was in fact, the central figure in the Scania Scandal. He was the criminal mastermind. He bought the buses from Muskin Gamma AB at the price of just £519 per bus, and sold them through this same Swedish company to L.C.T.S. at the price of £3,000 per bus. Akinloye ripped-off the LCTS of £2,481 for each of the one hundred buses. This came to a total of £248,100 now equivalent to almost N18 million.

AKINLOYE: The 'Criminal Mastermind'!

But the Scania scandal is far beyond this broad day-light robbery of public money. For what was shipped to Lagos from Sweden in the name of buses were in reality scraps. The buses had actually been specifically built for Stockholm Local Traffic Service in 1953. Infact, the engines were manufactured in Sweden, while the body was designed in the U.S.A. Thus, making these buses the only type of their kind anywhere in the world. This company used them for 14 good years before disposing of them in 1967.

Between 1967 — 1970, the buses went through four hands, and L.C.T.S. was the last in the chain. They were seventeen years old by the time the L.C.T.S. got them!

Side by side with Chief Akinloye in the wrecking of the L.C.T.S., and in the creation of the conditions of nightmare which mass transit is in Lagos City today, were the public officers appointed to manage the affairs of the Lagos City Transport Service. These were, the commissioner of the overseeing ministry, Dr Babatunde Williams; the Chairman of the L.C.T.S. Board, Mr Abiola Oshodi; a Member of the Board, Dr G. A. Jawando; the General Manager of L.C.T.S., Mr L. C. Harrison and his Deputy and Chief Engineer, Mr Adejare Alade.

One of the most interesting aspects of this obnoxious deal was that the L.C.T.S. management and Board decided to 'purchase' the Scania buses even after they were informed by the sole owner of Maskin Gamma AB of Stockhom, Mr Bjorn Bjornulfson, that the buses were manufactured in 1953. Even with this knowledge, the Board and the management decided to send a four man team to inspect the buses in Sweden. The high-powered delegation was made up of Abiola Oshodi, G. A. Jawando, L. C. Harrison and Adejora Alade. But two days before this delegation left Lagos for Stockholm on April, 12, 1970, the principal figure in the Scania rip-off, Chief Adisa Akinloye, together with his associate, Mr Rashidi Williams (a brother to Dr Babatunde Williams, the Lagos State Commissioner for Local Government and Chieftancy Affairs) flew to Stockholm. While there, they selected two of the best out of the buses for the inspection by the official delegation. Out of the 14 days spent by this delegation to conduct the inspection, they spent barely forty-five minutes to do the work. In fact, they did not even see the rest of the 98 buses.

Indeed, the Cheif Engineer of L.C.T.S., Mr Adejora Alade "inspected" the buses by merely listening to the sound of the engine. It was on the basis of this "inspection" that he made his recommendation to the L.C.T.S.:

"As a result of this inspection, it is not difficult to conclude that this will be the best buy and greater value for money which the L.C.T.S. can have. I therefore recommend without hesitation, that the L.C.T.S. should buy these buses in good time to forestall other people doing the same, seeing all the advantages attached to the business"!!!

THE LESSON

One of the most important lessons to be learnt from the Scania rip-off is that, all the noise being fanned against public corporations to justify their auctioning by government is baseless. Those in government are fully in the know that public corporations are ruined by public officials and selfish private interests deliberately, in order to "justify" the illegal transfer to people's resources to private individuals.

The prominent role played by Chief Adisa Akinloye in this scandal was for example well known to the then Supreme Military Council under General Obasanjo (rtd.) and the FEDECO. Yet they went ahead to register the NPN under the chairmanship of the same Akinloye. But then this is Nigeria! Who knows, perhaps Akinloye's wrecking of the L.C.T.S. was his qualification for the chairmanship of the NPN, the party which in just four years wrecked the Nigerian economy and society. While the masses are now being punished with SAP to restore what was destroyed by the NPN, those who looted the country and wrecked the economy have 'escaped' with their loot and are freely moving about, or have been declared saints.

The Scania story provides a very important lesson to Nigerians: Not only does it make it clear that merely purchasing buses for mass transit is no solution to our transport problems, but it also illustrates the point that it is not just the time it takes to hand over power to civilians that is important, but which class in the society ultimately conquers power.

By: Alkasum Abba.

"Oga, Wey Your Patikula?"

For Pam James, a professional driver who owns and drives a taxi cab in Jos a morning prayer is necessary to start the day in his kind of business. His prayer, said in the simple comfort of his two-room apartment before he ventures out into the "madding crowd", consists of asking God for protection against three things: having his car jammed by some wreckless driver in the traffic or the highway; being hit by a stray bullet or shot at directly by the police on patrol or at checkpoints; and being forced to "bribe" the police or the customs men or health inspectors or immigration officers at check-points.

Pam James is certainly not alone in seeking God's protection against the harzards, dangers and constant harrassments that attend driving on our roads and highways. In different ways and languages, and in more or less elaborate manner, there are thousand of people — Pam James's professional colleagues and other road users alike — across the length and breadth of the country who daily offer similar prayers. In fact, there is hardly anyone in this country, who does not share Pam James's fears and concerns about safety on our roads and highways.

Such wide-spread fears and concern are understandable. Driving in Nigeria, whether in the cities and towns or on the highways, has never been the pleasure that it is supposed to be. The problem in the past, was largely one of the roads: narrow, slippery and full of potholes in many places; and in the few places where the road is good, wrecklessness by especially commercial vehicle drivers makes driving on the highways and roads suicidal. But there is now much more to it than bad roads. Our roads and highways are now lined up with new dangers: from armed robbers as well as from the police whose new brief seems to be "shoot at sight".

Still, real as these dangers are what most Nigerian drivers find most menacing is the encounter at check-points-either on the highways or in the cities and towns - with the agents of state: the police, the customs officials, the immigration personnel, or even the soldiers. The approach may differ, but which ever of them mans the check point, the goal is the same: to squeeze something out of you, be it a bribe to cover an offence or just "kola" for the boys. In fact, in the forces, to be sent to man a check point is considered a choice posting worth bribing your bosses to get.

This is why all functional differentiation between the various arms dissolves at the check point: the soldiers check your vehicle papers and search your luggage for contraband; the customs men make it their duty to check the road worthiness of your car; the police insist on ransacking your baggage for smuggled goods; the immigration officials ask for your vehicle papers and documents. The idea always is to find some fault with you and push you into a tight corner where you have to beg or bribe your way out - or both.

But it is the police that have made the most out of the check points which litter our highways, cities and towns. It is to them, in the main, that the check point culture in Nigeria owes its present level of development. Long in the business, the police have devised ingenous ways of squeezing the "kola" or bribe out of people, fashioned a new language for the game, and have even elevated it to an art

Consider, first, the way the police deal with commercial vehicle drivers at check points. As a first step, they terrorize and bully the driver; exploit his ignorance, low social status and his being constantly in a hurry; and, of course, they find one hundred "faults" with his papers and the vehicle itself. This way, the driver is forced to play ball. Of course, the driver can try to avoid some of the insults and save time by "forgetting" a naira or two in either his driving licence or registration booklet when asked to show his particulars. If this pleases the police, he is waved to pass. If not, he is asked to "park", which in the check point language, means, "you must give more than you have offered or you'll be in more trouble". Which is why once the driver has parked his vehicle, he is ignored for sometime, to give him time to think and decide how much more to give. Then he is subjected to another round of bullying and insults.

If, after all this, the driver still proves difficult, the police use their last card: "Lets' go to the station". This, in effect, means "let's leave the scene and talk business". For, halfway to the station, the driver is usually stopped, and what follows is negotiation and haggling over what is an appropriate amount to give to prevent the matter "Reaching Oga" and/or the courts.

Where non-professional drivers are involved, it is a little trickier and the police have to apply different rules. If the "big man" arrives the check point in a big limousine, whether self or chauffeur driven, the police go out of their way to be polite and courteous to him. But in this game, nothing goes for nothing. Such V.I.P. treatment has a price which the police expect the "big man" to pay, in cash. Which is why they never let the "big man" pass without making remarks, to his hearing, about how, "we have been suffering in the cold (or heat)" or about how, "for three months now, they never pay us" or about how, "since morning we never chop today". The idea is to strike a sympathetic cord in the man, to provide a favourable climate for the "pay back". If he gets the message and plays ball, fine. If not, it's a pity. But sometimes the more adventurous policemen will deliberately delay such a "big man" by asking for his papers which they check with deliberate slowness, looking for any mistake they can exploit — and all the time making loud remarks about their pitiable conditions.

The police have yet another approach in dealing with people who, through their appearance or the type and make of cars they ride, are not considered "big men" proper. To such people, the police can also be polite and courteous. But the police are rarely patient with this class of people. "Oga, wey your patikula?", they are quick to ask, especially if the respect offered and the remarks about non-payment of salaries and hunger do not seem to move the man. If the man's papers are O.K. the police may check his tyres, or ask to see his fire extinguisher, or question him on the small crack on his rear light or even on why the paint on his car is fading. If the man is unmoved by all this, the police immediately assume the air of serious cops doing their work by the books. "Oga, we must go to the station, wo!" they will insist. But if the offer is good, the journey terminates halfway to the station.

MUHAMMADU GAMBO: Boss Of The Bosses

On the whole, the best time for business for the police at check points, is during festivals and celebrations. On such days, the police have an open licence to solicit for "kola". "Oga, we dey look you for this christmas wo"; "Oga you never do us happy New Year wo!"; "Alhaji we dey wait for our happy Sallah wo!"; and similar things are said freely, without any inhibitions. Such behaviour by the police at check points is usually explained in terms of their pitiable conditions (meagre salaries and allowances, delays in payment of salaries, inadequate accommodation, etc); the wide gap in rewards between the officer and the non-officer corps; and the fact that the lowly police constable knows that his bosses "get their own" in their own ways. That may well be so. After all, there is clearly something of a protest in the rather impatient and rude way the police sometimes treat the "Oga" at check points. In any case, the police at check points make daily returns to their bosses in the office. In fact, their exploits at the check points are only part of the general problem of corruption in our polity, and if such exploits are any different from the shady deals made in posh offices, it is only because such exploits are made, more or less in the open, and involve smaller amounts.

Whatever the case, our main concern here is the effect such behaviour has on transportation in Nigeria. The stops at check points and the loss these mean to the driver not only cause delay but increase the cost of transportation — especially for the workers and masses of the Nigerian people. A driver who plies the Jos — Enugu route disclosed that he spends, on the average, six to eight naira at each check point either way, and there are 20 of them. Such extra costs are ultimately passed on to the passenger. In fact, part of the reason why transport fares in this country are now so high is because the extra costs to the drivers arising from "Oga, wey your patikula?" are built into the fares.

By: Rufai Ibrahim.

BUDGET '88

THE FACTS BEHIND THE FIGURES

Whenever budgets are announced in this country the governments attempt to dazzle the public with the figures of the amount of money involved. This is done in order to prevent the people of Nigeria from understanding, clearly and concretely, what the budgets actually have for them. The 1988 federal budget provides a very good example of this diversionary manoevre.

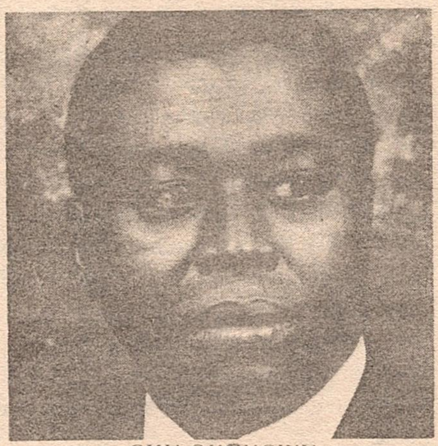
The figure of N2.5 billion in the "reflation" package announced by President Babangida in the budget speech is made the star attraction.

The fact that the money for this package of expenditure is coming from a loan, which is to be paid back this year by increases in the prices of petrol, kerosine, diesel oil and gas, and in the charges for the services of public utilities like electricity, postage and telephones, is being deliberately obscured. In fact, it was reported in some newspapers that motorists celebrated, in parts of Lagos, when they did not hear President Babangida announce increases in the price of petrol, as was widely expected.

DIVERSION

The figure of N2.5 billion to be sunk in reviving urban transportation and renovating the infrastructures in some public services is being used to divert attention from the fact that the President explicitly tied this package to the much feared increases in the prices of petroleum products and the charges of NEPA, NITEL, NIPOST, and other public utilities, which shall certainly take place later this year. The figure of two and a half billion is therefore being used to cover up the fact of the coming increases in these prices and charges.

This is how the President stated this fact, before dazzling the public with the figures: "In view of the need to reflate the economy in 1988 in order to sustain recovery and achieve real growth, it is necessary to identify some non-revenue



CHU OKONGWU:
Why Are The Debts Rising?

receipts which can enhance the disposable financial resources of Government. For this purpose a special self-liquidating Fund has been created which arises from re-scheduled external debts for which equivalent naira sums have already been paid and held at the Central Bank. From that account the sum of N2.5 billion borrowing has been negotiated with the Central Bank. It is to be repaid in the course of 1988."

Then came the key punch line in which the government's decision to raise the prices and charges this year is stated in a deliberately obtuse and contorted way, but it is announced all the same. This is what the President said: "In this connection I must stress that repayment of this non-revenue receipts of N2.5 billion amounts to making a clear choice between taxing ourselves in terms of price adjustments on certain goods and services and increasing our external borrowing. We have chosen the former."

Of course the people of Nigeria never made any such choice. From all that has come over through the media and the reactions to the arrest of the NLC leaders in mid-December 1987, the people of Nigeria are strongly opposed to any increases in the prices of petroleum products and the charges of the public utilities. The government's own campaign in favour of these increases only hardened the opposition and made it more articulate. But by the use of figures like the N2.5 billion "reflation" package, and particularly, the N700 million for urban transport, the government hopes to dazzle and confuse this public opposition to the increases. This way, the government hopes to slip these increases through, later in the year, when urban commutters are having their honeymoon with the sleek, new (or more likely, reconditioned, buses that are going to come as part of this package. After the increase in these prices and charges are imposed, transport fares and the prices of all goods will shoot into the sky, knocking out completely the cosmetic effect of the fringe benefits increase and any wage rises that may take place in one or two industries. The massive dose of inflation that will inevitably take place subsequently will also see the buses breaking down and grounding to a halt, in most cases within less than a year. The potholes will return to the roads, and the transport system will get much worse as it crumbles under the weight of the burden of reflation-inflation-devaluation, which is one of the factual realities behind the figures of the 1988 budget.

THE 1987 BUDGET

But it is not only the facts of the 1988 budget which are obscured by the figures in it. Even the performance of the economy in 1987 is presented to Nigerians, by both the President and the Minister of Finance, Dr Chu Okongwu, with figures which cover up the real facts of the matter.

For example, the President in the budget speech said that the country's Real Domestic Product rose by 1.2% in 1987 compared with a decline of 3.2% in 1986. He further asserted that the manufacturing sector grew by 10% in 1987 compared to a decline of 6.3% in 1986.

The Minister of Finance repeated these claims and even said that the increase in the GDP was due to increases in output in mining, distributive trades and manufacture.

But in the first place, how could anybody get reliable information on the changes in the Real Domestic Product in 1987 in the last week of the year? This is statistically impossible. The most that one could have, which can have any meaning are projections based on the statistics collected in the first three quarters of the year covering January to September 1987.

And as the Manufacturers Association of Nigeria has reported in its bi-annual assessments of the economy, and as the Central Bank Monthly Report of July 1987 has confirmed, industrial production (which is made to include manufacture, mining and electricity) was, on the average, lower in the first six months of 1986. The average quarterly index of industrial production, in this broad sense, for 1986 was 166.7 and it fell to 164.5 in the first six months of 1987. The fall between the first and second quarter of last year was quite drastic. The index fell from 170.8 in January — March 1987, when it fell to 158.7.

There is therefore no basis in the claim by the government that the GDP, and particularly manufacturing, grew last year. This is a living fact for the 100 million people of Nigeria which no figures can obscure.

Moreover, the government exposed the baselessness of its claims when both the President and the Minister argued that the lack of queues of people waiting to buy milk, detergent, toilet soap and sugar is an indicator of their availability and lower prices. The Minister specifically cites distributive trade as a sector which grew. But as anybody in any market or motorpark will explain, retail trading in most commodities continued to decline. There were no queues, not because these commodities were more abundant and cheaper, but because most people could no longer afford them. Many people do not take any milk or sugar with their beverages. In fact, many do not take beverages at all, as they cannot afford any. Their meals are now *tuwo* in the morning, *tuwo* in the afternoon and *tuwo* at night, or the same cycle with *amala, fufu* or *gari,* without any meat, and hardly any ingredients.

As for detergent and toilet soap there are no queues for them, because most people have fewer clothing, and the few they have cannot stand regular washing. And in many cases, people cannot afford to wash their clothing or themselves as often. When the national minimum wage of N120 monthly in 1981, is now worth only about N34 for the much fewer workers who are still employed, how can there be any queues for sugar, or soap? With what are the workers going to queue?

But the problem with the claims of the government over the performance of the economy in 1987 goes beyond that. The semi-drought and drought conditions in many parts of the country are conveniently used to cover up the other more serious and fundamental factors which caused the 1987 decline in agricultural output. As the report of the ABU's Agricultural Extension and Research Liaison Services (AERLS) *(Performance of 1987 Cropping Season)* reveals, throughout the country, and not only in the Sahel and Savannah zones, shortages and higher prices for essential farming inputs, particularly fertilizers, herbicides, pesticides and tractor services, was a significant factor causing the poor harvest. These arise from the agricultural policies of cutting down subsidies and other forms of government support for agriculture. This fact is well-known to tens of millions of Nigerian peasant farmers and cannot be covered up by any excuses or fanciful figures.

Workers: Hapless Victims of SAP

CREDIT-WORTHINESS

Another area of the economy in which the government gives very misleading information is over external credit-worthiness. Having made the naira increasingly worthless as it sinks together with the American dollar; and having agreed to pay dubious external debts and to prolong their repayment decades into the next century, the government wants to convince Nigerians that these have made the country more credit-worthy to the outside world!

The Minister of Finance in his budget briefing stated that: "There has been substantial restoration of confidence in our international credit-worthiness."

But this is simply not true, particularly for the first three quarters of 1987. As the *Monthly Business and Economic Digest* of the U.B.A. of October 1987 reported in detail, Nigeria's credit-worthiness rating according to an influential journal, *Institutional Investor,* of September 1987, fell from 22.8 credit points in September 1986 to 20.8 credit points in September 1987. In a list of 109 countries, Nigeria's credit-worthy position fell from no. 76 down to no. 77.

If the Minister is talking about changes in this rating since September 1987 he should say so and not bring further ridicule on the country by false and fanciful claims.

ESCALATING DEBTS

A key feature of the 1988 budget as of all budgets since 1982, is the issue of debt and debt repayment. Out of the N24.2 billion to be spent, a total of N8.5 billion is going to come from external and domestic loans. That means about 31% is going to be borrowed. But significantly, and crucially, a total of N9.7 billion is going to be used to re-pay external and domestic loans, most of which is not going into the payment of the principal but only of interests. This money for paying debts comes to about 35% of the total expenditure of the federal government.

Out of this N9.7 billion, N3 billion is going to re-pay internal loans, which soaked up N1.2 billion in 1987, although an official committee of inquiry, the Solano Committee, could only verify the validity of 300 million of these internal loans!

The rest, besides the reflation loan, is going into the payment of interests on external loan, most of which, as the Minister himself said last year, are unverified, and very dubious.

This illustrates the level reached in the strangulation of the Nigerian economy by the chains of debt. When 31% of your budget is raised from loans and 35% is going to pay for earlier loans, you are sliding fast on the slippery slope to total debt-slavery. This is facilitated by the massive plunder which goes on under the cover of this debt repayment to the internal and external sharks and speculators working closely with public officers in charge of the repayments.

Accompanying this escalating repayments for fictitious debts is the escalation of the total debt itself.

The Minister in his budget briefing stated that as at 31st October 1987, the country's external indebtedness stood at $24.4 billion dollars, or about N100 billion. He said that in 1987 we paid 24.07% of our total foreign exchange earnings to settle these. But neither he nor the President stated how much was earned. So, it is not possible to compute the total amount paid.

The World Bank's CONNABLE: The Invisible Hand Behind SAP

But since they had estimated that our total foreign exchange earnings in 1987 was going to come to $4.9 billion, and in the end we earned more than that, we can safely assume that the foreign exchange that went into debt repayment in 1987 came to at least one quarter of five billion dollars, which is about $1.2 billion. We had paid higher amount in the three years 1984—86, and can safely assume that since 31st December 1983 the two military regimes we have had have paid about $4.8 billion in debt repayment. But then, how come this debt keeps escalating every year?

In his 1987 budget briefing the Minister said that our total external indebtedness stood, as at 30 November 1986, at N18.4 billion. On 23rd September 1987 at his special briefing on SAP he said it stood at $19.6 billion on 31st July 1987. Now it has escalated to N24.4 billion as at 31st October 1987! How did this external debt rise by N4.8 billion in the three months between 31st July and 31st October 1987? Was this all part of the so-called re-scheduling by the Paris and London Clubs? How can we sink $1.2 billion in debt repayment in one year and yet the total debt escalates by almost four times that amount?

The escalation cannot be due to the world bank loans for FEM or other project loans by the same body. These did not come up to one billion dollar in 1987.

The President said in the budget speech that our external debt re-scheduling exercise has been so successful that the debt issue and its resolution "can be removed from the front pages of our national consciousness." This is not possible. And if it is made by whatever means it is suicidal because of the rapid escalation of the debt burden and the strengthening of the chains of debt slavery, through this escalation and the comprehensive drive to sell off the public sector and most enterprises in the country under the guise of debt-equity conversion.

BEYOND THE FIGURES

By looking beyond the figures to the facts behind them we can see that the budget far from providing for "reflation", and far from reflecting a more balanced external financial position, is actually merely providing more money for contractors and usurers, and is further strangulating our economy through external debt. President Ibrahim Babangida says his regime does not intend to live behind a "legacy of misery" for the succeeding generation. But, the 1988 budget which he has just announced is going to entrench precisely that legacy!.

A. AHMED: *Central Bank Boss.*

By: Bala Usman.

FEDERAL REPUBLIC (NIG.) LTD.

President Ibrahim Babangida gave two budget speeches for 1988. The first one was delivered from Lagos and broadcast to the whole country on 31st December 1987. The second budget speech was delivered at Abuja to an exclusive, and select, audience at the luxurious five-star hotel, Nicon Noga Hilton, on Monday, 11th January 1988. The audience for the second budget speech was made up of a glittering array of the men of timber and caliber in Nigerian business, banking and industry.

The President, himself, described the meeting as "the equivalent of an annual general meeting." He did not say of which company or conglomerate. But, if these juggernauts and caterpillars assembed on that windy Wednesday morning at the Abuja Hilton are the shareholders attending the annual general meeting, the company is obviously that very lucrative enterprise — The Federal Republic (Nigeria) Ltd. (FRN) whose accounts always record a loss, but whose shareholders, directors, managers, and even security guards, make fortunes of billions of naira every year.

FRANK TALK

As is the practice at annual general meetings, General Babangida dropped all rhetorics and spoke frankly. All the empty "Mamser" cliches about "Social mobilisation" and "Social justice," etc were set aside. The General told the shareholders of FRN Ltd. how everything is being done to hand over all the assets of the country to them. He said:

"In the past the government has been the bigger partner. We have seen the consequences of this lopsided partnership and accordingly, decided to reduce the size of government participation and beef up the private sector. In the period ahead, I expect the private sector will emerge as the bigger partner with government providing the needed services and infrastructure to keep the wheels of development."

This explicit promise to hand-over most of the economy to these business moguls was received with very warm applause. Even Magaret Thatcher, the high priestess of private enterprise, herself, could not have said anything better.

DEAF EARS

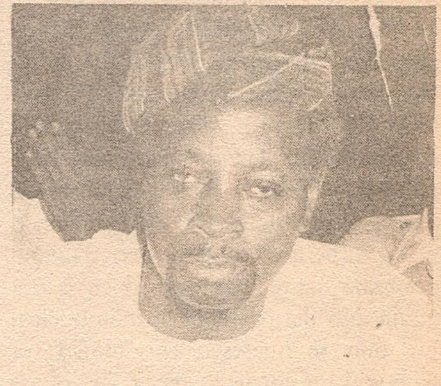
The General also made a special plea to his very select audience. He said:

"My fellow patriots, we must ask ourselves this crucial question: For how long shall we continue to be an assembly-line nation despite all government industrial incentives. The challenge which faces the private sector is to use the natural and human resources of our people to overcome our undue dependence on foreign goods, foreign tastes and foreign habits."

President Babangida must have known that his plea would fall on deaf ears. Even those who remember it, by the time he finished speaking, would have forgotten it by the time they finished their lunch at the Abuja Hilton restaurant where they feasted on imported food, imported beverages, imported wine with imported glasses and cutlery, surrounded by gaudy and obscene imported decor.

Moreover, the General was among the first batch of students at NIPSS, Kuru. The course No. 1 of 1979/80, which he attended, was taught by some of Nigeria's most illustrious scholars like Professor Gabriel Olusanya, now heading the

I.B.B.: 'Chairman', Federal Republic (Nig.) Ltd.



FALAE: 'Company Secretary'

NIIA; Professor Dotun-Philips, now heading NISER; and Professor Adiele Afigbo. In the course of the lectures and seminars at Kuru, General Babangida must have heard of the eight companies who signed the Merchandise Agreement of 1937 and who formed the Association of West African Merchants (AWAM). The members of this cartel were UAC, GBO, Gottschalk, John Holt, CFAO, SCOA, Paterson-Zochonis and UTC. They totally dominated the Barclays Bank (D.C.O.). Today, it is the same companies and banks who still dominate the Nigerian economy. The General cannot therefore expect them to do, now, what they have refused to do in these fifty years and more, and what is against their fundamental interests to do; or even to allow anybody to attempt. As Chief Shonekan, one of their leading Nigerian agents and frontmen who was in the General's audience, and who heads the largest of them, the UAC, stated, in a frank moment once, these companies and banks, far from looking forward to the industrialisation of Nigeria are actually looking back with nostalgia to "the golden age" of cash crop exports. Chief Shonekan said in the lecture at the NIIA in 1985 that:

"What then do we require to retrieve our present situation? What we require is to go back where Nigeria once was. What we need to do is to go back to a situation where we are self-sufficient in food, where in addition to our oil we can produce cash crops at competitive prices for export and

SHONEKAN: 'General Manager'

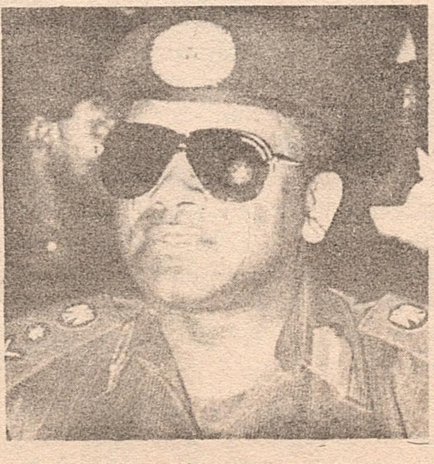
we can also process and add value to the agricultural raw materials and oil we have in this country."

Chief Shonekan did not mince his words. He said Nigeria should go back to where it once was; and not move forward to industrialise and manufacture most of what it needs. In this he is supported by the Berg Report of 1981 which is the blue print of what the World Bank plans for sub-Saharan Africa, including Nigeria, for the rest of this century. The World Bank, which has Nigeria in its full grip through SAP, has no place for any industrialisation in its plans for us. The report states bluntly that:

"The agriculture — based and export-oriented development strategy suggested for the 1980s is an essential beginning to a process of long-term transformation, a prelude to industrialisation."

AUCTION UNLIMITED

General Babangida knows all this. He knows that the juggernauts and caterpillars he was meeting with have no intention of industrialising Nigeria or allowing anybody to threaten their position as commission agents, brokers and middlemen, by doing it. In fact, far from industrialising Nigeria, they will pay to get anybody who attempts to do so overthrown, or assassinated, or both. President Babangida knows all this. That plea to these business moguls in Abuja's Hilton to industrialise Nigeria, create employment and promote self-reliance, was not intended for them; it was a sop thrown to the rest of us, the unemployed, under-employed, semi-employed and employed labour force and labour reserve of the lucrative business enterprise — The Federal Republic (Nigeria) Ltd., whose annual general meeting of shareholders he was addressing. This sop is thrown at us because most of our national assets are going to be auctioned to them. But what brought saliva to the mouths of the participants at this annual general meeting in Abuja, more than anything else, was the confirmation they got from the government that indeed there is going to be an auction at knock-down prices of over forty-eight federal government companies. In addition, shares in another set of companies and corporations amounting to over twenty are going to be auctioned off to them. These, over sixty-eight, companies and corporations include Nigerian Hotels, Nigeria Airways, Daily Times, New Nigerian Newspapers, Savannah Sugar Company, National Shipping Lines, all paper mills, all vehicle assembly plants and all commercial and merchant banks. The total investments of the federal government in these sixty eight companies alone ran into several billion naira, and since most of the investment in them started really under the Third National Development Plan, 1975-80, their assets are still valuable and are worth many billions more. In the last decade alone, over N500 million investment has gone into the sugar companies in Numan and Bacita.



ABACHA: 'Chief Security Officer'

PROFESSOR OGUNSEYE: 'Shareholder'

The banks, in particular, are very lucrative. With shares worth only about N145 million in First Bank, Union Bank, UBA and IBWA, the federal government controlled the assets of the banks worth N16.02 billion, and in 1981-85 made a net profit of N270.7 million from these big four. Almost all these are now going to be auctioned off to these men of timber and caliber. This really amounts to auctioning a large chunk of the country to a very tiny group of parasites fronting for subsidiaries of multinationals, many of whom played leading roles in the plunder of the original public investment into these companies and corporations. This auction of valuable national assets is taking kleptocracy to new levels unknown anywhere in the world. The list of these companies, banks and corporations to be auctioned off is given below:

TOTAL AUCTION!

1. Nigeria Hotels Limited
2. Durbar Hotel Limited
3. Aba Textiles Mills
4. Central Water Transportation Company Limited.
5. National Cargo Handling Limited
6. Nigerian Dairies Company Limited
7. Nigerian National Fish Company
8. Nigerian Food Company Limited
9. Grains Production Company Limited
10. National Root Crops Company Limited and other such food

production.

11. Nigerian Poultry Prod. Company Limited.
12. Nigerian National Shrimps Company Limited
13. The Nigerian Salt Company Limited
14. National Fruit Company Limited
15. National Salt Company Limited, Ijoko.
16. Specomil Nigeria Limited
17. South-East/Rumania Wood Industries Limited, Calabar
18. Nigerian-Rumanian Wood Industries, Ondo
19. Nigerian Yeast and Alcohol Company Limited, Bacita
20. Nigerian Film Corporation
21. National Freight Company
22. Nigerian Transport Limited, Abeokuta
23. Opopo Boat Yard
24. National Animal Feed Company, Abeokuta.
25. Madara Dairy Company, Vom.
26. Ore/Irele Oil Palm Company Limited, Ondo
27. Okomu Oil Palm Company, Bendel
28. Guinea Insurance
29. Mecury Assurance
30. Crusader Insurance
31. United Nigerian Insurance
32. Royal Exchange Company
33. NEM Insurance
34. Law Union and Rock
35. Prestige Assuarance.
36. British-American Insurance
37. West African Prudential Insurance
38. Sun Insurance
39. Niger Insurance and all insurance companies except National Insurance Co. and National Re-Insurance Company
40. Nigerian National Supply Company (to sell assets and let the bulk purchase unit of the Ministry of Trade be re-activated)
41. National Livestock Production Limited
42. Road Construction Company of Nigeria
43. National Film Distribution Company Limited
44. Nigeria Ranches, Kaduna
45. Impressit Bakolori Nigeria Limited
46. North Breweries Limited, Kano
47. Nigerian Beverage Company Limited
48. West African Distilleries Limited.

PARTIAL AUCTION!

1. All Commercial and Merchant Banks
2. The Cement Companies
3. Nigerian Agricultural and Co-operative Bank and other development banks (e.g. NIOB, NBCI, FMB, FSB)
4. All the oil marketing Companies: which must all be converted to public quoted Companies.
5. All the steel rolling mills operating outside the iron complex
6. All the paper mills
7. All truck assembly Companies
8. All vehicle assembly Companies
9. Daily Times of Nigeria.
10. News Agency of Nigeria
11. Bacita Sugar Company
13. Nigeria Airways
14. Nigerian Super-Phosphate Fertilizer Company
15. Tourist Company of Nigeria Limited
16. Electricity Meter Company of Nigeria Limited, Zaria
17. Nigerian Fertilizer Company Limited
18. Savannah Sugar Company Limited
19. Nigerian Engineering Construction Company Limited
20. Nigerian National Shipping Line Company

PLATEAU STATE BUDGET: Bonanza For The New-Rich

The 1988 Plateau State budget starts with a modest statement of intent: Government does not intend to embark on any new projects but will concentrate on consolidating the gains of the 1987 budget to pave way for the 5th Development Plan. Said Governor Onoja: "In 1988, Government intends to consolidate and improve on the gains made so far. To this end, the 1988 budget is being tagged BUDGET OF CONSOLIDATION AND RURAL INDUSTRALIZATION. It is quite logical to me that having succeeded in establishing various social infrastructures, we should forge ahead and open up the rural areas to small and medium scale industries. In this way, the gains currently being recorded in the agricultural sector will meaningfully be a solid base for industrial development. We have adopted this approach so as to pave the way to (sic) the anticipated industrial revolution in the state when the 5th Development Plan takes off next year."

It is probably true that last year the state government achieved some measures of success in areas such as environmental sanitation and maintenance culture, the government also spent huge sums of money in these areas. But the manner in which rural development and 'industrialisation' was carried out left much to be desired. The 1988 budget makes it abundantly clear that the target of rural development is not the peasant masses of the state, who form over 60% of the population, but a new class of rich farmers' which the government intends to create.

ENTREPRENEURIAL CLASS

The set of people whom the government seeks to consolidate and transform into a vibrant 'entrepreneurial' class, include, in the Governor's words, "small scale farmers, civil servants and some unemployed graduates," some of whom were granted loans for these purposes in the last year's budget. These are the categories of Plateau State people, who, together with "our good friends" from the private sector (presumably other Nigerians and expatriate firms?) constitute the bedrock of the anticipated industrial revolution in Plateau State. Government is commited to their success, hence the new policy of making government agencies purchase their products, that is to say, patronise them. Thus, the governor directs as follows: "In order to ensure that industrial enterprises patronised by government do not become moribund it is now mandatory for government and all its agencies to patronise the products of all the small or medium industrial establishments in the state. In other words, by closely monitoring the utilization of funds from loans as well as guaranteeing government patronage of the products, the incidence of project failure will be radically reduced."

Lest we become misunderstood, these are excellent measures but for a wrong goal. We certainly support state encouragement of small and medium scale industries and other enterprises in Plateau State; we share government's view that their products should be patronised; we support the general aspects of developing both rural and urban infrastructure and all that. However, we fundamentally object to the private sector base of the planned industrialisation and development programme of the government. Why is the government conspicously silent on the participation of peasant associations and organised labour?

Why can't the government encourage and help to organise peasant producer and consumer co-operatives, strengthen and assist existing trade unions and encourage new ones to be formed to a point when they too can purchase shares and also benefit from the loan schemes? Surely, there is a basic distinction between basing an industrialisation programme on private ownership of the means of production, as the state government has embarked upon, on the one hand, and the collective ownership of the means of production by the peasant farmers and workers, on the other. The first leads to capitalist pseudo — industrialisation and underdevelopment, while the second leads to genuine industrialisation and development.

It can be recalled that the people of Plateau State, along with their compatriots, in the other states of Nigeria, plainly told the Political Bureau set up by President Ibrahim Babangida, that they wanted socialist Nigeria. Why should the government of Plateau State (or any of the governments in Nigeria for that matter) manipulate its budgetry powers and the 5th Development Plan not only to undermine the people's choice but also to give the people the very OPPOSITE of what they had asked for? The report of the Political Bureau was not that of some experts or professionals but the collective will of all Nigerians from all the states of the Federation. The President appeared to recognise and accept the seriousness of the findings of the Bureau when he drew attention to it in his own budget speech, though for a

ONOJA: On The Side Of Plateau's New-Rich

different purpose. The President said: "In mapping out the political transition programme and the decision to carry it through to 1992, this administration was guided by the collective will of the people as expressed through the work of the Political Bureau. The Bureau had collected massive documents; heard thousands of oral evidence; organised articulate public debates; symposia and teachings and reached several grassroot organisations. The Bureau's findings was therefore not imposed. It was a result of popular participation through dialogue, and it is in that light that we regard it as our duty to ensure the successful and timely implementation of the programme."

Secondly, even if the Plateau State Government was going to use public funds for building capitalism in defiance of the expressed wishes of the people, why should the government not assist all its citizens by making it possible for the economically weak individuals to secure loans and other forms of government assistance through their trade unions, peasant associations, traders guilds and other professional groups to which they may belong, since they cannot favourably compete with the classes of people that the government has earmarked for such benefits? That way, the ownership of the means of production would be shared between individuals and organised groups. To say the least, it is unjust to use public funds to assist the development of serving and retired civil servants and officers, businessmen, contractors, rural rich and the subsidiaries of multinational corporations against organised labour and other productive groups whose collective labour has been responsible for over 90% of the revenue of the state government.

Thirdly, given the level of participation in the process of the anticipated "industrial revolution" in the state by the local bourgeoisie and its masters and friends from elsewhere, what is the guarantee that the rural transportation, electrification, water etc, programmes of the government will not effectively result in rural underdevelopment such as it occured in the colonial period? Did not the colonial regime build roads, waterways, railways, etc to facilitate the evacuation of raw materials from Nigeria and the movement of troops within? The only difference is that this time around, the colonial master has been replaced by a Plateau 'entrepreneurial' class. This, in a certain sense, is even more painful than the colonial situation. For, while the British exploited and plundered our economy by the fact of conquest, the local bourgeoisie would do the same through conquest by a military regime that claims to come to power to protect and promote our national interest.

Government must realise that it cannot use the massive construction of wells, roads, electrical plants, railways etc. as a cover. For, genuine development is centered on the state of being of the people whom these infrastructures are intended to serve. It is possible to have a well-developed infrastructure without development, such as exists in the Republic of South Africa today.

IMBALANCE AND PENURY

Expectedly, the underlying philosophy, principles and objectives of the budget also affected and reflected the manner of sectoral allocation. Thus, for example, in absolute terms, education and health secured the highest allocation of N84.4 million and N27.1 million respectively. However, these apparently huge allocations represent the lowest percentages of increase from last year's allocations. For, the percentage of increase for education is mere 14.62% while that of health is 37.9%. These certainly do not compare favourably with, say, commerce and industry with 71.3% increase; Works and Housing 56.33%; Information and Social Development 51.77% etc. Indeed, of the eight portfolios itemised in the recurrent expenditure for which a total sum of over N291 million has been earmarked, education, agriculture and health have the lowest percentage increase in that order.

Given the dire need for a proper and lasting rehabilitation of our health and educational services which were wrecked during the second republic; given the fact that last year's budgetary measures to rectify these services have not remedied the situation; and given the fact that a healthy and an educated populace is the bedrock of any genuine development strategy, more funds should have been pumped into these essential services. Government may wish to remember the existence of United Nations declarations, to which Nigeria subscribes, that access to education and health are matters of right and not privilege.

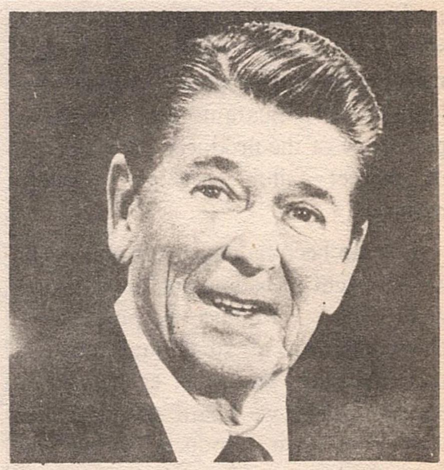
It is obvious therefore that the 1988 Plateau State budget can only mean one thing: a bonanza for a new class, and total neglect for the majority.

By: Monday Mangvwat

CASINO CAPITALISM

Significance Of The Wall Street Crash

Most Nigerians have never heard of Wall Street. Many, among the very few of those who have heard of it, have only seen it on television or the cinema and know of it only as a place with lots of tall skyscrapers and lots of banks. A few know that the New York Stock Exchange is also located on Wall Street. They also know that the Stock Exchange is a market where the commercial exchange of stocks takes place by buying and selling them.



REAGAN: Right-Wing War Monger

These stocks are certificates denoting ownership of shares in a company or a bank, which entitle their owners to a share in their control and profits, in proportion to the number of shares owned. In addition to the buying and selling of stocks, or shares, as they are sometimes called, the Stock Exchange is also the market for raising loans by buying or selling certificates called bonds which entitle their owner to collect interest from the loan, and after agreed number of years, to collect the principal in proportion to the number of bonds owned.

In short, the Stock Exchange is a market like any other market, but it is not for buying and selling food-stuff or clothing, it is a market for buying and selling money for use in business to make more money. This money for use in making more money is known as capital. It is this type of money which is bought and sold in the Stock Exchange which gives the name 'capitalism' to this distinct economic system organised for the sole purpose of making money, in order to make more money, in order to continue making more and more money, perpetually, without doing any socially beneficial work.

The Stock Exchange, being the market for money is therefore the heart of the capitalist system, pumping money through all its veins and arteries. When business looks good, more and more money flows through it and the prices of its stocks, shares and bonds rise. When business looks bad, these prices fall as these stocks, shares and bonds are sold, and instead of investing their money in business, the rich take away their money, transfer it somewhere or hoard it. The tempo of buying and selling in the stock exchange, therefore, reflects the health of an advanced capitalist economy, just as the heart-beat of a person reflects his or her state of health. And because the American economy is the largest and the most dominant capitalist economy in the world, and because the New York Exchange located on Wall Street is its central stock exchange, the tempo of buying and selling on the New York Stock Exchange reflects the health of the economies of all capitalist countries, whether developed or developing.

THE SHARES CRASH!

On Monday, 19th October 1987, the prices of stocks and shares in the New York Stock Exchange on Wall Street fell so drastically that they seem to have simply crashed. Every body was selling. and nobody was buying. By the time the Stock Exchange closed at the end of the day the value of the shares had fallen by 22.6%, which is the highest single day's fall in share prices in the history of that Stock Exchange. This heralded a fall of a total of over $500 billion in the value of the stocks and shares by the end of that week.

This crash in share prices on Wall Street sent shock waves all over the world and set off a chain reaction throughout the capitalist world. In the stock exchanges in the City of London share prices fell by 10.1%; in Frankfurt, West Germany, they fell by 7.0%; in Paris, they fell by 9.7%, and in Tokyo by 2.4%. The Hong Kong Stock Exchange had to be closed because it was shaken and shattered.

The last time such a dramatic crash in share prices had taken place was fifty-eight years ago, on another Monday, the 28th of October 1929, when on Wall Street share prices fell by 12.8%. That crash, on what has come to be known as "Black Monday", marked the beginning of the Great Economic Depression of the 1930s which produced the massive unemployment inflation, and severe economic and social dislocations which set the stage for the rise of the Nazi government in Germany, accelerated other fascist movements, and directly led to the Second World War of 1939-45.

It was memories of the cataclysm caused by the last Great Depression which intensified the shock waves set off by the recent "Black Monday" of 19th October 1987. But things did not stop there. Figures indicated that it was not only the American government that had sunk into a huge budget deficit, but that America as a whole was sunk in a trade deficit with the rest of the world. The deficit is the shortfall between what America exported to the rest of the world and what America imported from the rest of the world. It came to about $160 billion.

This sent the value of the U.S. dollar, the main trading currency in the world,

BANKS: *Lifeblood of Present Capitalist Era.*

crashing down. Since 1985, it had gradually declined in value by about 30%, but after "Black Monday" it went crashing rapidly against all the major trading currencies. Between 19th October 1987 and the end of that year — that is within about ten weeks — the U.S. dollar fell in value by over 10% against major trading currencies. Even against the CFA franc, used by our neighbours and tied to the French franc, the dollar fell from 303 CFA francs per dollar on 15th October 1987 down to 275 CFA francs on 6th January 1988. It has since gone down further with serious consequences to the Nigerian economy, since the naira is, in practice, if not formally, tied to the U.S. dollar.

The crash in share prices, and the fall in the value of the dollar, were not all that happened. Banks and companies in America had begun to collapse. On Thursday, 3rd December 1987, nine commercial banks in the U.S. were declared bankrupt. This was the highest bankruptcy rate in a single day since the 1930s. By the end of last year, 200 banks had collapsed in America, and many other banks and companies are now on the verge of bankruptcy.

On Friday, 8th January 1988, towards the end of the day, share prices on the New York Stock Exchange took another nose-dive and fell further. The dollar followed, and went into what some observers called a "free fall". The intervention of the Central Banks of the seven major capitalist countries who bought billions of dollars to prevent its continued fall, only temporarily halted this decline.

FREE MARKET, FREE FALL

Within a few weeks all the claims of Reagan and his right-wing free enterprise crusaders that by de-regulating and releasing "free market forces" they have built a solid foundation for sustained economic growth for America and the world, had been shown to be bogus. The "free" market has only led to a free fall in share prices and in the value of the dollar. No less a person than the Chairman of the New York Stock Exchange, Arthur Lutch, said after Black Monday that what happened is "a vote of no confidence in Reaganomics."

There are now proposals before the U.S. Congress seeking to limit and control the rise and fall of prices on the stock exchange, against all the ingrained American dogma over "free market forces". There is a Fair Trade Bill before Congress aimed at imposing protectionist measures against other countries trading with America. Every time these proposals are mentioned, the stock market gets jittery and prices fall.

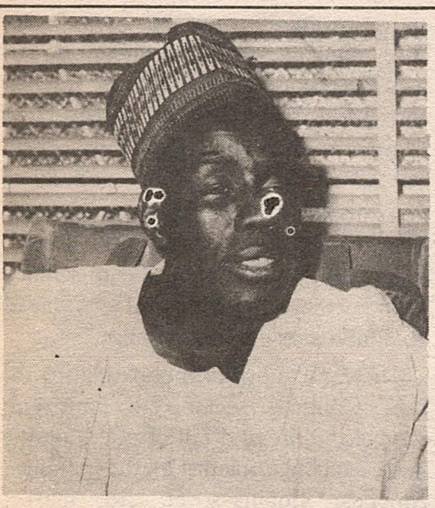
NAIRA SINKS

The price of most raw or semi-processed export commodities is falling. These include all important Nigerian exports. The much vaunted Nigerian cocoa "boom" has finished before it even started, and by December 1987 the price of one tonne of cocoa in London was falling to below £1,100, a drastic fall considering that in june 1987 it was over

£1,300 and had even reached over £2,000 in February 1985.

The price of crude oil is also moving down to sell below $15 a barrel, which is a fall of more than $3 per barrel from what it was for most of 1987.

The Naira is made to appear to have stabilised around about four naira per U.S. dollar, but given the wild fluctuations in the value of the dollar and its general downward slide, this stabilisation is illusory. For every time the dollar plummets downward the naira goes down with it even against the currencies of the neighbouring countries in the CFA franc zone. This is made worse by the fact that crude oil prices are not only falling but are denominated in terms of the U.S. dollar. There cannot therefore be genuine stability in the value



ALIKO MOHAMMED: Casino Capitalist?

of the naira in its present position, whatever illusory figures the fortnightly FEM auctions may seem to create.

This actual devaluation of the naira as it sinks with the dollar is also not facilitating any increase in exports to neighbouring countries. The demand for out export commodities, except foodstuff, is declining. In any case, the foreign exchange earnings from these exports never show up in Nigeria, except for those from crude oil sold by NNPC.

DEBT ESCALATION

The decline in the value of the naira also increases the weight of the debt burden on our backs. This is even made far worse by the way the figures released by the government escalate the size of the external debt even in dollars. In his budget address in January 1987, the Minister of Finance gave the total external debt of Nigeria as $18.4 billion as of 30th November 1986. Yet in his budget address in January 1988 this has escalated to become $23.4 billion as of 31st October, 1987 — a rise of over 25 per cent in one year, in which according to the Minister, 20.4 per cent of our export earnings went into debt servicing. In naira terms this snowballing of the debt burden amounts to an escalation from N75 billion in November 1986 to N100 billion in October 1987 after about N8 billion had been repaid in 1987.

This snowballing of the debt burden is probably connected with the rise in interest and other charges, particularly the London Inter-Bank Offered-Rate (LIBOR) and, of course, the completely unverified value of most of the external debts. All this leaves the naira completely at the mercy of the speculators, and sharks, of the City of London, the Paris Bourse, Tokyo and Wall Street, with no national planning or even serious budgeting possible. The conversion of some of the unverified debt into shares in Nigerian public and private enterprise is going to subject the whole economy more deeply to these speculators and promissory-note rentiers.

CLOSED OPTIONS

It is therefore very clear that the Wall Street crash is of great significance to the Nigerian economy, as it is to all the other dependent economies subordinated to the advanced capitalist economies. Even if every other aspect is left aside, what the Wall Street crash of 19th October 1987 means to us in Nigeria is that the option of economic recovery through an export-oriented strategy is completely closed. Secondly, no foreign capital investment in productive ventures, as distinct from financial and other speculative ventures, is going to come into Nigeria. The capital flight away from Nigeria of capital resources generated here is going to intensify. It is going to get worse with the deeper grip the Western financiers are getting on the economy.

AKHAMIOKOR: *Executive Director of Nigerian Securities & Exchange Commission*

To understand the reasons why the option of an export-oriented and foreign capital-generated recovery and growth is closed completely for Nigeria we should go beyond the Wall Street crash into the real long-term causes for it and the global capitalist depression whose onset it is marking in a most serious way.

This exercise is even more important because the bourgeoisie in Nigeria is behaving towards this crash and its effects and implications in a very evasive and shifty way. The consultants, gurus, advisers and spokesmen of the establishment seem to be so pre-occupied with the "fine-tuning" of SAP that they do not seem to be aware that what happened on Monday 19th October 1987 has blown the bottom out of the container carrying SAP. There is no longer any basis for even maintaining the illusion that the Nigerian economy can recover and grow on the basis of any form of exports. Neither is there any basis for even hoping for a flow of foreign capital investment into productive ventures in Nigeria, even of the type that came in earlier periods to generate cash crop and crude oil exports.

All the cliches about international competitiveness, efficient resource allocation, etc., cannot hide these facts.

ROOT CAUSES

What has to be faced is the fact that the global capitalist recession of the mid-1970s marked the end of a long phase of capitalist growth, which started with the Second World War. For Nigeria and most of the countries with large petro-dollar surpluses this recession of the mid-1970s involved more intensive profiteering and expatriation, often called capital flight. These processes came together with the rise of the Euro-currency market and became more entrenched, taking the form of a debt burden whose stranglehold on the economy had, by the mid-1980s, became so strong that it choked off almost all productive investment.

For the advanced capitalist countries as a whole, these processes of the mid-1970s were followed by a shallow recovery, and a period of stagnation before the onset of the current depression. None of them, except Italy, regained the rate of industrial growth they had been attaining in the thirty years between about 1945 and 1974-75. Even Japan and Western Germany, whose average annual rate of industrial growth since the war were 13% and 6% respectively, could not attain these post-war levels. Japan could not even attain half of that level.

In the area of steel production, for example, which generally indicates overall industrial performance, the economies of the U.S.A., the E.E.C. and Japan raised their total production of crude steel from 277 million metric tonnes in 1966 to 402 in 1973. In fact, Japan more than doubled its production. But although their steel production capacity has increased since, they have not succeeded in attaining the level they attained in 1973. Early in January 1988, a huge modern plant in West Germany was closed down and the thousands of steel workers thrown out of jobs were reported to have become very restive.

The advanced capitalist countries have, as a whole, since the early 1970s, entered a phase in which their rate of overall growth is much slower and the goods-producing sectors are declining relative to the services and finance sectors. In 1965-73, the average annual growth rate of their manufacturing industries was 5.3%. This fell to 2.1% in 1973-84. Although the services sector also declined, its contribution to output rose from 56% in 1965 to 62% in 1984, while that of the manufacturing sector declined from 39% in 1965 to 35% in 1984. Money making is increasing in financial speculation and services.

CASINO CAPITALISM

While it is true that the electronics and aerospace industries are generally still booming, the hardcore growth industries of the post-war capitalist world like automobiles, ship building, and chemicals, are on the decline. This shift to finance and services, without restructuring education, training and social services, is creating not only greater

GORBACHEV: Confidently Leading The USSR

and more entrenched unemployment, but has weakened labour Consequentl movements so seriously that middle-class right-wing revanchists like Reagan and Thatcher have succeeded in cutting down the income of most of the population, further weakening domestic demand for basic goods. After Reagan's first term in office, for example, the 20.2 million poorest households in America lost a total of 23 billion dollars in income, and the wealthiest 1.4 million households gained a total of 35 billion dollars in income, in the same period.

In 1963, the top 0.5% of the population of the U.S. in terms of wealth owned 25.4% of the total wealth. By 1983 this concentration had increased so much that this very thin top strata of billionaires and millionaires owned 35.1% of the total wealth. Regan had helped by sharply cutting the taxes on the rich and the welfare benefits for the poor.

The percentage of personal income derived from interest doubled in the U.S. in the five years 1979-84. The average salary of chief executives of companies rose from 575,000 dollars in 1980 to 775,000 dollars in 1984.

Within this shift in income, more of it went to the rich in finance and services, particularly those involved in speculation, leading one British economist, Susan Strange, to describe what is taking place now as "casino capitalism".

The Confederation of British Industries (C.B.I.) was so upset by the intense and continuous financial speculation with shares, mergers, commodities and currencies that they had to set up a task force in 1986 to work out how to deal with what they called the "short termism" of the City of London, which they accuse of undermining productive investment in the British economy in the search for quick windfall profits. These captains of industry had every reason to feel bitter towards the City of London. For, while the chief executive of Imperial Chemical Industries (I.C.I.), one of the largest industrial transnationals in the world, earned in 1986 only £393,000 per annum, an executive director of the merchant bankers, Baring Brothers, was earning £2.5 million per annum. Top flight directors of banks normally earn over one million pounds per annum nowadays. Chief executives of industrial giants of the size of I.C.I. barely get half of that.

This decisive shift in advanced capitalist economies, even in Japan and West Germany, is not just another example of concentration of wealth and power in the hands of bankers and other financiers. It involves far more than that. For in that earlier phase, in the late 19th century, for example, the financiers were making their money financing industries, railways, roads, housing construction, armaments, mineral extraction, and other goods producing enterprises. In the current phase of the transformation of advanced capitalist economies, investment in goods production is becoming increasingly subsidiary to speculation and the sheer buying and selling of shares, bonds and currencies, etc.

The problems involved in this shift are coming up more sharply because the decline in goods producing industries and the dominance of financing and services is more pronounced in the United States.

In 1981, for example, a total of 83 billion dollars was spent by American companies and corporations in mergers, de-mergers, and take-over bids, while only 72 billion dollars was spent in productive investment in basic plant and machinery.

The private health care industry had, by the early 1980s become the largest industry in the U.S. employing a work force of 5.5 million poorly paid nurses, para-medical and other personnel.

The McDonald's chain of fast food shops selling hamburgers employs a larger work force than the entire American basic steel industry. These service workers, like those in the private medical industry, are kept down at a very low level of education, training, literacy, income and job security; and are drawn largely from recent immigrants, and from the Black and Chicano population.

A major and growing sector of the American economy is what is called the "criminal industrial complex" of drugs, gambling, and other vice operations. *The Economist* of 16th October 1982, for example, reported that the drugs industry in southern Florida was worth 10 billion dollars a year, almost equivalent to the total U.S. aerospace exports in 1985. Alongside this explosion in the drug economy, the machine-tool industry for making the machines which make the factory, is in a state of semi-collapse. In 1960, only 3.2% of U.S. machine tools were imported. By 1984 this importation of machine tools had risen to 42%.

In 1985, the top American exports were aeroplanes and entertainment, which came to a total of 10.5 billion dollars and 5.5 billion dolars, respectively. In the aerospace, the electronics, and optics industries, the infrastructures which sustain U.S. advantage in these areas arise from massive expenditure in defence contracts, particularly under Regan. This expenditure, which runs in trillions of dollars, goes into very limited areas and sub-sectors, and of course is one of the causes of the huge budget deficit, since Reagan has slashed taxes for the highest income group down to below 30%, yet has vastly expanded spending on defence contracts, a large chunk of which goes to his sponsors in the California Sun Belt.

So, while America is leading the way into this new phase of capitalism, of declining production of goods, the dominance of finance and services, narrow high-class consumerism, and a deeply impoverished and alienated lower class; all the other advanced capitalist countries are following it down this road.

Overall, the picture is now becoming clearer. The productive sector and productive investment in the capitalist world as a whole is stagnant, where it is not declining. The markets for goods and basic services are getting smaller and more protected. Larger and larger sections of the population are marginalised through unemployment, psychological and cultural alienation, crime and drugs. Huge debts have been built up in the last fifteen years. Levels of export earnings and interest and fees cannot allow the debts to be repaid. The debt burden cannot be eliminated due to its role in one of the crucial areas of current capitalist accumulation. The dynamic sectors of the advanced capitalist economy of the U.S. are no longer automobiles, household goods, chemicals, housing, and other goods for human nourishment and human development. The dynamic sectors are finance and services, and the aerospace and electronics sub-sectors producing nuclear, space and conventional weapons, and entertainment. Alongside them is a powerful drug and flesh industry whose turnover in cocaine alone amounts to tens of billions of dollars, and which employs more resources and labour than many productive sectors.

The meaning of all this in terms of the future capacity of the U.S. economy to recover and grow is brought out very clearly in what Jonathan Kozol has revealed about how the human basis for such a recovery and growth is being seriously eroded, even at the crucial level of the ability to read, write and count. In his famous book *Illiterate America,* published in 1985, Kozol reports, that over 50% — 75% of the eight million registered unemployed lacked the basic literacy and numeracy skills to be retrained for hi-tech jobs.

He also reveals that "Twenty-five million American adults cannot read the poison warnings on a can of pesticide, a letter from their child's teacher, or the front page of a daily paper. An additional 35 million read only at a level which is less than equal to the full survival needs of a modern society. Together, these 60 million people represent more than one third of the entire adult population of the country. The U.S. office of Education applying the adult performance level (APL), calculated that during the early 1970s, 57 million Americans did not have the skills required to perform the most basic tasks. Of that number almost 23 million lacked the competence to function."


DENG: *China's Strongman.*

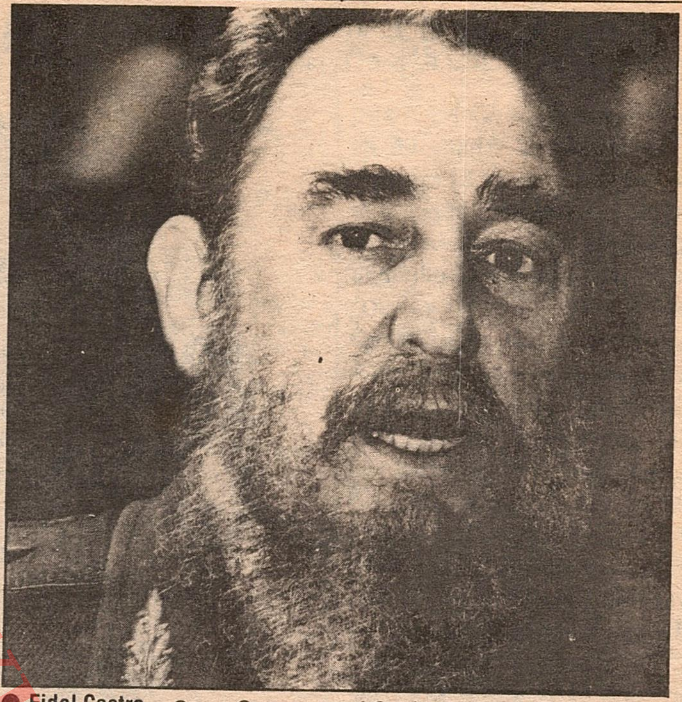
As is obvious therefore, the Wall Street Crash of Monday 19th October 1987 and subsequent developments connected with it, are caused by the onset of a new phase in the history of capitalism marked by financial parasitism, narrow high class consumerism, marginalised and alienated lower class mass, militarism, and grossly uneven development of productive forces, within and among nations.

The significance of this for Nigeria is that we have to realise that to pursue economic recovery and growth through further incorporation under the advanced capitalist countries is to head for the abyss. The Wall Street Crash is a symptom of how sick this system is and how rapidly it is decaying. The way the Reagan administration is paralysed over what to do, to even restore some stability in the stock exchange, reveals this even more. Neither do the Japanese, German, or the French, Italians and British have any strategy, besides playing up and down with their interest rates and the exchange rates of their currencies. In America, the failure to even produce a viable right-wing successor to Reagan further confirms this total bankruptcy.

As the capitalist world sinks more and more into this morass, the socialist economy of China, with over one billion people, is according to a report by the Secretary General of the United Nations, released in January 1988, recording unprecedented growth. Similarly, the socialist restructuring going on under Mikhail Gorbachev, in the Soviet Union, with the largest land area in the world, is also producing rapid economic growth and cultural and political vitality. This renewed vigour and confidence has enabled the Soviet Union to take a decisive initiative to contain the militarism of a desperate and decaying America.

Once the Wall Street Crash is seen in its full historical and global context its significance should be very clear. Its lessons are also obvious and can no longer be evaded by anybody, anywhere.

In summary, the whole myth about the ability of the so-called "free market forces" to allocate resources efficiently has been drastically shown to be bogus. In the capitalist market today, major decisions on the economy are actually taken by a few speculators and gamblers who ultimately determine the fate of billions.



● **Fidel Castro** : *Stout Opponent of Capitalism*

Secondly, there does not exist any country in the world where market forces determine exchange rates or interest rates. Governments intervene to set these on the basis of their interests, contrary to the falsehold dished out to Nigerians by the promoters of the Structural Adjustment Programme.

Thirdly, those who believe that the dollar and other "hard" currencies provide a secure haven in which to hide their loot, should think twice. The crash of 1929 led to fortunes of billions wiped out overnight because the banks and companies holding them collapsed. The Crash of October 1987 is leading to the same thing. Property values even in London, Paris or New York and Tokyo are likely to crash. Private wealth has no safe haven anywhere in the world today. The only security is to build up the productive forces of your own country and its essential services for the benefit of all.

Fourthly, the whole basis of SAP that we should devalue the naira, link it to a "hard" currency, open the country for foreign investment has collapsed before our very eyes. How can you survive in the turbulent oceans of today while holding on to something which is sinking?

Finally, the crash shows that there is no world market waiting for our commodities, whether raw or manufactured. The only market for us is the home market and we should throw out SAP and turn to build up this national market as the only solid foundation for our survival and progress.

Those who are urging us towards export-oriented growth and free-market "internationally competitive" economy know that we have the basis for independent economic growth based on a population of over 100 million people.

Only in September 1987 the American Embassy in Lagos reported home that: "Nigeria is the only national market in sub-Saharan Africa large enough to support the economies of scale and marketing techniques common to the major industrialised countries." Successive Nigerian regimes refuse to recognise this fact. SAP is set out to permanently destroy it. The crash in Wall Street should teach us to start everything from here, to join the forces of progress in taking humanity beyond the stinking morass that capitalism has now become.

By: Bala Usman and Sanusi Abubakar

A GENERATION LIVING IN FEAR

That South Africa is a 'Police State', everybody now knows. What with its Apartheid laws, its 'State of Emergency' and the ruthless dictatorship imposed in that racist enclave? What many, however, do not know is the extent of the inhuman treatment, and the physical, psychological and sexual abuse, which the racist regime in that country metes out to blacks and other opponents of Apartheid, particularly children. In October last year an international conference on the popular uprisings in South Africa was held in Harare, Zimbabwe. *Victoria Brittain, The Guardian's* Third World Review editor, covered the conference for her paper, and recorded the following moving 'eye-witness' accounts of the torture which the South African black children are subjected to. The Report is culled from the Friday, October 2, 1987 edition of *The Guardian* (London).

NAUDE MOTISE was 19 and a student leader when he was arrested and detained several times during the national school boycotts. His story illustrates the use of agents provocateurs and informers by police.

"I was constantly on the run because I was an organizer. On December 10 I had an appointment with a comrade, but unfortunately the comrade turned out not to be so genuine and it was the police who were waiting there for me .

"They took me with two handcuffs, attaching an arm to a leg and an arm to a leg. They accused me of being in the ANC. They took me to the police station and took photos of me .

"Then at 2 p.m. that day they took me to John Vorster Square and started interrogating me. I was made to stand for over 12 hours and whenever I fell I was kicked to stand up. I had only water to drink. There were five policemen, one of them I remember well because he was the one interrogating me.

"They were asking me questions about when was I outside the country, to see if I was a trained person. I had the impression I might be killed — they would say, you see this window....

"I slept on a cement floor, there was no food, and the next day the same policemen came again. The same process began all over again of having to stand even if I was tired. They said on Monday I must tell them everything or they might kill me. Then I was left alone for more than a month in a cell 2 metres by 2 metres .

"The light was always on, the window was very, very far up, there was no privacy, they were always watching me. They told me they had all the time. They even took away the Bible in my cell.

"I did not know what would happen to me. But the thing always tormenting me during my detention was the cries of kids, kids in other cells I could only hear. Now I can't really get to sleep, I remember. Only reading a book maybe for two hours can make me sleep."

MZIMKULU NGAMLANA, age 18 and a member of the Port Elizabeth Youth Congress.

"I went to the funerals of two of my mates — one was shot in the head by police and one in the stomach. They died. The police were at the funeral, they take photos and check people there.

"I went home afterwards and stayed inside for three days. Then the police came in the house, kicked the door and got in. I was sleeping, with my mother and my sister and my sister's children aged 7 and 4. It was 5 a.m.

"My mother asked them why they had come, but they didn't answer her, they didn't tell us anything. They pushed my mother although she is old. There were more than five soldiers in uniform, they kicked me with their boots. They have my photos. I was afraid".

The boy was held in police cells, tortured with electric shocks and released after three weeks.

Mrs X, the mother of another boy asked for him not to be named.

"He was picked up by the police outside his school. They put him in the boot of the car. It hurt him everywhere because they were driving over bumps and holes, fast and then slow."

"They took him to a mortuary where there were dead people, even children. He said he was afraid because he had heard from other children about being beaten and trampled by police and kept alone in a cell if you wouldn't give them the names of the children who are marshalls at funerals and organise the boycotts."

Mrs X said her son returned home with dark bruises all over his body.

Mrs A is a teacher, leading member of the Church, and mother of four children. She was arrested at her home in the Ciskei by armed police who had no warrant and refused to say why they were taking her away.

"They made me lie on a table and several policemen stood around me, but I couldn't see how many because they brought a rubber tube — the inside of a car tyre I think — which they put over my face."

"They pressed it down slowly, so hard I couldn't breathe. It was as though my whole head was being pressed into the table. I wet myself. I lost consciousness. Five times they did that to me. The last time I think they thought they had finished me."

"They only asked me questions about where the Church funds came from, but I didn't know. When they let me go they said I shouldn't tell anyone. Please don't use my name, or my place, Ciskei is a police state, they can come for you anytime, they don't even need a State of Emergency."

Why Thatcher Supports Apartheid, Why She Had To Visit Nigeria

The forty-eight hour visit of Margaret Thatcher, the British Prime Minister, on 6th — 8th January 1988, aroused strong anti-Aparthied feelings in Nigeria. But, unfortunately, the coverage of the visit in the media did not go beyond generalisations about why Margaret Thatcher is so adamant in her support for Apartheid and about her unrelenting hostility to the African National Congress of South Africa.

The basis of Thatcher's position goes well beyond sanctions against South Africa. It goes right into the heart of Britain's relationship with Africa, in general, and the position of the British Tory government led by Margaret Thatcher in particular.

In the middle of the uprisings in the black township in 1985, the British Consul-General in Cape Town, contrary to what almost all Western diplomats were saying, deploring Aparthied and its brutal violence against black people, said that British firms should not be discouraged by the uprisings and should take the opportunity to get more involved with the South African economy.

In 1986 over one-third of all foreign investment in South Africa was from Britain. This was higher than that of any other country in the world. It came to about £12 billion. In fact out of about 2,000 foreign companies operating in South Africa in 1986 1,200 were British. The next highest was West Germany trailing far behind with only 350 companies. Even the United States was left far behind by Britain in the size and weight of her investments and in the number of companies.

THATCHER: Lower Middle Class Racist

RANDLORDS

The very close integration between the white settler exploitation of South Africa and British capitalism goes very far back. But as every school boy or school girl knows, in the late 19th century, mining tycoons, like Cecil Rhodes, strode across British society like colossus using gold and diamond profits they were raking in from South Africa. In fact British banking and financial deals, about one hundred years ago, in the 1880's and 1890s, were very much determined by the wealth of the mining houses of South Africa; producing millionaires who came to be called the "Randlords" after the area of South Africa called Rand, where most of the gold and diamonds were found.

The City of London was shaken with

envy in 1895 when one of these mining companies operating in South Africa, (Consolidated Gold Fields Limited), made a net profit of £2.1 million, on a total capital investment of only £1.8 million.

Investment in South African gold and diamonds appeared like money-doubling to the astounded British upper and middle classes of those days.

In 1895, Rand Mines, a company promoted by Alfred Beit, another Randlord, became the largest mining company in the world.

Between 1870 and 1900 diamonds worth over £100 million were mined in South Africa. Almost all of these were sold by De-Beers and other mining houses in London. This large outflow of

DENNIS: A Mere Consort

gold and diamonds to Britain made South Africa appear almost like King Solomon's mines. It was very lucrative because the diamond and gold miners were paid virtually nothing and subjected to brutal treatment.

The British and the Boers came early in the 20th century to fight a war over this wealth. The British empire won. This victory further integrated South Africa as a major overseas pillar of the British economy.

But what has made South Africa even more crucial to the British economy is that the wealth flowing overseas from there was highly concentrated, and being in gold, diamonds and other precious metals, it was closely linked to banks and other financial houses. In other words, the plundering of South Africa provided some of the crucial impetus for finance capital to emerge dominant in Britain, in the late 19th and early 20th centuries. South African companies, stocks, shares and bonds played key roles in bolstering up the position of the City of London even after Britain had lost a lot of its assets due to the destruction of the First World War and the nationalisations of British investments in Russia by the Bolshevik government after the October Revolution.

That keen observer of the British economy and society, at the turn of the century, J. Hobson, noted this significance of the South African mining houses. He said: "No where in the world has there ever existed so concentrated a form of capitalism as that represented by the financial power of the mining houses of South Africa."

THE ANGLO-AMERICAN OCTUPUS

This concentrated power was harnessed to serve British finance capital, and made a lot of difference to its relative strength, as against the German and the French, whose industrial base was more vigorous.

The concentration of capital that Hobson saw in South Africa, early in the century has expanded and consolidated much more in the recent period. For example, in 1985, the Anglo-American Corporation alone controlled 54% by value of all the shares quoted in the Johannesburg Stock Exchange.

This high level of concentration is reflected in the fact that the largest single foreign investor in the United States in the early 1980s was Minorco, a subsidiary of the South African Anglo-American Corporation. Its total investment was $26.5 billion followed only by the Shell Group with $19.8 billion. But Charter Consolidated, one of the subsidiaries of the Anglo-American Corporation owned 8% of the shares of Shell, one of the top five multinational corporations in the world.

THATCHER'S SPONSORS

It is in this context that Margaret Thatcher's position on Apartheid has to be understood. She is a professional politician, having been in the Tory party since the late 1940s and becoming its leader in what was almost a right-wing coup in 1975. This coup was led by a faction of the party under the ideological leadership of Sir Keith Joseph,

P. BOTHA: Racist Pig

representing the deep frustrations of the British bourgeoisie with the decaying welfare-statism of post-1960 Britain and all its restrictions on their being able to make money. This bourgeoisie is concentrated in the South and West England, although there are pockets elsewhere. With the support of the financiers and rentiers of the City of London and the Home Counties, around London, led by Edward Du Cann and

William Whitelaw, Thatcher replaced Edward Heath and his centrist bunch of Whitehall Tories.

One of her first, and perhaps single most important action, after becoming Prime Minister, in May 1979, was to abolish the foreign exchange controls restricting the movement of capital in and out of Britain. Money from South Africa flooded in. Some of it only came through London to get Euro-dollar and other international connections. It then flowed back to South Africa. The annual rate of British direct investment into South Africa has been over £250 million per year since, even after other countries had started to disinvest.

Margaret Hilda Roberts, as show was known before she married an accountant called Dennis Thatcher in 1951, has herself got a very personal stake in this strong, organic link between the City of London and South Africa.

Dennis Thatcher, from all accounts, like Prince Philip, is not useful for anything except being a consort. But Burmah Oil, one of the oldest and most imperialist of British oil companies, has for years kept him on the board of one of its major subsidiaries, Quinton Hazell (U.K.) Limited. This is the main Burmah Oil subsidiary for one of its key areas of business, making motor vehicle components. Quinton Hazell of U.K., has a South African subsidiary, Quinton Hazell Superite (PTY), which Dennis has been sent to visit and which is said to be one of the largest motor vehicle component manufacturers in South Africa; with strong links with the South African armaments industry.

So, besides the fact that Thatcher's rentier sponsors in the City of London, such as Edward Du Cann, Chairman of Lonrho, are interested in retaining these links with Apartheid, Margaret Thatcher herself has a personal interest in maintaining Apartheid; as is also the case with her husband, Dennis.

THE B.P. NATIONALISATION

Moreover, in her first three months as Prime Minister she was shaken by the decision, on 31st July 1979, by the Obasanjo Regime to nationalise all BP assets in Nigeria, at a time when the company was in trouble due to events in Iran. Margaret Thatcher, who is basically a lower middle class racist from Grantham in Lincolnshire, was very upset by this act of a "a nigger". Her Foreign Minister, the Rt. Hon. Lord Carrington actually said that Nigeria will one day pay for that decision. The B.P. nationalisation has left a mark, particularly because of its role in influencing the outcome of the Lusaka Commonwealth Summit of 1979 over Zimbabwe. Thatcher, who had told the press in Canberra, Australia, that she was for Bishop Muzorewa's puppet regime, had to, under pressure, the most spectacular of which was the BP nationalisation, literally eat her words.

This "iron lady", who later boasted many times that she was not "for turning" under any form of pressure had to "turn" over Zimbabwe. That one of the key factors that shook her was Nigeria's pressure has left her with a permanent hang-up over Nigeria's role in Southern Africa.

EDWARD HEATH: *Former Torry Leader*

PLUNDER AND BLACKMAIL

The role of her cabinet; and that of the Export Credit Guarantee Department of the Board of Trade, the Bank of England, and Tory rentiers and speculators in the intensive, and merciless, plundering of the Nigerian economy is beginning to be well-documented. The recently released I.M.F. *Direction of Trade Statistics Yearbook* of 1987 has confirmed the massive scale of this plunder. It documents that payments from Nigeria to Britain for imports of goods reached a total of $3.7 billion in 1981; while payments from Britain to Nigeria for our exports in 1980 amounted to only $0.32 billion, and declined to $0.22 billion in 1981!

In the four years, 1980-83, Nigeria paid Britain a total of $10.97 billion for goods imports and was paid only $1.8 billion by Britain for its exports. From no other country in the world did Britain suck so much through import payments alone.

These billions of dollars sucked from Nigeria into Britain through goods import transaction, do not include the much larger amounts plundered from Nigeria as dividends, interests, insurance and freight, private transfers and other financial charges and fees. In the four years, 1980-83, these came to a total of $22 billion according to the *UNCTAD Handbook of International Trade and Development Statistics* of 1986, published last year. Most of this $22 billion went to Britain, or to the rest of the world, through the City of London.

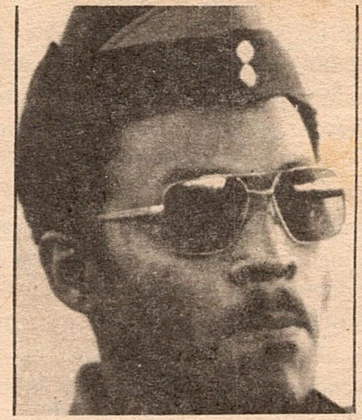
The revelation over the Johnson Mathey Bank affair, and the Biwater scandal, only touch the tip of the iceberg. But the fact that Margaret Thatcher has never denied that one of the leading Indian front-men in the JMB rip-off, Mr Abdul Shamgi, is a personal acquaintance of hers and of the former Tory Party Chairman, Mr Norman Tebbit, as revealed by the M.P., Brian Sedgemore, on 8th November 1985, shows how deeply involved Thatcher and the Tory government and party are in the plundering and wrecking of the Nigerian economy.

KLEPTOCRATIC SICKNESS

Margaret Thatcher has even used crude blackmail against Nigerian leaders, taking advantage of their kleptocratic sickness and lack of patriotism. For example, when the Buhari regime wanted to try and get some of the money looted to Britain returned to Nigeria, Margaret Thatcher blackmailed the regime by threatening to ask British commercial banks to publish the balances of all Nigerians having accounts with them.

As Major-General J.J. Oluleye (rtd.), a former Federal Commissioner (1975—1979) revealed in his contribution to the IMF loan debate published in *The Punch* of Monday, 16th September, 1985: "I wrote a critique on Shagari's administration after his re-election in 1983. Because of an unfortunate incident almost ending my life, I could not deliver or send the critique to Shagari himself. I wrote a covering letter dated January 2, 1984 and sent it to Major-General Buhari stating that they might see something useful and adaptable in the critique. Since the problem still remained economic, Major-General Buhari paraded me before him in Dodan Barracks on 4th February 1984.

"During our discussion I proferred that the money salted away by the fugitive, could be recovered through good liaison with the British government and also through good foreign policy. General Oluleye said that he advised Buhari that he should assure the fugitives' host government that the money would not be taken away and that priority of debt settlement would be to British exporters and that any balance, if any, would not be repatriated to Nigeria . He thanked me. I was shocked that he ignored this noble suggestion to embark on crating and exportation of Alhaji Umaru Dikko to Nigeria. What he wanted to do with Umaru Dikko was a mystery to me. The abduction attempt was foiled because of poor liaison and bad foreign policy. Why Umaru Dikko when Shagari is here with us"? According to General Oluleye: "In fairness to the Buhari Administration, a half-hearted attempt was made to the British Government but it took the form of blackmail. The attempt was nailed (sic) in the bud when the Prime Minister, Mrs Margaret Thatcher threatened to cause commercial banks to publish names of Nigerians having accounts in the United Kingdom. That marked the death of the request and to venture further would be treading on a dangerous path". Why Oluleye regards this as a dangerous path reveals the depth of the kleptocratic psychosis of Nigerian leadership today.



BUHARI: *Blackmailed By Thatcher?*

RACISTS' ANXIETY

Given the current developments in Southern Africa, particularly the beating that the South African army is taking from FAPLA; the rapid growth in the military capacity of *Umkhonto We Sizwe* of the A.N.C., and of PLAN of Swapo, both of whom are fighting alongside FAPLA, the current Western strategy of saving Apartheid is crumbling. When this is seen in the context of the complete lack of any new political initiative by Botha and the improved political stability in Zimbabwe and Mozambique, the British government and its NATO allies are understandably very disturbed. The MPLA and FRELIMO governments established in 1975 and the ZANU-PF government of Zimbabwe established in 1980 have survived the savage onslaughts launched against them at all levels, and the armies of Angola and Zimbabwe are emerging as some of the most effective and tested fighting forces in Africa. In fact, the Angolan FAPLA is said to be emerging as one of the most seasoned young armies in the world, with solid Cuban and Soviet training in infantry, armour, airforce and tough battle experience.

Given all this capacity for survival and growth in combativeness shown by the liberation forces, including those fighting underground inside South Africa and Namibia, the West is afraid that it may soon face another 1974, when the Portuguese Empire suddenly collapsed. It is obviously a source of great anxiety to the racists in Pretoria and to their NATO masters that the South African army's morale in Angola and Namibia has fallen drastically, particularly in the last three months of 1987. Mutinies and desertions are increasing, as the casualty rate soars. The South African racist superiority in armour, air, mobility, communication and professionalism was shown to be something of the past since the Battle of Mavinga in 1986. For how long can South African racist army hold on to Southern Angola? If it cannot hold on to Southern Angola, with or without Unita mercenaries, can it hold on to Namibia? If it is driven out of Namibia or forced to take a very high casualty rate, can it be stopped from cracking up when faced with internal uprising in South Africa?

These are very serious questions for Margaret Thatcher, Dennis Thatcher and her sponsors in the Tory Party and in the City of London. For, in 1983, Professor Michael Horward, a leading establishment academic of Oxford University, had told them that "the sudden collapse of white rule in South Africa will be a catastrophe equal to the Russian Revolution".

The basis of Thatcher's visit to Nigeria lies in this strategic reality. Having helped to wreck the Nigerian economy and holding on to what she regards as a number of trump cards, she came to Nigeria to personally assert that the West will not take any more militancy over Southern Africa from Nigeria, as Murtala did in 1975 over Angola and as Obasanjo did in 1979 over Zimbabwe.

Understanding clearly these crucial levels of relations between Britain and Southern Africa is necessary for preparing to ensure a deeper, and more sustained militancy in support of the liberation struggle by Nigeria, whatever was cooked in Lagos during Thatcher's recent visit.

ONE COUNTRY, TWO NATIONS

Poor man No get Friend: says an adage. Nowhere is this more true than in rural Nigeria, where a conspiracy of feudal, bureaucratic and mercantile elements strangulate the people.

The family in this picture is no exception.

Living in Maituri, 40 Kms from Daura, this family of course cannot expect any ambulance. But of what use is an ambulance, when the nearest clinic at Mai'Aduwa has neither drugs nor equipment.

But then, as they say: if there is life, there is hope. So, the journey must be made, cart, bullocks and all. That's Nigeria for you: One Country, Two Nations!