

# The Analyst

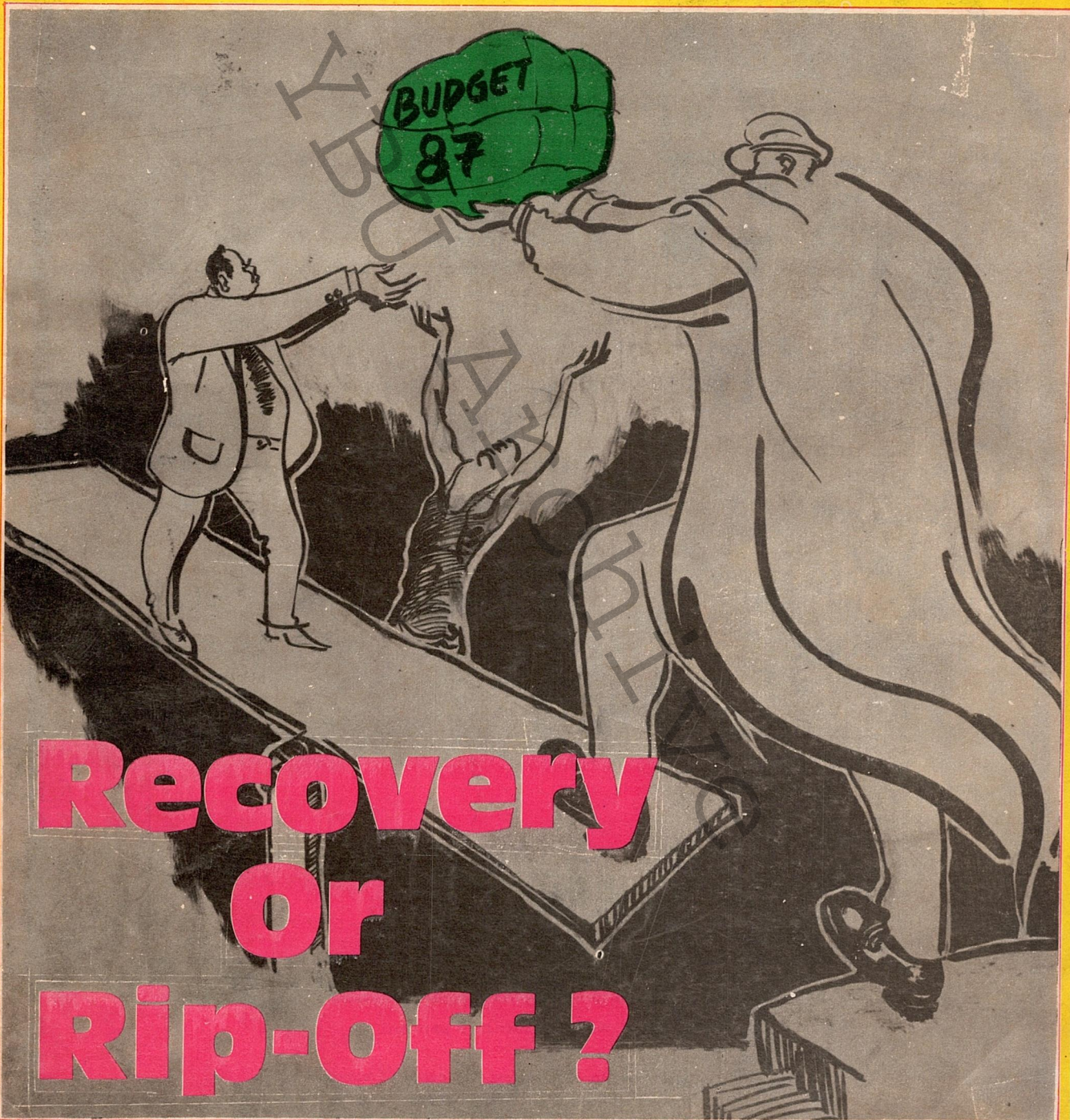
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Vol. 2, No. 1 1987



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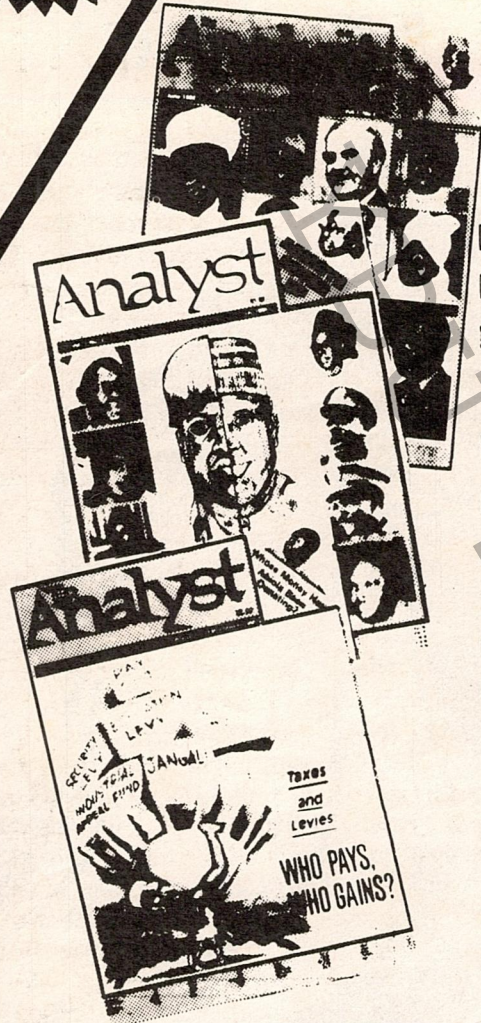
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## 1987 BUDGET: Consolidating What?

IT is big- the biggest so far in Nigeria. It is comprehensive - more so than any before it. It even has the look of a people's budget, judging from the concerns expressed in it for the underprivileged. But by far the most striking thing about the 1987 Federal Government Consolidation Budget of N17.503 billion is that, for once in Nigeria, a budget seems most certain to live up to its name. This is to say that the '87 budget will actually help to consolidate. But - let there be no mistake about it - the 1987 budget will be consolidating NOT any real gains or any genuine process or programme of recovery and regeneration but the IMF imposed Structural Adjustment Programme (SAP) - a programme through which the structures and processes that have wrecked our economy are being entrenched.

Take a look at the core concerns of Budget '87. These are lifted directly from the SAP blueprint: rescheduling and repayment of debts, World Bank loans for structural adjustment, privatization, devaluation, deregulation, and credit squeeze. And consider in particular the issue of debt rescheduling and repayment, which is so central to this budget. Almost N5 billion is to go into repayment of external debts - debts which the President himself has publicly expressed doubts on and which some of his ministers have told the nation are unreconciled, unaccepted and unverified! Add to this, the N700 million already made available for payment to contractors, consultants, and suppliers, whose claims are no less dubious and fraudulent than those of external debtors; the generous tax reliefs given to these same forces and people; the sale, at giveaway prices, of public enterprises to these people; and the contracts and supplies galore that the budget promises; and it should be obvious whose budget it is and what it is out to consolidate. From the rural development programme alone, there are N1.1 billion worth of contracts and supplies for these people. And there is even much more for them in the budget from the export promotion provisions, which only amount to giving an open licence to these unpatriotic and crooked Nigerians to siphon the country's resources abroad.

In sharp contrast to such bonanzas for Nigeria's big-fishes, the very wreckers of our economy, and the entrenchment of contractocracy - which has become the core of wealth and power in Nigeria - Budget '87 has but hardships for the majority of Nigerians. More retrenchment, higher prices, heavier burdens of taxes, levies and fees of all sorts, and greater insecurity, are

precisely what 'Budget '87 promises the peasant farmers, workers, artisans, craftsmen, petty traders, small businessmen and other categories of Nigeria's small fishes. Even the budget's much talked-about tax relief does not, in reality, give any relief to these categories of Nigerians. For them, this year's package is just another in a series of disasters called budgets. This should worry us.

We in *The Analyst* find particularly most disturbing the debt question and its handling by the authorities. Need the authorities be told that their equivocation over the report of the Solano Commission - which clearly established the bogus nature of many of the debt claims - and their rush to pay the unverified debts are seen in many quarters as amounting to a scandalous rip-off? The Salano Commission, headed by no less than the country's Deputy Accountant-General, was set up by the Federal Government itself in August, 1985 to look into the veracity or otherwise of the claims of contractors and consultants against the Federal Government. The government can re-assure Nigerians only by accepting, publicly, the Salano Commission's report and acting, promptly, on its recommendations. We recommend to the authorities, the good example of Brazil which has put a moratorium on the payment of all interests on its debts.

We would also like to call on the authorities to rethink their current privatization drive and the devaluation of the naira through SFEM. Our concern with the first is informed by the feeling in many quarters that what the government is doing is really not privatization but plunderization, and, ofcourse, our firm belief that the only way out of the present crisis is the nationalization of the commanding heights of the economy in a way that will best guarantee an effective and powerful role for workers and professionals employed in the enterprises and actually engaged in production. As for the second, we believe that while a slight downward adjustment of the value of the naira against other currencies may be reasonable, the drastic devaluation through SFEM and the auctioning process are leading to inflation, depression and the undermining of the home market.

Finally, we feel duty-bound to remind the authorities that the way they are handling the debt question is the surest recipe for turning the Nigerian State into a full-time collector for dubious foreign and domestic debtors, and thus denying present and future generations of Nigerians of a stable future.

## The Analyst

**PUBLISHER:**  
Abdulkadir Balarabe Musa  
**EDITOR-IN-CHIEF**  
Danjuma Adamu  
**EDITOR:**  
Rufa'i Ibrahim

**EDITORIAL ADVISORY  
COMMITTEE:**

Mahmud Tukur  
Hauwa Mahdi  
Tar Ahura  
M. O. Ode  
Tunji Osobo  
**COLUMNISTS**  
Bala Usman  
Iyorchia Ayu  
Andy Okolie  
Richard Umaru

**CONTRIBUTORS:**  
(Nigeria)

Yahaya Abdullahi  
Monday Mangwvat  
Rahim Hassan  
Musadeq Lawal  
Umaru Aji  
Mohammed Bello  
Odia Ofeimun  
Siddique Abubakar  
Herber Ekwe-Ekwe  
Sanusi Abubakar  
Zuwaqhu Bonat

(International)

Allan Bojanic  
Mbulelo Mzemane (South Africa)  
Abdul Alkalimat (USA)  
Gus John (UK)  
Mogniss Abdullah and  
William Tanifeani (France)  
Ferdinand Dabire (Burkina Faso)  
Joseph McNair (Diaspora)

**GRAPHICS:**

Adamu S. Yashim  
Osseloka Oji

**ADMINISTRATION:**

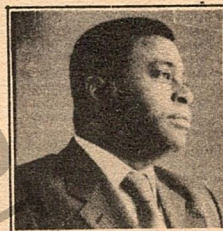
**Chairman:**  
Abdulkadir B. Musa  
**Chief Executive:**  
Danjuma Adamu  
**Office Assistant:**  
J. S. Bosh

The Analyst is published monthly by Dansa Publications Ltd. Sampati House, 1 Kurra Street, P. O. Box 1632, Jos, Plateau State, Nigeria. Typeset by Universal Communications Ltd. 3, Alkali Road, Kaduna.

## In this issue

### WHOSE BUDGET ... .. 7

The 1987 Federal Budget, dubbed Budget of Consolidation, has been hailed in some quarters as a 'Peoples' Budget', and criticised by many for its many shortcomings and obvious bias for the rich and powerful. Just what kind of a budget is it, and what is it really out to consolidate?



### TAX RELIEF ... .. 15

Among the most talked about aspects of Budget '87 are its tax relief measures - called, in some section of the media, Tax Bonanza. Do these measures really amount to a tax bonanza? If so, Bonanza for whom? For the low income worker, the "super earners," or for the monied men?

### PRIVATIZATION ... .. 18 - 21

Privatization of public ventures and enterprises has now become a feature of the scene in Nigeria. But who is buying what? How do the negotiations for the sales go? Are the enterprises being sold at competitive or economic prices? Why does the Federal Government want to privatise the banks when they are doing so well? Why and how was the Vom-based Madara Ltd. sold out?



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## The Truth Nothing But the Truth

I am highly impressed by the entirely different line you have carved out in your own publication *The Analyst*. The first copy I ever saw - Vol. 1 No. 3 - held me spellbound for hours, because for the very first time in this country, I was seeing a magazine purely out to fight for the truth. What courage! I, at the same time, was not therefore surprised to read that some people had already started calling for the head of *The Analyst* through banning! Whatever it is, banning the truth cannot bury the truth, hence banning of *The Analyst* (if the devil temporarily succeeds) cannot stop the truth surfacing. Whether viewed from a Christian or Moslem point of view: TRUTH is TRUTH; and truth can never be suppressed forever - only very temporarily.

As long as truth is continuously suppressed in this country, so long we shall be torn apart with more societal diseases we cannot cure. There has been too much of "for-the-sake-of-peace-in-the nation, let-us-hide-this"! What are we hiding? The truth? But how on earth do you get peace by suppressing the truth? Is

## Give us Another Update

We now know how our economy is being wrecked, who are responsible and, of course, who are now enjoying the fruits of the economic sabotage.

The role played by Dasuki, Malami and many other big-shots in wrecking the Gusau Oil Mill (and many other economic ventures) is after all, not surprising. They are agents of multinational corporations who are bent on seeing the destruction of Nigeria. Sooner or later the masses of this country will rise up against them.

Please give us another update on how the Sokoto Matches Factory was wrecked.

*Malami Hussein Usman,  
University of Sokoto,  
Sokoto State*

truth not peace? And is peace not truth? You cannot separate the two.

We set up very expensive commissions of inquiry to find out the truth about a problem and pray to God to help us in our investigations before beginning. God often reveals to us the truth, but we prefer to hide it and do the opposite - applying the wrong remedy. So when the same trouble bursts again, we deceive ourselves by setting up another commission, so that we can have more truth to hide?! For how long shall we continue with this game of cover-ups and falsehood?

You will soon find out that your voice is the voice of the silent majority of this country. I wish *The Analyst* God's protection. Keep up the fight for the truth.

*S.P.N. APOCHI,  
Abakpa - Kaduna.*

## Yohanna Madaki

Dr. Iyorchia Ayu's piece on Yohanna Madaki (November 1986 issue) is excellent. May I add that Yohanna Madaki is the sacrificial lamb of the silent majority who have suffered unspeakable indignities in this country. He will no doubt be vindicated by history.

*Sani M. Kasariy,  
A.B.U. Zaria.*

The action of the ruling Army Council is a negation of the fundamental human rights policy which President Babangida swore to pursue on seizing power.

We have been informed that Madaki's dismissal from the Nigerian Army is premised on utterances credited to him and adjudged by the Army council as contravening the conditions of service of members of the Nigerian Army. The Constitution of the Federal Republic of Nigeria guarantees right of expression to individuals notwithstanding their chosen profession. The fact that Yohanna Madaki took upon himself the additional character of a soldier does not deny him this or other rights. I believe the utterances for which he is dismissed were made in pursuance of the exercise of his

inalienable right to freely express his opinion on issues.

Throughout the three decades of Yohanna Madaki's career in the Nigerian Army, it is on record that he faithfully, dutifully and honestly kept his charge in various capacities. He equally relentlessly did all in his power to advocate and promote the best interests of the peasants. He is known to be an antagonist of anything which promotes injustice. His criticism of Decree Number 23 of 1984 is a clear example of this. He also laboured assiduously to eliminate feudal and authoritarian excesses and to promote egalitarianism.

In the circumstance, he deserves nothing but praise and a hollowed place of honour rather than being dismissed from the Army. He will for eternity be remembered for being a protagonist of justice and fairplay.  
*Tajudeen O.O. Oladoja Esq.  
Kaduna.*

## More Research Please

Only through *The Analyst*, I am now convinced, can the oppressed judge their leaders and know who is who, and who is deceiving who. Is the man in khaki the awaited saviour of the nation? Or the man in agbada? Nigerians have suffered enough through the foolishness and nepotistic tendencies of our leaders, and the time has now come to tell them point blank that we are tired of their antics and collaboration with imperialism in ruining our economy.

I would therefore like *The Analyst* to go further and research into the lives and activities of the few big fishes in our midst who control and dominate our economy in the service of imperialism, such as the Shonekans, the Abiolas, the Folawiyos and the Udojis, the Dasukis, the Dantatas, etc. Also, please can you educate us more by telling us the monthly salaries of the following categories of workers:

\*From the rank of a Major to a Major-General in the Nigerian Army and their equivalents in the Navy and Airforce?

\*A Minister or a Commissioner and their Permanent Secretaries?



## Letters

\*A Nigerian Ambassador and High Commissioner?

Finally, is it true that all the Governors we have are being fed from the Government purse, with all entertainments free? And if it is true, then, why do they earn salaries after saying they have come to salvage the economy?

Once again, congratulations and keep the flag flying - the sky is your limit. Be only truthful and unbiased and give us the best at all time.

*Sanusi Muhammed Uchin Wase,  
Wase, Plateau State.*

*Editor's note:*

*Thanks for this interesting letter. I'm sure you can calculate the monthly salaries of Ministers, Commissioners, Permanent Secretaries and Ambassadors from the Public Service Salary structure. But the salaries of Majors and above? I can't help you there. The salaries and allowances in the Armed Forces are a closely guarded secret. You may want to direct your inquiries to Armed Forces HQ direct. They may help.*

*Editor.*

### More on Socialism, Please

Your detailed analysis of socialism in which you bring to the reading public its numerous advantages and benefits over the capitalist system operating in Nigeria leaves no one in doubt that socialism is the best and only option for Nigeria.

Through the length and breadth of this country - from Sokoto to Port-Harcourt and from Lagos to Maiduguri - the evil effect of Capitalism is clearly manifested in the dejected low-spirited masses. They have no food to eat, no adequate shelter over their heads, and even the most basic social welfare for them is lacking. They have to pay through the nose to get even the least medical attention. The evils of capitalism are really too numerous to be counted.

Socialism therefore must not be looked at with scorn for it is the best and only way out if we are to find a lasting and concrete solution to the various economic, social and political problems plaguing this country today.

Please, give us more stuff on socialism - the ideal system for

humanity.

*Chux Azuorwu,  
University of Jos,  
Jos.*

### That Photospeak

The pathetic picture of a living "Corpse" which appeared on page 4 in the PHOTOSPEAK Column of The Analyst nearly had me snatch a gun and embark on a one-man war against our exploiters and plunderers. All the same, the high tide of Nigerian revolution is visibly on the horizon. It has started moving restlessly like a child in the womb about to be born. With the efforts of the working class, the urban and rural peasants, progressive intellectual, petty traders, artisans, coupled with correct political education as *The Analyst* and *New Horizon* are fearlessly offering the people, we do hope to wrest power from our exploiters one day.

*Comrade Doolshima Amenger,  
Bukuru,  
Plateau State.*

### CUBA: A Model Indeed

I was thrilled and moved by the remarkable success of the Cuban people within a surprisingly short time span, which I read about in your "Special Report" (*The Analyst*, December 1986 issue). But, come to think of it, there shouldn't be much surprise in the Cuban example, especially when we consider what Aristotle (an Ionian Greek philosopher) wrote a long time ago, but which still holds true today. Aristotle said: "Most persons think that a state in order to be happy ought to be large, but even if they are right they have no idea what is large and what is a small state. For they judge of the size of the state by the number of the inhabitants; whereas they ought to regard not their number, but their power." In Cuba, power is with the people and so nothing is impossible for them.

Despite the position of Cuba and its being in the backyard of U.S.A, they had and still have the courage, determination and ability to stick to their chosen path-socialism. Indeed, Cuba is a source of inspiration and a model worth emulating. The people of

Cuba have set the pace. Hearty cheers to the people of Cuba and hearty cheers to Fidel Castro and his colleagues.

I wish the revolutionary forces of Africa will team-up and liberate the African continent from all forms of imperialism and sabotage by the so-called super powers.

I also wish to thank The Analyst for the indepth research on and coverage of issues that most, if not all, Nigerian media are shunning away from.

*Suleman, IshHak B.  
Malumfashi,  
Kaduna State.*

### Nigeria on the Road to Socialism

The struggles for a Socialist Nigeria have begun in earnest. Even those prominent members of the vulturous class of exploiters as represented by the Malamis, the Shonekans the Abiolas and the Obasanjos and his class of retired generals, are restlessly aware of these trends. In fact, they are exploiting all the avenues to block the people's struggle for a socialist order.

It is, therefore, my considered view to suggest to you that your task at this juncture should be geared towards giving the working class and the peasants good education in your write ups by focusing more attention on the strategy and tactics of the struggle. It is a fact of history that, to overthrow a decadent and rotten social order, the workers and the toiling masses must have to be politically educated in not only the theory but also tactics of the revolution. As Comrade Mao Tse Tung once aptly pointed out "... the revolutionary war is a war of the masses; it can be waged only by mobilizing the masses and relying on them."

It is, therefore, in recognition of this stand that I doff my activist cap for the issue of December 1986, which rightly contained educative articles such as, "Socialism: What it is, What it means" and Karl Marx: His Significance." Such articles will help enlighten your readers about the noble ideology of Socialism.

*Reader*

*Name and Address supplied*

COVER STORY

# The 1987 Package: Whose Budget?

Budgets in Nigeria have always been presented with a lot of ceremony, pageantry and publicity. The British colonial governors used to come to the Legislative Councils and Houses to announce the budgets in full ceremonial regalia, complete with ostrich feathers and a galaxy of medals. The British national anthem, "God Save the Queen", would be played, the Union Jack unfurled and a guard of honour inspected. After independence, the Federal Minister of Finance, the late Chief Festus Okotie-Eboh, used to arrive at the National Assembly to present the budget wearing the most flamboyant and colourful dress, including a train of brocade, extending for several yards behind him, and carried by little page boys, resplendently attired.

Under successive military regimes the budgets were presented in nationwide, or state-wide, broadcasts that brought the military rulers, in full dress uniform, before radio and television, reminiscent of the announcements of military coups and of military governments. It was always marked by drama and ceremony.

In the Second Republic, the infamous, and expensive Shagari style of ornately embroidered big gowns, shirt, tight trousers, and matching cap and shoes, is said to have made its first appearance, on a large scale, when the President presented his first budget in 1980. Indeed the last official ceremony of the Second Republic was the Presidential presentation of the budget to the National Assembly on Thursday 29th December 1983. At that ceremony, the assembled dignitaries were resplendent in the Shagari style costume which had come to symbolise the brazen corruption of the Shagari regime.

Budget presentation in Nigeria has therefore always involved a lot of ceremony, pageantry and publicity. The first week of January of this year had the media all over the country taken up with the presentation of the

1987 budgets by President Ibrahim Babangida and the nineteen military governors. In fact, New Year's Day in this country has now become Budget Day.

But what exactly is this thing called a budget over which so much fuss is periodically made? What is its importance for the majority of the people of this country? Is it all simply a show, an exercise in window-dressing?

Simply put, a budget is a programme setting out in a systematic way how a person or an organisation plans to raise funds, mobilise resources, and use them. A budget is not just a financial statement or a balance sheet. It is more than that. A budget is a programme of action that indicates how financial and other economic resources will be generated, allocated and utilized by an individual, an organisation, a company, or a government. And as much as possible it gives an idea of who will benefit from the final outcome.

By its very nature therefore, a government budget is very important for the people over whom that government rules, because it sets out how their common resources are going to be used. A budget can set

this out clearly for all to see, or it can amount to a cover-up, or a diversion, because when it comes to the actual allocation of the resources the budget is completely ignored.

But, whichever is the case, it is an important document, because governments should exist to serve the interests of the people they govern, and to be fully accountable to them. How a government plans to raise and allocate resources and how it actually does this is one of the most important bases of its right to govern. This is true for all countries.

But it is acutely true for this country, where millions of people of all ages are unemployed, millions are being rendered landless and homeless, millions are sunk in chronic debt and millions can barely afford the essentials for keeping body and soul together. Yet this is a country of 923,768 square kilometres with over ninety million people and vast agricultural, mineral and marine resources, which in the last five years, that is since 1982, has earned over forty billion dollars from the export of crude oil alone. For the people of this country, therefore, the way the government plans to allocate their resources has become, literally, a matter of life and death.

What, therefore, is there in the 1987 budget, presented with so much publicity and public relations promotions, for the majority of the people of this country? How is it similar and how is it different from the previous budgets which have



President Ibrahim Babangida

COVER STORY

marked our path to the verge of economic collapse? What is the true meaning for our lives and for our future behind new terms like SFEM, SAP and DFRRI?

To find out all this, we have to embark on a journey. This journey can take us far back, even before independence, 27 years ago. But we do not have to go that far back for this, at present. Let us just look back over the last seven years of this decade of the nineteen eighties.

When, on Wednesday, 9th January 1980, Alhaji Shehu Usman Aliyu Shagari stood confidently before the nation as its first democratically-elected executive President and Commander-in-Chief of the Armed Forces, to report on his first one hundred days in office, he said: "We have during the last 100 days witnessed a tremendous improvement in our economic situation ....Today I am happy to say that our financial position both internally and externally is improving steadily, which is a good sign of hope for a prosperous future."

Shagari was hailed and cheered for setting out this rosy picture. With crude oil prices rising from about \$19 per barrel in 1979 to about \$40 in 1980, all attempts to see beyond this shallow optimism was drowned out and shouted down.

On Thursday, 27th March 1980, Alhaji Abdulkadir Balarabe Musa, the Governor of Kaduna State in presenting his budget to the Kaduna State Legislature warned against this shallow optimism, saying about the Nigerian economy that: "This economy is not only under-developed, it is also not independent. The spectacular rise in oil prices and the glitter of assembly plants should not cover up the hard realities of the very low productivity of the economy, the acute poverty and want of most of the people and the power of other countries to determine the availability and prices of even the most essential food items in our markets and shops." But the powers in Lagos refused to listen. He was drowned out, shouted down and condemned by the ruling party as merely trying to stop money flowing, when wealth was available for all to benefit from and enjoy.

It was only when Chief Obafemi Awolowo, about sixteen months later,

returned from an overseas tour in mid-1981 and said that the economy was in trouble that the media took notice and the ruling party took up the issue.

One of the country's leading Professors of economics, from the prestigious University of Ibadan Economics Department, and one-time President of the Nigerian Economics Society (1979-80) Professor Emmanuel Edozien, serving as Shagari's Special Economic Adviser, came out to reassure the nation and said in a broadcast on 17th August 1981 that: "We have, irrespective of what our detractors may say, laid the foundations for the self-sustained growth of our economy."

Exactly two hundred and twenty six days after this confident assertion, Alhaji Shehu Shagari, in his capacity as the President of the Federal Republic of Nigeria (as nobody was allowed to forget in those days) summoned an emergency meeting of the two houses of the National assembly. This meeting took place in the morning of Monday, 19th April 1982. In a nationally televised speech, Shagari told the assembled legislators, ministers and other dignitaries, resplendent and glittering with heavily embroidered hats, gowns

and gold trinkets: "Distinguished and honourable members of the National Assembly, let me leave you in no doubt as to the gravity of the present situation...Our economic situation is serious and calls for urgent solution."

He tabled before the joint sessions of the two houses the Economic Stabilisation (Temporary Provisions) Act of 1982, which they passed in one minute, without any debate.

But the economy did not improve. Unemployment worsened, production declined. Essential services began to collapse. Salaries went unpaid, while inflation increased. The external public debts which stood at N1.6 billion in 1979, and had risen to N7.2 billion in 1982, rose another N3 billion to N10.2 billion in 1983. The urgent solutions were no solutions. The economic stabilisation measures were rapidly destabilising the economy.

On 18th April 1983, the Shagari regime formally applied to the International Monetary Fund for a balance of payments loan of N1.9 -

2.4 billion. The economy continued to decline. Shagari was returned to office in a paramilitary operation and media blitz called "elections" which produced a seaslide, to be followed a few months later by a landslide.

## J.M.B. Thrives, Nigeria Sinks

In its issue of December 5, 1986, the Financial Times of London published on page 28 a six months report of the trading activities of the J.M.B (Johnson Matthey Bank) - the London-based bank thickly involved in the much publicised scandalous rip-off of the Nigerian economy and people. The report reproduced below, shows how, in spite of its bad record, J.M.B thrives, making huge profits-while Nigeria sinks more and more into debts and debt-slavery.



Johnson Matthey

# STRONG RECOVERY CONTINUES

Results for the six months ended 30th September 1986

<b>OPERATING PROFIT</b>	<b>£27.4m</b>	<b>— up</b>	<b>34%</b>
<b>PROFIT BEFORE TAX</b>	<b>£21.6m</b>	<b>— up</b>	<b>106%</b>
<b>PROFIT AFTER TAX</b>	<b>£16.1m</b>	<b>— up</b>	<b>127%</b>
<b>EARNINGS PER SHARE</b>	<b>11.3p</b>	<b>— up</b>	<b>151%</b>
<b>INTERIM DIVIDEND</b>	<b>2p</b>	<b>— up</b>	<b>300%</b>



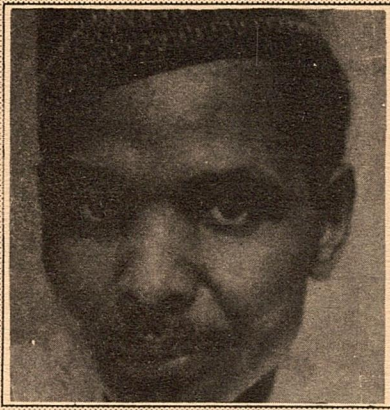
# Hard Times Ahead as Petroleum Prices go up in April

When last year the President, in his budget speech, announced a reduction of 80% in government subsidy on petroleum products, everyone knew it was just a question of time before a complete hands-off by government. The President himself confirmed such fears in his 1987 budget speech. Now the deed is done: by April, according to an announcement by Mallam Yusufu Mamman, Press Secretary to the Chief of General Staff, even the remaining 20% subsidy on locally marketed petroleum products will cease.

This means, in effect, an official 20% increase in the price of petroleum products as from April. Petrol (premium motor spirit), which now costs 40k per litre, will cost 48k per litre; kerosine, now 10.5 per litre will cost 12k per litre.

The government, in removing the subsidy, says it hopes to: save money (about N1.5 billion this year) for its rural development programme; stop the "cross-boarder" smuggling of petroleum products; harmonize prices; and reduce inefficiency in the allocation of resources. In Yusufu Mamman's words: "There are immense benefits to the larger society to be accrued from the complete withdrawal of petroleum subsidy."

What logic! It must be a warped sense of reasoning that sees "immense benefits to the larger



Alhaji R. Lukman  
Petroleum Minister

society" in hiking up the prices of petroleum products. Everyone knows that even the slightest increase in the prices of petroleum products leads to a rise in the price of just about everything else in the market. Transport fares will automatically jump up, prices of food items will follow suit, parents will have to pay more for the education of their children - all those and more in a country where already inflation is running riot and where the vast majority of the people are poor, undernourished, overburdened by taxes and levies and finding it increasingly more and more difficult even to survive. No, these official reasons are only a cover-up.

The truth of the matter is that the

removal of government subsidies is one of the IMF conditionalities and among the key pillars of the SAP (Structural Adjustment Programme) which the Babangida administration has been vigorously pursuing and which the 1987 budget was clearly fashioned to consolidate. As such, this removal of subsidies has to be seen not in isolation, but as part of a package, which include retrenchment of workers, privatization, devaluation, rescheduling and repayment of debts, taking of more debts to settle debts, and credit squeeze.

Viewed as a package, what all these amount to is: more hardships for the poor and more of everything to the development programme that it is claimed the removal of subsidies will help finance only means, in effect, a bonanza for the few rich to whom all the N1.1 billion worth of rural projects contracts and supplies will go. These few rich, and the "emergency" millionaires that the rural development programme is sure to create, will smile all the way to their banks, completely unhurt by the removal of any subsidies.

But all is not lost yet. There is still time to avert the impending disaster. The workers of this country can, and should, through their unions, make their opposition to this proposed removal of subsidies known in clear language to the authorities.

Alhaji Shehu Shagari's last public engagement was a budget ceremony. In his speech while presenting the 1984 budget to the National Assembly on Thursday, 29th December 1983, he announced that his regime was embarking on a structural adjustment programme. He said: "Given our present financial situation and the trend in the demand for oil, it is clear that a structural adjustment of the economy is imperative. To this end we have taken a number of measures."

The six key measures he announced as forming this structural adjustment programme are: securing of World Bank structural adjustment loan; securing of I.M.F. balance of payments loan; repayment of rescheduled short-term debts; charging of new or higher fees for public services; and reduction in public expenditure. Retrenchment and the devaluation of the naira were implicit

and inclusive in these. It was made quite clear at that time that the reduction of public expenditure was going to involve large-scale retrenchment to be embarked upon early in 1984. The devaluation of the naira and liberalisation of trade or massive increase in the volume of imports were also assumed to be imperative, particularly in order to secure the I.M.F. and World Bank loans and reschedule the external debts.

Before Nigerians had finished reading Shagari's 1984 budget speech and seeing clearly what the Structural Adjustment Programme he was proposing meant, he was overthrown. But within one week of his overthrow the new head of the Federal Military Government made it clear on Wednesday 4th January 1984 that they were going to continue on the structural adjustment path as defined in Shagari's last budget speech. By

April 1984, the Buhari regime produced the Blue Book, its statement of its objectives, policies and programmes, which set out in detail how the structural adjustment programme was to be imposed. However, even before the Blue Book, the new regime had, within one week in office, begun to brutally enforce some of the key pillars of the structural adjustment programme, in a way which the Shagari regime was too weak to do. These were the large-scale retrenchment of workers, the savage imposition of taxes, levies and fees in all forms, demolitions and continued search for IMF and World Bank loans, alongside the repayment and rescheduling of the external debts. Twenty months of this intensive and brutal repression did not lead to the revival of the economy. A handful of top military officers, ministers, top civil servants, traditional rulers, company directors

COVER

and dealers in essential commodities became millionaires overnight. But the economy, beyond superficial fiscal improvements, continued to worsen and life became harsher and harsher for the majority of the people of all classes.

On 27th August 1985 widespread popular opposition to this regime and particularly its method of enforcing the structural adjustment programme came together with conflicts among the top military brass, in the context of a worsening economy, to lead to another military coup. By August 1985 the path of structural adjustment laid out under Shagari which the Buhari regime followed had brought it to the same dead end. General Buhari's castigation, on Wednesday 4th January 1984, of the Shagari administration as "a handful of Nigerians whose main interest was not only to perpetuate themselves in office at any cost, but also to share among themselves the wealth of the country while the ordinary man wallowed deeper and deeper in misery", had, twenty months later, come to aptly apply to his own regime.

The new head of the Federal Military Government, General Ibrahim Babangida, confirmed what most Nigerians felt in their stomach, their bones, and all aspects of their daily lives. In his first address on 27th August 1985 he said: "The last twenty months have not witnessed any significant changes in the national economy. Contrary to expectations we have so far been subjected to a steady deterioration in the general standard of living, and intolerable suffering by the ordinary Nigerians has risen higher, scarcity of commodities has increased, hospitals still remain consulting clinics, while educational institutions are on the brink of decay. Unemployment has stretched to critical dimensions."

But instead of embarking on a new path to economic recovery, since the structural adjustment programme set out under Shagari, and brutally enforced under Buhari, has clearly failed after almost two years, the Federal Military Government under General Babangida sought to ease the repression, consolidate the programme, and continue with it.

The 1986 and 1987 budgets under

this regime contain some new policies, particularly those on the development of rural roads and rural infrastructure, and unemployment, which make it appear different from the earlier structural adjustment budgets under Shagari and Buhari. Special programmes such as these take up to about N1.1 billion of the federal budget.

But because the foundation, content and direction of the budget is the same as these earlier ones, even these laudable programmes have very little chance of bringing about any economic recovery.

The core of the structural adjustment programme which the 1987 budget consolidates are:

rescheduling and repayment of debts; World Bank structural adjustment loan; privatisation; retrenchment; deregulation; devaluation; and credit squeeze.

The repayment of these external and internal debts, privatisation, deregulation and devaluation all



Chu Okongwu, Finance Minister

involve entrenching the power of those who are rich and particularly those who are both rich and have powerful local and foreign connections. These people will be the ones who will siphon away most of the money to be sunk into rural roads and rural infrastructure. The payment of fictitious debts to contractors and suppliers who never constructed or supplied anything to anyone is entrenching contractocracy which these forces have built as the core of power and wealth in this country.

Moreover, the budgets of the federal, state and local governments have to be seen together. While the

federal government has allowed some adjustments in the PAYE (Pay As You Earn) load on wage and salary earners, it has lifted EIGHT specific taxes, duties, restrictions, levies and payments on businessmen and companies, as follows: import levy reduced from 30% to 6.02%; import duty on transport items, newsprint, and iron products, etc. reduced by about 5-10%; advance payment on import duty cut from 100% to 25%; retention of export earnings raised from 25% to 100%; complete exemption from import duty, indirect taxes and charges for all exporters; personal income tax reduced, particularly for those who earn above N30,000 or who own shares in companies; company income tax reduced from 45% to 40%, and capital allowances increased; and the air travel levy abolished.

When these extensive tax cuts for the rich are seen alongside the very heavy burden of poll taxes, cattle taxes, 'development' levies, market fees, and all sorts of fees on crafts, trade and even cultural activity, which the states and local governments have in their 1987 budgets imposed on peasant farmers, workers, artisans, craftsmen, herdsmen, fishermen, hunters and petty traders and small businessmen, it should be clearly seen whose budget this is. (See this issue of *The Analyst* on President Babangida's Tax Relief)

Moreover, since most of those who are going to benefit from the tax cuts do not consume Nigerian-made products, and are not going to significantly lower the prices of these Nigerian-made goods for those who consume them, the home market is being further squeezed. For, those who constitute this home market have lower income and cannot afford to buy as much as before. Already, factories that have revived production cannot find a market for their goods in Nigeria, and are not making any significant reductions in the prices.

The 1987 budget amounts to a consolidation of all the major elements of the structural adjustment programme. It much more clearly than others sets out to cover all these major elements. It also brings out the key role of debt in the whole exercise.

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Although it was in April 1984 that the Federal Government appointed the Chase Manhattan Bank to examine the validity of short-term external debt claims against Nigeria, only about 10-15% of these claims have been verified. By August 1985 Chase Manhattan had examined 217,000 debt claims on short term trade arrears. It was only able to verify 24,490 of these claims. That is only 11.2%.

In fact, over the verification of all of Nigeria's external debt, the Minister of External Affairs Professor Bolaji Akinyemi told *Newswatch* of 3rd March 1986, in an interview in London, that: "In any case as at December 5th (1986) only about £2 billion of the £16 billion debt they are talking about has been verified. If the West that is so computerised cannot come up with documentation to show how much we owe them, then on what basis are they basing the figures anyway?"

The Minister of Finance Dr. Chu Okongwu himself confirmed that up to now the external debt claims against Nigeria are unreconciled, unverified, and unaccepted. But the federal government, undeterred, is paying the sum of N3.958 billion as interest on external loans this year! This is 36.8% of the total federal recurrent budget. It is also paying a sum of NO. 932 billion for the principal, amounting to 13.8% of the federal capital budget.

Central to the 1987 budget therefore is the repayment of a total of N4.890 billion of the federal budget of N17.503 billion for external loans which are merely unverified claims.

In fact, the authoritative magazine, *International Business Week*, of 3rd October 1983, has estimated that out of the \$8.00 billion of new debts Nigeria entered into in 1979-82, 75% went through capital flight into private numbered accounts, the purchase of Eurobonds, real estate and other forms of investment abroad. Out of the nine developing countries the magazine surveyed, namely Nigeria, Mexico, Venezuela, Argentina, Indonesia Brazil, Egypt and the Philippines, Nigeria had the worst record of capital flight from her debts. The average proportion for all the nine for 1979-1982 was 52.2%, but for Nigeria it was 75%. With

these facts clearly brought out on what grounds does the government sink so much of our resources into external debt repayment?

In addition, as the International Monetary Fund's own records of what they call "Cross-Border Bank Deposits of Non-Banks" show in its publication *International Financial Statistics* of Sept: 1986 the direct investments and bank deposits of Nigerian citizens and companies abroad were as shown in the table below:

Nigeria's Direct Investment and Citizen Deposits Abroad: 1981 -85 (in billion U.S. dollars)					
	1981	1982	1983	1984	1985
Direct Investment	0.534	0.430	0.345	0.281	0.353
Bank Deposits	1.540	1.380	1.380	1.170	1.440

Source: *International Financial Statistics*, Vol xxxix, No 9, September 1986, pp. 6163 and pp. 370-71



Shagari

These figures are obviously an underestimation as the figures for the flight of capital show. The I.M.F., for its own reasons and because of the banking secrecy laws in Switzerland and other countries, is only recording a small proportion of these deposits. But small as they are, they raise a very central question about the legitimacy and morality of the whole structural adjustment programme which is anchored around the repayment of debts which are "unverified, unreconciled and unaccepted", in the words of the Minister of Finance himself when he explained the details of the 1987 budget on Friday, 2nd January 1987.

This whole debt-collector syndrome which the government has sunk into extends to internal debts as well. The

Federal Military Government has set aside N700 million to pay the debt claims of contractors and consultants. This is very strange because in August 1985 the Federal Government itself established the Debt Settlement Committee chaired by the Assistant Accountant-General of the Federation, Mr. Adebisi Solano, and made up of five others namely: Lt. Colonel B.A. Jaiyeola, Wing-Commander C.C. Nnabuikwe, Mr. F.A. Ogunjumelo, Mallam S.D.Umar and Mr. A.O. Oni.

This committee was faced with claims of N7.186 billion by contractors and consultant against the Federal Government. They issued a fresh call for claims, and when all these came in the total claims fell to N2.0 billion!

In the words of its Chairman, when presenting their report to the present Minister of Finance, Dr. Okongwu, on Thursday, 14th August 1986: "After careful examination of all claims submitted to us we are satisfied that actual naira debts owed sundry contractors and consultants as at March 31st 1984 was under N300 million."

The Minister of Finance Dr. Okongwu expressed his happiness at the fact that these debts are not as high as the claims. Out of N7.186 billion, about 96% could not be verified. But what is very significant is that the findings of the Solano Committee exposed as false the report of the Ogwuma Committee established by the 157th meeting of the Nigerian Bankers Committee which reported in 1986 that this form of debt against the Federal Government was up to N7.2 billion.

In spite of these crucial findings of the Solano Committee which are consistent with all the other commission and tribunals which investigated such claims, like the well-known Awoniyi Judicial Commission of Inquiry of Niger State, the Umaru Eri Judicial

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Commission of Inquiry in Benue State, and the Muhammed Nazif Panel in Bauchi State, the Federal Government has succumbed to the powerful interests behind the structural programme, in this case personified by Paul Ogwuma, Managing Director of Union Bank, and Emmanuel Olowo Okere, President of the Civil and Building Engineering Contractors Federation of Nigeria.

In fact, all state governments are diverting a substantial proportion of their budget to pay these debts, even those unverified, or verified to be false.

It is important to understand how damaging to the economy and how exploitative, and even immoral, these re-payments are. For it amounts to extorting money from the poor, many of whom can barely sustain themselves, to pay to the same rich contractors, consultants and bankers who wrecked this economy and caused all this suffering in the country.

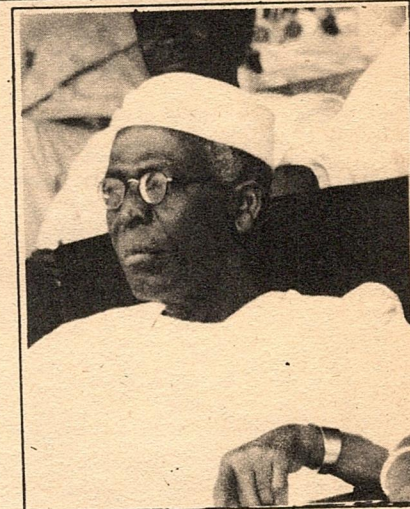
How can one justify the Sokoto State Government's action of collecting in 1984, N9.718 million from poll tax (haraji); N1.153 million from cattle tax (jangali); N1.724 million from court fees; and even recovering N134,000 from loans to mixed farmers, and using all these to pay N23.55 million to contractors consultant and middlemen who not only do not pay any tax on a serious scale, but were central to the wrecking of the economy?

The 1987 budget should not therefore be seen in isolation. It should be seen as a consolidation of the structural adjustment which President Shagari, who presided over the wrecking of the economy, embarked upon. As we show in other articles on privatisation and on how Nigeria is sinking into more debts to pay debts, this path will not lead to national economic recovery, but to national economic slavery.

It is, infact, believed in many quarters that many dubious contractors, middlemen, consultants and bankers are, together with the public officers responsible for the payment of these external and internal debts, making millions. We are reliably informed that a new type of middlemen has emerged specialising in arranging this type of rip - off of the Nigerian people and



Abdulkadir Balarabe Musa



Obafemi Awolowo

the Nigerian economy. Even the renegotiation of the so-called external debt with the London Club involved a big rip-off in the form of negotiation fees of about \$36.0 million (over N100, million).

On the payment of this fee, the Federal Government has now got the repayment of these largely fictitious debts rescheduled to start in 1990 and 1992. This could have very serious consequences for peace and stability

in Nigeria, considering that 1990 is the year the present military government planned to return the country to civil rule. With the country's debts mounting daily, the question must be asked whether a civilian government to which power may be handed over in 1990, can cope with the situation.

By Yusufu Bala Usman, Sanusi Abubakar, Rufa'i Ibrahim, and Iyorchia Ayu



## False Hope for Job Seekers

If the seriousness and concern which a government, any government, attaches to a problem is to be gauged by the regularity with which that problem crops up in official utterances, then the problem of unemployment in Nigeria (put, conservatively in official circles as standing at six per cent of the labour force and affecting some three million) certainly qualifies as one that is considered very grave by the present administration. In his budget speech President Babangida referred to this problem specifically more than six times. And while launching the newly - created National Directorate on Employment in Lagos late in January, the President spoke of unemployment as "a gross under-utilization of human resources which could not be ignored by any serious government."

Having thus identified unemployment as a serious problem, the administration's strategy for dealing with it - as may be gleaned from both President Babangida's budget speech and his speech at the inauguration of the new Directorate on Employment - is made up of four components.

The first component of this strategy involves "the use of direct labour by the Federal, State and Local Governments" in the country for the execution of public works like road construction, bridge building, classroom erection etc.

The second component of the strategy consists of the retraining of presently unemployed persons to enable them acquire vocational skills. The goal here is to prepare such people either for future employment in the formal sector of the economy or for eventual self-employment.

The third component of the strategy involves assisting those unemployed persons "who have bright ideas that may lead to their self-employment" with management advice and "liberal" access to credit facilities. Towards this end, the government has already established a job-creation loan guarantee scheme' with the sum of N30 million.

The fourth and final component of the strategy involves the promotion

of labour-intensive agriculture. Those unemployed persons interested in agriculture would be trained and provided with land and loans to engage in agricultural production under close supervision.

The underlying philosophy which informs the entire strategy is, for lack of a better phrase, a boundless faith and enthusiasm in the innate goodness and essential efficacy of the private sector and in private enterprise, which is seen to hold the key to the resolution of the country's unemployment problem.

In his introductory remarks in the budget speech, President Babangida states: "... 82 per cent of the foreign exchange sales (at the 2nd Tier Market) had gone to the industrial sector, consisting of 50 per cent for



*Brigadier Nwachukwu, Minister for Labour and Productivity*

industrial raw materials and 32 per cent for machinery, spare parts and C.K.Ds. Some of the ensuing imports are beginning to arrive; and as renewed economic activities gather momentum, the relief from reduction in the level of unemployment and from increased output and supplies will become more noticeable." For industrial sector, read PRIVATE sector!

Similarly, in justifying government's decision to set aside N932.250 million for external debt repayment, and N700.00 million for settlement of domestic debts, the President argued that this was "with a view to stimulating national

economic activity and generating more jobs."

Again, later on in the course of the same budget speech the pious hope is advanced that "following the settlement of substantial portions of certified public debts to contractors, suppliers and consultants, the re-activation of public works is expected to be accelerated and thus stimulate the demand for labour."

But pious hopes and wishes aside, what real chances are there that these measures, either singularly or in their totality, will have any significant or salutary impact on the high rate of unemployment in the national economy? To be honest, there are none whatsoever.

To begin with, let us examine the first component of the administration's strategy, i.e., that of employing direct labour for the special public works programme. In the first place, the total number of people that would be so engaged is bound to be negligible. Indeed, for the whole country, provision is made, under this strategy for the absorption of only 20,000 people. Twenty thousand out of a grossly underestimated unemployed population of three million, and an unestimable *armada* of under-employed and semi-employed millions in the villages and towns where many do no more than hawk kolanuts or groundnuts, is, to say the least, negligible. It is tinkering with the top-most tip of a huge iceberg.

But that aside, there is also the basic contradiction in the government, on the one hand, building its entire strategy for job creation principally on faith in the private sector and private enterprise and at the very same time prescribing public employment as antidote for unemployment.

Were the government genuinely interested in using direct labour on public works as a strategy for ending or at least seriously curtailing the country's high unemployment rate it would have acted on an advice freely given a couple of years back in *The Green Paper On The State of The Nigerian Economy*, which it has access to. That advice in part called

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on the government to "establish limited liability companies... with government majority of shareholding and with selected teams of professionals, technicians and workers, who collectively hold the minority share, drawing a salary and getting a bonus, and re-investing all profits. These agencies... shall eliminate from the Nigerian construction and distribution industry all those parasitical middlemen and touts, with no skill, capital or capacity, beyond contacts, known as contractors."

As with the direct labour component, so with the skills component of the government's strategy against unemployment. Here again, the number that would benefit is small: only 50,000 this year. And even this is rather on the optimistic side as the Employment Directorate has presently no facilities for carrying out this training.

But even more serious is the fact that training unemployed people to acquire vocational skills merely begs the problem of unemployment. It does not provide solutions to the problem. What happens after your trainees would have acquired the vocational skills? Do they go back to the unemployment queues? They would certainly not automatically become employed either in the formal or in the informal sector as self-employed, for even right now there are several thousand unemployed people possessing these vocational skills.

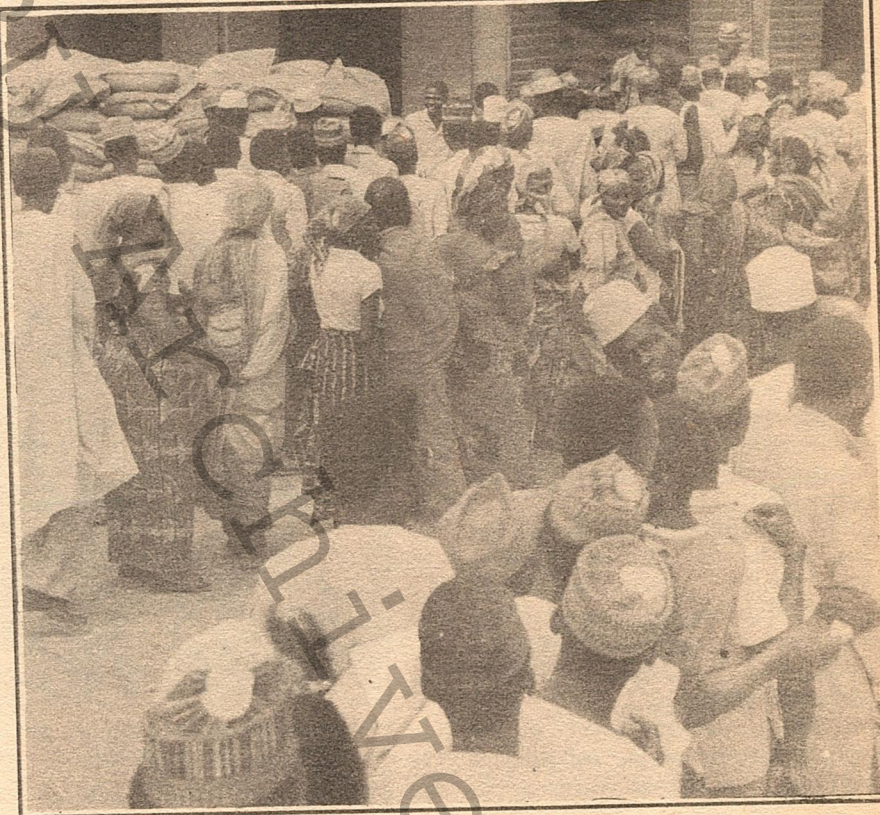
But perhaps the most worthless and, in the long-term, dangerous component is the third which promises "liberal credit facilities for those unemployed youth with bright ideas". It's worthlessness lies in the fact that with bank interest rates running presently at around 15 per cent only a moron hell-bent on a suicidal course or an outright imposter would borrow from the banks for small-scale business. Either way, this can hardly be an antidote for the country's unemployment crisis. The danger lies in the evident,

even if as yet unspoken, attempt, by way of this component, of developing a crop of young, aspiring and ambitious Nigerians that would be pathologically committed to free enterprise and who would form an effective bridgehead in imperialism's efforts to thwart any progressive transformation of the Nigerian economy and society.

The percelling out of farmlands to those unemployed persons who wish to farm is the fourth component - and it is not a new one at that. Since 1984 several states have

providing solutions to the unemployment problem. This is so because free enterprise itself thrives on unemployment. The more people are unemployed, the more the capitalist owners of firms and enterprises are able to depress wages and increase their own profits. Besides, the anarchy and planlessness which attend capitalist free enterprise militates against planned utilization and development of a country's labour force.

This is why whereas socialist countries have long since eliminated



What hope for these job seekers?

experimented with it, all with limited success. Most of the unemployed engaged in that scheme see it merely as a stepping stone to something more worthwhile; and who would blame them? Modern agricultural practice on such small scale as a private enterprise has never ever proved profitable anywhere. Nigeria cannot be an exception.

The critical point to appreciate is that free enterprise or capitalism, by its very nature, is incapable of

the problem of unemployment in their domains, well over 25 million people are permanently unemployed at any one time in the O.E.C.D countries (i.e. the industrialized capitalist-oriented countries). Perhaps, nothing more illustrates the poverty of free enterprise. It is an illustration which should not be lost on the working men and women of our dear country.

By Richard Umaru.

# IBB's Tax Relief Measures: Whose Bonanza?

Personal income tax reliefs are intended to reduce the burden of taxation on a tax payer. These reliefs, theoretically at least, are supposed to be graduated according to one's responsibility and income. For example, a married man with children should, under normal circumstances, have more financial responsibilities than a single man who earns the same salary. Which is why a married man with children should enjoy more income tax reliefs than an unmarried or childless person.

This relief is given by exempting a certain portion of one's earnings from taxation. The proportion that is so exempted will vary depending on the extent of one's responsibilities and income. The higher the responsibilities and the lower the income, the greater the proportion of income that is made tax free.

The 1987 budget which President Babangida announced on the 1st of January contains provisions which purport to increase the personal reliefs of the Nigerian tax payers. It also contains provisions for the reduction of the maximum tax rate from 70 to 55%. This latter provisions are intended to, encourage foreign investors, encourage exports and promote higher productivity within the economy.

On the whole these provisions of

President Babangida's 1987 budget, as far as tax reliefs are concerned, obeys that biblical injunction which says "to him that has, more shall be given and to him that has less, the little that he has shall be taken"

the 1987 budget as regards tax reliefs have generally been seen as a welcome generosity on the part of the present administration. In fact, the popular press has even dubbed this as a "tax bonanza". But is this tax package contained in the budget speech really a bonanza? If it is, whose bonanza is it? The answers to these twin questions are simple. It is certainly a bonanza, but not a

the recent increases in Personal Relief do not benefit the lower income groups, since they will still be paying the same amount as tax as they were paying the previous year. As far as they are concerned, there is no reduction of tax burden in any form

bonanza to the ordinary worker. It is a bonanza only to the bosses, and the rich and the powerful, the real big fishes, in the society. Another case of "monkey de work, Baboon de chop". Let us see how this is true in reality.

First, let us examine the real implications of these tax reliefs for those workers in the public sector of the economy who are on salary grade levels 01 - 07. That is to say, labourers, messengers, typists, primary school teachers, some nurses, clerical officers, executive officers; reporters, *et cetera*. For these workers the increases in the personal income tax reliefs mean nothing. The highest earner in this category earns a maximum annual salary of less than N6,000.

Consider, for example, a grade level 06 salary earner, whose bar is a salary of N2,994 per annum. Going by the new tax reliefs or so-called, '87 Bonanza, he is theoretically entitled to a maximum relief of N3,700 which is N706 more than his annual income. Ordinarily, this would mean that he is not supposed to pay a single kobo of taxation at all. But this is not the case in reality. The Finance Tax Act stipulates that the minimum tax a worker is to pay is one per cent of his salary. What this means is that even a grade level 01 worker must of necessity pay at least one per cent of his income as tax. For our level 06 officer, this one per cent works out to N29.94 per annum or N2.495 per month. It can therefore be seen that the recent increases in Personal Relief do not benefit the lower income groups, since they will still be paying the same amount as tax as they were paying the previous year. As far as they are concerned, there is no reduction of tax burden in any form.

But what is the situation with those public office holders earning much higher and even up to a maximum of N20,000 per annum? The new tax relief entitles them to an untaxable N3,700 plus 12½% of any annual income of excess of N6,000 per annum. In other words, if one is earning N20,000 per annum, then he has additional N1,750 added to his N3,700 as income that would not be subjected to taxation. This makes his total tax relief come to N5,950 per annum. Last year his total tax reliefs amounted to only N4,650. This means he has been granted a total tax relief in the current 1987 bonanza of N800 over and above what was allowed him last year. Put another way, last year he paid a tax of N3,800.50 and this year he would pay only N3,592. He therefore enjoys a tax bonanza of N297.50 this year. This works out at N24.75k a month; perhaps just enough to fuel his car

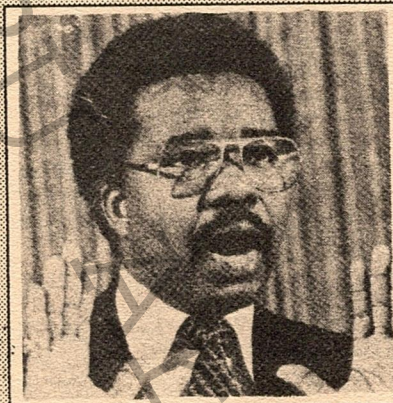
## The Politics of Budget '87

Is it a coincidence or part of a design that 1990, the proposed year of return to civil rule in Nigeria is also the year when, it is now agreed, repayment of the country's huge rescheduled debts are to commence? Is someone trying to fool us?

To help you answer the question, something to refresh your memory. In mid 1984, the Buhari regime, in its usual crude fashion, announced a ban on all political discussions and the future of Nigeria. That ban, properly read, was the first flashed signal of an important development. And many Nigerians were quick to get the message: it was the regime's (or rather the military's) way of telling us bloody civilians - all 100 million of us - that the future belonged not to us but to our military (which is only 120,000 strong). Two years later, in June, 1986, the new administration of President Babangida, clamped a ten-year ban on all active Second Republic politicians. The message, as far as many Nigerians were concerned, was the same as that of the 1984 ban on political discussion. Both bans

amount to a recipe for perpetual military rule.

And now, against this backdrop, consider the 1987 Federal budget. Many analyses of the 1987 budget seem agreed on one thing - that, everything taken into consideration, the budget amounts to a consolidation of the Structural Adjustment Programme SAP. Correct analysis. But there is much more to it than this. Take the debt issue, which is so central to this budget. A



\* Akinyemi - Questions West's claims

frighteningly big chunk of this N17,503 billion budget is billed to go into repayment of external debts. Payment on interests alone will take a whopping N3,958 billion (36.8% of the total Federal recurrent budget), while repayment on the principal takes N0,932 billion (13.8% of the capital budget). This means almost N5 billion (close to  $\frac{1}{3}$ ) of the budgetted N17.5 billion for repayment of external debts! Add to this the staggering amount of N700,000 which the Federal Government has already set aside for settlement of claims of our local contractors, suppliers and consultants.

Yet, these are debts (both the external and internal) whose exact amount no one - not even the supposed debtors themselves - can say for sure, and whose genuineness no Federal Government official seems willing to vouch for. President Babangida has never made secret his doubts on these debt claims. External Affairs Minister Prof. Akinyemi, in an interview with the *Newswatch* last

only once! So where does the bonanza lie? Truly speaking, the bonanza is for the super 'earners' who are generally outside the public sector. Here we are talking about the big fish; that is, those directors, managers and coupon dipping barons of the private sector - the most parasitic elements of the Nigerian economy and society. They are to be found in the Nigerian subsidiaries of multinational companies such as U.A.C., Shell, Mobil, the banking and financial institutions, consultancy firms and major contracting firms with say huge contracts in Abuja etc. The basic pay of these individuals normally ranges from N40,000 to N60,000 exclusive of dividends, allowances and other benefits and privileges like free car, free house, free medical care, free schooling for their children, paid holidays abroad, company paid

domestic 'slaves', guest houses where their mistresses wait for them e.t.c.

A Managing Director, in any of these companies would, on the average, be on a basic salary of about N40,000. In addition to this, he would receive a total of about N30,000 per annum as remuneration from perhaps three other companies of which he may be a director or a Chairman. Besides, he is entitled to a shareholding of 61,000 in the company in which he is the Managing Director. If last year, such a company declared a dividend a dividend of 15k per share to all share holders as at 30th June, 1986, he would earn an additional N9,000.

From the above, the total income of this Managing Director in 1986 would have amounted to N79,000. He would have paid tax in 1986 on N66,975 of this total income. Put differently, this Director would have

paid a total tax of N36,132.50 last year. But with the new tax bonanza for the 'baboons' declared in this year's budget, this Managing Director would this year pay a tax of only N24,696.25. In another words he has a fat bonanza of N11,436.25.

But perhaps even more important and graphic is the fact that in this year's package for the super rich, dividends i.e. profit made from shares, would not, for the next three years, be subjected to taxation. What all this means is that President Babangida's 1987 budget, as far as tax reliefs are concerned, obeys that biblical injunction which says "to him that has, more shall be given and to him that has less, the little that he has shall be taken".

By Abubakar Siddique.



## NIGERIA

year (March 3, 1986) said only N2 billion of the N16 billion debts the West was claiming against Nigeria had been verified as at December 1985. And Finance Minister Chu Okongwu, in his budget explanation this year, said the external debts claims are "unverified, unreconciled and unaccepted." These official doubts apart, a Debt Settlement Committee, set up in August 1985 by the Federal Government itself established that out of the N7.6 billion claims by contractors and consultants against the Federal Government, only about N300 million - a mere 4% - was genuine. Besides, for good three years now, the Chase Manhattan Bank, appointed by the Federal Government to examine the validity of short-term external debt claims against Nigeria, has been unable to verify most of the debts.

But there are also other sources, not unknown to the Federal Government, which confirm the fraudulent nature of these external debt claims. There is, firstly, the JMB (Johnson Mathey Bank) Scandal, involving the swindling of Nigeria of over N1 billion. Secondly, and much more telling, there is the starting revelation in the *International Business Week*, (March 3, 1983) an authoritative magazine, to the effect that as much as 75% of the N8 billion new debts Nigeria secured between 1979-82 ended up, through capital flight, in some people's private numbered accounts and in the purchase of real estate, Eurobonds, and other forms of private investments abroad. Imagine - 75% of N8 billion supposed public debts in private hands! We could go on and on citing even more startling revelations but the point ought by now to clear:

these debts are largely fraudulent and point to a large-scale scandalous rip-off of the Nigerian economy.

Yet, in spite of this - in spite of these facts and figures and revelations from very reliable sources, including government appointed bodies - the Federal and state governments are clearly much more eager to repay these doubtful loans than they are prepared to verify them. Worse, the government is now having to take more loans to repay the debts. And, more to the point we have been trying to make, the government has now got the London Club, after paying to it a renegotiation fee of \$36 million (over N100 million), to agree to reschedule repayments on these fictitious debts - now estimated to be about N18 billion - to start in 1990 and 1992. Now, how else can one make sense of all this, except as part of a grand design for perpetual military rule?

Abba Dabo, in a column in *THISWEEK* (December 1, 1986) posed the question whether 1990 is doomed. The answer simply is that it is. Clearly, if current trends continue - with Nigeria taking more and more debts to settle debts and sinking deeper into debt-peonage, it is either that there will be no civil rule at all in 1990 or the whole exercise will be a mere farce, a mere transition to another military take-over. For, by 1990, at the rate things are now moving, Nigeria's "debts" could reach the N50 billion naira mark, which will turn the country into a real debt slave. Every kobo earned in foreign exchange will go to service debts. Should this happen, what the military might be handing over to civilians in 1990 would be a bankrupt economy and a governmental system that is no

more than a debt-collecting bureaucracy. Which civilian administration can cope with such a situation - except the type that can mobilize the Nigerian people and get their backing to repudiate the loans completely? But just when will Nigeria have such a government?

But why the loud silence from especially our politicians-cum-businessmen? Have they not got the message yet? Are they just being too slow to react? Or are they party to the plan? Some of our professional politicians are perhaps too afraid to raise a voice, with the sword of disqualification dangling over their heads. But for our politicians-cum-businessmen, there is more than enough in Budget '87 to keep them busy and quiet. In the first place, the N700 million set aside for settling their largely unsubstantiated claims is like a big bonanza from heaven. In the second place, the almost N5 billion repayment of the dubious external loans is an even bigger bonanza for them. Thirdly, the budget has given them the most generous tax relief yet in our history. Fourthly, the budget promises a contracts and supplies galore of well over N1 billion. Fifthly, there is the privatization exercise - another major plank of the budget - through which they can, at give away prices, buy off lucrative public ventures and institutions. With all these, and more, why should they bother too much about how Budget '87 affects 1990?

For the rest of us however, there is much to worry about Budget '87. For, beneath its thick layers of figures, economic jargons, vapid phrases and pious hopes, is one clear but disturbing message: the military is here to stay.

guise of spreading risks and re-insurance are never repatriated back to Nigeria.

\*As insiders to these highly unpatriotic and anti-Nigerian activities especially at this difficult period in our country, the patriotic position of NUBIFIE have resulted into job losses, and blackmail of the union. Needless to say that we are always ignored in realm of profit-sharing.

.....now give Workers their share.

(See *Why They Want to Privatise Banks* overleaf)

Some Managements are exploiting our members.....

\*Because they are under establishments with almost limitless financial resources in a country where money is everything, they find it difficult to inform their fellow Nigerians about the pitiable plight of the workers.

\*The cost of maintaining two management staff in the financial institutions exceed the annual wage income of one hundred workers.

\*At the moment bad debts in this vital sector of our economy is almost

## NUBIFIE SPEAKS

two billion naira. This amount is enough to create jobs for all the jobless graduates in the country.

\*These so-called bad debts were all approved by the managements, who in turn made it impossible for workers, small farmers and businessmen to obtain loans.

\*Millions of naira sent abroad by the insurance companies under the

## Why They Want to Privatise Banks

One of the most important sentences in the whole of President Ibrahim Babangida's 1987 budget speech is the following: "Capital receipts of at least N30 million from the sales of Federal Government shares in banks, insurance companies and Breweries is expected in 1987".

Although this sentence was tucked away in a corner of the budget speech it touches on a very serious matter, with grave consequence for the future of this country, in all spheres of life. You will see, in the second item of this UPDATE column, how the controlling shares of Madara Limited of Vom, a well established and well-located diary products company were sold at a give-away price to a retired Military tycoon, in an exercise which can only be called Plunderisation and not privatisation! But what most Nigerians are not aware of is that this is only the mere tip of the iceberg.

The Structural Adjustment Programme which the government is implementing, in accordance with the direction of the I.M.F., the World Bank, the so-called external creditors of the Clubs in London and Paris and the governments of U.S.A. and U.K., has the privatisation of most public enterprises in this country as one of its core policies.

We have been reliably informed that a sub-committee of the Inter-Ministerial Committee on Privatisation chaired by the Permanent Secretary, Ministry of National Planning, Alhaji Abubakar Alhaji, submitted a report last November, in which it recommended the full or partial privatisation of ninety-one (91) Federal Government-owned enterprises!

Among the fifteen recommended for full privatisation are:-

- National Electric Power Authority (NEPA);
- Nigerian Ports Authority (NPA);
- Nigerian Airports Authority (NAA);

- Nigerian Television Authority (NTA);
- Federal Radio Corporation of Nigeria (FRCN);
- Teaching Hospitals;
- River Basin Authorities; and
- Research Institutes.

The report of this sub-committee has confirmed the fears of many that the government's Structural Adjustment Programme involves massive privatisation which by July, 1988 will amount to the sale of Nigeria; no more, no less! For, if NNPC, NEPA, NITEL, NPA, NAA and NICON are fully or partially sold to local or foreign tycoons, what is left of the country's physical assets?

Governments, at the Federal and State levels, have already started to



Alhaji Abubakar ... Recommends Privatisation

sell agricultural, commercial and manufacturing enterprises at give-away-prices, as will be illustrated in the case of Madara Limited of Vom. But why is it now moving straight to banks and insurance companies, particularly since these have proved very profitable, giving it, regularly, substantial revenue? Why?

Why is it that even the announcement to sell the banks and insurance companies in General Babangida's budget speech has not staisfied the gurus of structural adjustment like Mr. Ola Olashore, Managing Director of The First Bank? For, Mr. Olashore, who since his rise

in 1984 from Managing Director of IBWA to head the country's largest bank, seems to have lost any patriotism that he ever had, is now one of the most vocal and arrogant spokesmen for the multinational banks and Corporations in this country. He has come along way since October 1983, when he exposed the way billions of naira of the Nigerian economy were being siphoned through the fictitious imports, which the Johnson Mathey Bank scandal confirmed.

Speaking before the monthly luncheon of the Nigerian - American Chamber of Commerce at the Ikoyi Hotel on Sunday, 18th January 1987, Mr. Olashore let the cat out of the bag over why the privatisation of the Banks is coming now and the forces and factors involed. He said: "That only a passing reference was made to privatisation tends to give credence to the view of some commentators that the government is either unable or unwilling to embark on this laudable course." Mr. Olashore then warned the government that: "Perhaps it is pertinent to add that efforts in the direction of reflating the economy will come to nought if we do not squarely face the disengagement of government from those parastatals that have been adjudged ready for privatisation."

Mr. Olaashore, chose his words carefully, although, it is clear he did not say all that he wanted to say. What he, and his type, and their foreign masters really want is that the government should go straight ahead and sell-off its shares in the Banks and Insurance companies to them. With these banks in their hands, they can arrange, by juggling figures around, to "buy" the rest of the strategic commanding heights of the economy like NNPC, NITEL, NPA, etc.

As can be see in the table below, which gives the raw figures of the Federal Government shareholding in the big-four Banks with total assets of over Sixteen billion Naira, the control of these four (4) banks alone, will enable the Nigerian Bourgeoisie and their foreign masters to grab the rest of the commanding heights of the economy.

# MADARA LIMITED: Sold Out or Given Out?

Until one and half years ago, privatization - the sale of public enterprises and ventures to private individuals and interests - was only an item on the agenda of public debate in Nigeria. All through this first term in office during the second Republic, for instance, ex-President Shagari and his crowd did not push the issue to the front burner of public and official concern. And this in spite of the fact that there were countless wolves in his ruling NPN (National Party of Nigeria) who had their greedy eyes on, and the means to buy off, many lucrative public enterprises if these came up for sale. Only during his short-lived second term did the issue begin to receive serious official attention. The transition committee he set up after his re-election in 1983, under the chairmanship of Alhaji Adamu Ciroma, recommended privatization as part of a package aimed at revamping the ailing economy.

The issue, however, received more serious official and public attention during the twenty-month old Buhari administration. But ex-leader, (Rtd) General Buhari, with all the commitment of his administration to the SAP (Structural Adjustment Programme), adopted a cautious approach to the issue. At first he dilly-dallied on it; then later he decided to set up a committee to examine the issue and make

recommendations to his government. Close to the end of its tenure however, the Buhari regime had reached a firm decision: No Privatization.

August 27, 1985, however, changed all this. Ever since the present regime came to power after a military putsch staged on that day, privatization has become a major plank of economic policy at both the Federal and State levels. Today, almost everything under the sun in Nigeria-except, of course, the machinery of government at both the Federal and State levels - is up for sale. NEPA (National Electric Power Authority), NNPC (Nigerian National Petroleum Corporation), Nigeria Airways, NITEL, Nigerian Telecommunications Limited), FRCN (Federal Radio Corporation of Nigeria), and many other public institutions and ventures are now up for grabs, either partially or in full. And as Nigerians have always feared, these institutions and ventures are being sold out on a selective basis and at giveaway prices. Nothing illustrates this fact, and exposes the behind-the-scenes politics of privatization, better than the case of the Vom-based diary and milk company, Madara Limited, which was one of the first Federal government concerns to be "sold" out.

Just why was Madara Ltd. sold? How did the negotiations

As these figures show, there is no economic, political, legal or moral justification for the Federal Government to sell even one Kobo of its shares in the Banks and Insurance companies, beyond sheer greed and the desire of the Olashores to serve their foreign masters and reduce the rest of us to peons and slaves in our own motherland. The big four banks

listed here, gave the Federal Government a revenue of N270.7 million in the five years (1981-1985) from an investment of about N145.0 million! Which businessman or Banker will sell an investment that is so profitable? Moreover, this investment of only N145.0 million gives the Federal Government ownership of banks whose reserves

were N315.6 million in 1985 and whose total assets were N16.027 billion!

Infact, what is not clear in President Babangida's speech is how and why only N30 million is to be realised from the sale of Federal Government shares in Banks, Insurance Companies and Breweries, when these shares in the First Bank alone are now worth well over N500 million at their Commercial value!

These and many other questions have to be raised and answered and the people of Nigeria have to rally around the stand of the Nigerian Labour Congress and of the National Union of Banks, Insurance and Financial Institution Employees (NUBIFIE) who totally reject all privatisation, including the privatisation of Banks. As Mallam Ibrahim Halilu, the National President of NUBIFIE said at the last Bauchi State delegates' conference of the union, privatisation is "deceitful and unpatriotic" and the bank workers are prepared to fight it to the last. The NUBIFIE poster we re-produced on page 17 of this issue sets out some of the other raw facts and figures as to why they want to privatise the Banks.

THE RAW FIGURES:  
(in millions of naira)

	Total Share Capital	Federal Govt Shares	Foreign Shares	Private Nigerian Shares	Total Reserves	Total Assets	Net Profit 1981-85	Federal Govt. Share of Profits
1. First Bank	86.1	44.8%	38%	5%	87.5	5,052	166.0	74.0
2. U. B. A.	75.0	45.7%	40%	14.24%	134.0	4,802	144.2	65.0
3. Union Bank	54.4	51.6%	20%	28.33%	152.4	4,370	163.3	83.0
4. I.B.W.A.	70.0	60%	40%	-	41.7	1,803	81.3	48.7
Average (Average)	285.5	50.52%	34.5%	11.89%	315	16,027	554.8	270.7

Source: Nigerian Banking Annual, 1986  
Alfa Communication, Lagos, 1986

UPDATE

for the sale go? And why was it sold to the buyers at a particularly low price?

But, first, some background information about the company. Madara Ltd. has quite an interesting history. It came into existence at the start of the Second World War in 1939. Then called Vom Dairy, it was established primarily to process butter for the British Army. Later, under a new name, the Nigerian Creameries Ltd., and in co-operation with UNICEF, it went into the manufacture of an infant food called ARLAC, which, though quite successful, was found to be a health hazard. Production was thus halted in 1967 and the company then went into voluntary liquidation. It was not until 1972 that the former Nigerian Livestock and Meat Authority (NLMA) and the now defunct Benue-Plateau State began to take an active interest in the company with a view to reviving it. In 1974, after extensive negotiations, Madara Limited was incorporated, with the Federal government holding 80% shares and the Benue-Plateau (later Plateau) state 20%.

Since then, Madara has been going through many ups and downs - now in full production, now producing only at half capacity, and some other times off production completely. The 1981/82 period was, however, a particularly good one for Madara. In 1981 the company recorded, for the first time in its history, a positive balance, and in the first 9 months of 1982 it recorded, again for the first time ever, a profit of a quarter of a million naira. Then came August 1983, and the shortage of raw material forced a halt in production.

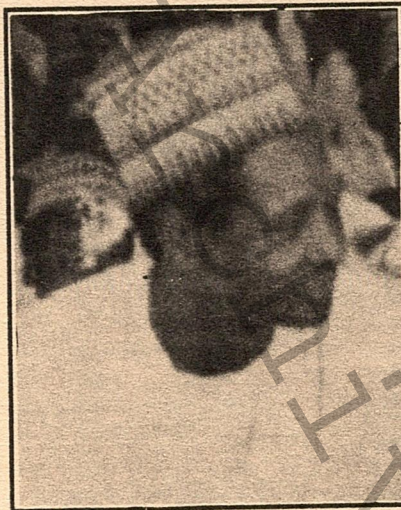
Madara is situated on a 19 acre plot, about 25 kilometers from the centre of Jos, along the busy Vom road, on which are located many other institutions like the Vom Veterinary Research Centre, NIPSS (National Institute for Policy and Strategic Studies) and the Federal Soil Conservation Research Centre. When Madara is in full production, five products roll off its Dannish machines, namely: Youghourt (which accounts for 90% of the capacity); Pasteurized Milk; Long Life Milk (in form of whole milk and Chocolate Milk); Butter; and cream. It has a

capacity to produce 20,000 litres of these items per day.

Its raw materials are: Skimmed Milk Powder (which has to be imported); sugar (which can be obtained locally); cow milk (which is obtained from the cow Fulani); and packaging materials (all of which must be imported).

The plant at Madara was renovated by DTD (Dannish Turnkey Dairies) of Aarhus on a turnkey contract basis. But the major contractor for all the company's purchases of spare parts, raw and packaging materials is the Kaduna-based Dairy Project Limited, owned jointly by DTD and Lemaco (an outfit owned by Alhaji Lema Jibril, a major shareholder of the Funtua Northern Dairies and, not surprisingly, one of the bidders for Madara Ltd.)

But the politics of the acquisition of Madara is even much more interesting than its history. And



Gen. Yar'adua - What next?

very revealing. It was only last year that the sale of Madara was advertized and biddings called for. But the fight to corner the company started far back in 1984 and became fierce in 1985, during Buhari's tenure. Among the major interests and forces eyeing and scheming to get Madara during this period were: Major-General Joseph Garba (who wanted to add it to his fish farm business); NASCO (the biggest business concern in Plateau State); SHINCO (a Jos-based company); WAMCO (the Peak Milk producers based in Lagos); U.A.C (united African Company); Alhaji Lema Jubrilu (of Lemaco); and (retired) Major-General Shehu Yar'adua

(through a company called BIMA-HALAL Ltd.). Eventually, however, the other competitors pulled out, leaving WAMCO and General Yar'adua.

The retired general, our investigations revealed, initially pinned his hope of getting Madara on ex-leader Buhari. WAMCO, on the other hand, did extensive lobbying among the top hierarchy of the Buhari administration and the bosses at the Federal Ministry of Agriculture, which has responsibility for Madara. At a point, it looked like the deal was through for WAMCO, which offered N4.00 million while others were offering less than N2.00 million, and even bought land in Vom which it planned to use as a grazing field for the special breed of cattle it wanted to import. But Buhari's initial caution, and later blunt refusal to embark on privatization, dashed WAMCO's hope, and angered General Yar'adua - who was already unhappy with the then government's refusal to sell to him and his friends the NNSL (Nigerian National Shipping Lines). This was believed to be the main cause of the not too cordial relationship between Buhari and Yar'adua.

With the ouster of the Buhari administration on August 27, 1985, however, the fight for Madara resumed. But this time it was an unequal fight. General Yar'adua it will be recalled, was one of the first callers at Dodan Barracks after the August 27 putsch. And he never made secret his interest in Madara. Encouraged by the new set-up in Lagos, angered by WAMCO's offer of N4 million but ever determined to get Madara, BIMA-HALAL Ltd, fronting for General Yar'adua, pushed up its offer also to N4.00 million. (more than double what it originally offered), intensified its lobbying and, not unexpectedly, won the race. The prize: 55% of the shares in Madara - for which it paid N2.2 million. The Federal Government, through NACB (Nigerian Agricultural and Co-operative Bank) has 25% of the shares, while the Plateau State government retains its 20% shares.

Its task completed, BIMA-HALAL Ltd was taken over and made a subsidiary of the Yar'adua group of companies. Next, General Yar'adua went on a search for shareholders.

UPDATE

Hajiya Laila Dogonyaro, The Shagari appointed Board Chairperson of Madara was contacted but declined the offer. But Alhaji Yahaya Kwande, a Jos-based businessman chosen as a man on the spot, readily agreed and was given token shares in Madara. A few others were also invited by the General and given token shares.

Neither the workers nor members of management were given shares. One management staff interviewed by *The Analyst* said although he was not against privatization per se, he hated one aspect of it: the fact that the exercise helps to "make the rich richer and turn the workers into real slaves." Besides, as at the time of going to press, not all the Madara workers, who were owed 18 months salaries before the privatization, were paid all their salary arrears and other entitlements. Alhaji Yahaya Kwande himself admitted that 4 management staff were yet to be paid their entitlements. The Federal government which took responsibility for all of Madara's liabilities, has made available to the new owners an amount sufficient to cover all workers' outstanding salaries and

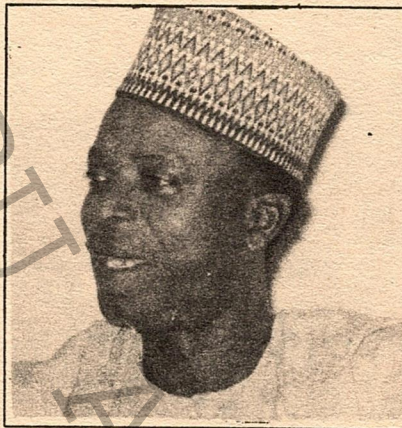
What all this means is that the controlling shares of Madara were, in fact, given to General Yar'adua for much less than the N2.2 million he officially paid. Now, what kind of a deal is this? With deals like this, it is difficult not to reach the conclusion that privatization, as being currently pursued, is, in reality, plunderization.

entitlements.

Even worse, the company's staff strength of 102 before the privatisation has now been reduced to 26 (out of whom 7 are watchmen). The new Project Manager of the company, Dr. Salahu (formerly the General Manager) said, when full

production is restored, the company will do with a staff of 34 only.

The rush by individuals and forces to get Madara confirms the general belief in informed circles that the place is a real gold mine. But there is much more to it. It also helps to bring to light a new and dangerous development which not many Nigerians seem to be aware of: the unbending determination of some entrenched forces, especially the



Kwande

retired Generals, to control and dominate completely the country's agricultural sector. Why do these forces want so badly to control and dominate the agricultural sector? What is the idea?

These same forces are already into banking, insurance, and transport business and are on the way to controlling and dominating other vital sectors of the Nigerian economy. It is these same forces who are now very busy going up and down and scheming to "buy" up all the Federal Government shares - which the authorities intend to put up for sale this year - in banks insurance companies and breweries. In a few years from now, if current trends continue unchecked, these forces and the foreign interests they serve, are certain to be in a position to corner everything and put under their firm control and domination the commanding heights of our economy. And what will the rest of us be turned to in our own country? Slaves?

But a much more immediate question to ask is: why was Madara, which has served the people of Plateau and other states so well, given a way to the retired General at such a give-away price? Even at the ricolously low

amount

N2.2 million for 55% shares of Madara, the sale involved only the company's assets and credits. The retired general was saved the burden of the company's liabilities - all of which the seller, the Federal Government, shouldered. In fact, immediately after concluding the deal, a certain payment of about N300,000 due to Madara was made to the new owners by the Federal Government. What all this means is that the controlling shares of Madara were, in fact, given to General Yar'adua for much less than the N2.2 million he officially paid. Now, what kind of a deal is this? With deals like this, it is difficult not to reach the conclusion that privatization, as being currently pursued, is, in reality, plunderization.

A Jos-based firm of estate surveyors and valuers, in December 1983, put the total value of Madara at N2,848,008 million. That was clearly a gross underestimation of the company's worth - given its sophisticated and modern machinery, its buildings and its 19-acre expanse of land, nicely situated along an important and busy road. Besides, given the high rate of inflation in the country, and declining value of the Naira, even before SFEM, Madara could not be worth less than N7.00 million. In fact, an experienced estate valuer in Jos, when asked to estimate the pre-SFEM value of Madara, taking everything into consideration, said the company was worth N7.5 million. He put its SFEM value at about N12.00 million.

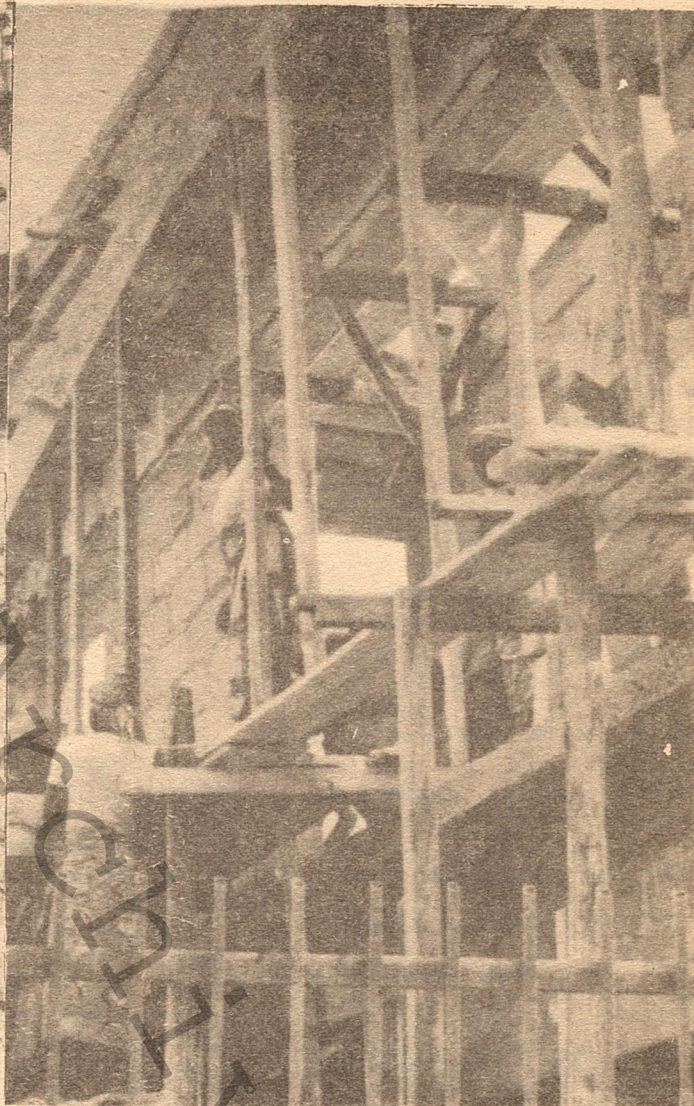
Was this why the sale was rushed to beat SFEM?

For now, however, the question on the lips of many people on the Plateau is: after Madara, what next will retired General Yar'adua (former Chief of Staff, part-owner of Habib Bank, part-owner of African Ocean Lines, multi-millionaire and big landed property owner) want to grab again in Plateau state? The Plateau Publishing Company (and its imposing nine-story building, Gomwalk House), or the Plateau Utilities Board, or Plateau Investment Company, or the just commissioned state-owned Lion Bank?

Is Madara intended by the retired General to be a bridge-head to the Middle-Belt in the 1990 race to the State House? Time will tell.

OF

# PHOTOSPEAK



The picture you see on the left is not taken at a market place. Or during a festival. Or even at a women rally. What you see is a gathering of women, alright, but one of a special kind. Every morning as early as before 7.00 these women - clad in dirty clothes, children on the back, a head pan and a plank of wood in the hand, and defiant of the cold winds and weather of the Plateau - gather here at Gada Biyu, along Zaria Road, Jos, in search of... well, a day's job at any construction site. These women are members of the growing pool of the lumpen proletariat in Jos. This very spot at Gada Biyu is, as one of them said, "our office." Any time a tipper lorry or taxi cab stops here, there is always a fierce struggle among these women, each trying to get to the vehicle first, to catch the attention of the prospective employer, and perhaps - just perhaps - land a job for the day. But the contractors, the prospective employers, are deliberately very chosy, always preferring the muscular and the strongest among the lot, and those with children big enough to provide free labour at the construction site. For a whole day's job, carrying sand or gravels or mixed sand and cement in head pans they themselves provide, or digging holes or trenches, or just picking blocks or bricks, these women get paid only N5. Five Naira for working from about 7.00 a.m to 5 or 6 p.m, with only a short break for lunch for those who can afford it! Not enough for even one person to feed on, in inflation-ravaged Nigeria. But these women are also their families' breadwinners. Said one of them: "The husbands of most of us you see here have no jobs at all. Our families depend entirely on us." On many a day, these families have to go without food. For, with the construction industry itself in bad shape, the families' breadwinners - these women - many a time have to go back home empty handed and dejected - after, the long trek from the surrounding villages to Gada Biyu and back, the morning cold, the fierce scramble to get a job, the hunger, the crying and wailing of their children seeking attention and food, and, of course the humiliation. But such are the woes on which capitalism thrives and prospers.

## Orphans on Their Own Land

There may be some Nigerians who believe that the armed invasion of peasant villages, the brutal acquisition of their farm lands, livestock and even wives by the rich and the powerful in the society are attributes of an age that has long since passed away and that is best forgotten. Such Nigerians might have to do a major re-thinking after reading this pathetic story of the fate of the people of Dogon Daji and Maiyadiya in the Bakori Local Government area of Kaduna State.

The villages of Dogon Dawa and Maiyadiya lie in an agriculturally rich terrain, halfway along Danja and Bakori motor way. Blessed with several *fadama* plains, the people there cultivate a lot of sugar-cane, tomatoes, beans, irish potatoes, and of course the ubiquitous guinea corn and millet. Every household also keeps some livestock-mainly traditional chickens, cattle and small ruminants like goats and sheep.

Life in these two communities of about 100 peasant households has never been exactly blissful or romantic. There is no dispensary, school or modern water supply. But until recently, the villagers were at least left alone in this neglect - that is, apart from periodic harrassment by the tax collectors, the local *Alkali* (Judge) and local representatives of the District Head. However, since 1985, the situation has dramatically changed for the worse for these villagers. Early that year, a Kano-based businessman, Alhaji Hassan Alhassan, of Rochers (Nig) Limited, Kano, took interest in the rich *Fadama* areas of the area, specifically at Kufan Kalgeri, Maiyadiya, Unguwar Masaka, Kwakware and Dogon Daji. In all, an estimated ten square kilometres of rich terrain encompassing peasant farmlands, peasant home - steads, cattle grazing reserves, Government forest reserves and several economic trees.

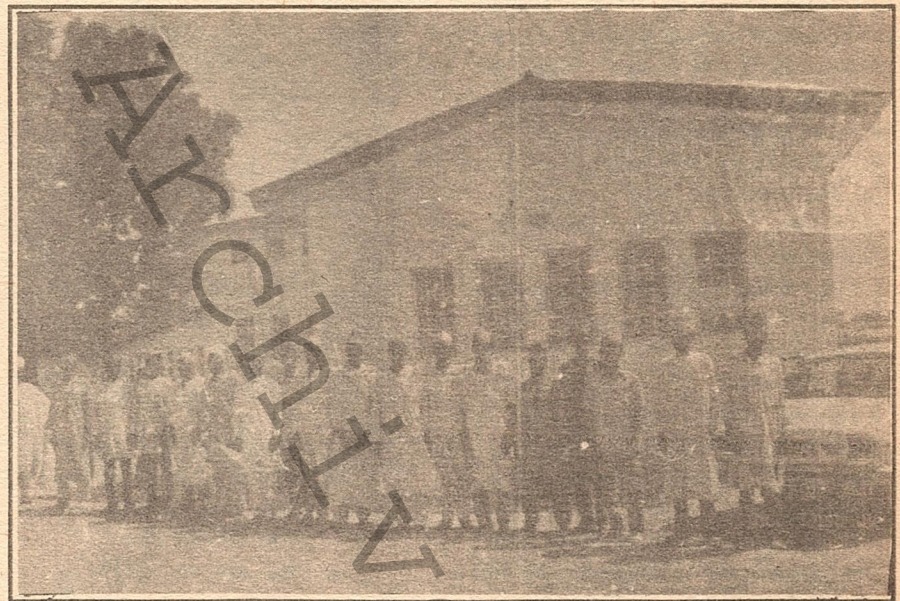
Initially, the businessman, Alhaji Hassan Alhassan (probably a front for

some local or foreign speculators) was willing to deal directly with the peasants. But, according to a spokesman of the villagers, when the District Head of Bakori, Alhaji Tukur Idris (a former N.P.N. legislator at the Kaduna State House of Assembly) got wind of the transactions, he stopped the businessman from dealing directly with the peasants. "Who told you that the *talakawa* own any land", he is reported to have told Alhaji Hassan. "If you want land, come to me and you shall have any chunk you want".

Since then the villagers have "seen pepper", to use a common expression. At Unguwar Masaka, the villagers have been prevented from

and earmarked areas, including the peasant farmlands, that should not be touched by those who have traditionally cultivated same. These same farmlands were subsequently sold to Alhaji Hassan, who started clearing the land immediately. But the peasants, under the leadership of Alhaji Sani Sogiji, who was born on the land and had inherited same from his father and grandfather, protested and started cultivating their lands. They were all arested and had to pay N700.00 to the agents of the District Head to be released.

A similar fate has befallen the people of Maiyadiya. They too have been prevented from cultivating their farmlands. The same land has been



*Some of the affected villagers in front of Bakori area court.*

cultivating their farm lands on the pretext that these were grazing and forest reserves. But at the same time the same land was given to Alhaji Hassan whose bulldozers and caterpillars immediately swung into work, clearing the land. When the villagers protested, eleven of them were swiftly arrested and detained.

At Dongon Dawa, the District Head of Bakori, Alhaji Tukur, assisted by his *Dogari* (i.e. body guard), Musa Dogari, physically toured the district

handed over to Alhaji Hassan. When they protested, a team of policemen was sent down to the village where it confronted women, children and farmers who had blocked the route of the polcie team. The authorities subsequently arrested all the male adults in the village, including a sick person, Dauda Maiyadiya, and detained them for 7 days at Bakori. Meanwhile, an organized pillaging of the villager's goat and sheep - the only source of sustenance left to them-

was systematically carried out. As at the time of going to press, the villagers had just been released on bail and were to re-appear in court under the trumped-up charge that they had assaulted the agents of Alhaji Hassan.

Thus, in the past two years, the people of Maiyadiya, Dogon Dawa, Kufan Kulgeri and Unguwar Masaka have not been allowed to cultivate any of their farmlands. For survival, they now depend on human portorage (*dako*), wood chopping and other odd jobs. But this can hardly meet their sustenance needs. Even as late as last year, i.e. 1986, Rabo Tukur Dadi, Alhaji Mairiga and Sani Sogiji were dragged to the District headquarters at Bakori, and locked up in a horse-stable, and were released only after giving a bribe of N100.00 each. Their offence: they had attempted to cultivate their land just before the commencement of the planting season, and according to the District Head, there were new regulations forbidding any person from cultivating their lands without permission.

The villages have taken their case to the authorities both at the local government and State Government levels without any success.

The Funtua Local Government went to the extent of setting up a committee in 1986 under the chairmanship of Alhaji Bello Organizer. This committee toured the affected areas, interviewed the people, and made several recommendations, including a resolution that the lands of the peasants of Dogon Dawa, Maiyadiya and Unguwar Masaka should be returned to them and that they should be compensated for the economic trees destroyed by Alhaji Hassan's bulldozers. But the Local Government has failed to take any further action on the report.

The villagers' attempts to get an audience with the State Governor have similarly foundered on the solid barriers of Government House bureaucracy and officialdom. As for the *Alkali courts*, these have consistently been on the side of Alhaji Hassan. When the Local Government Committee was investigating the matter, Alhaji

Hassan rushed to the Alkali Court, suing the villagers purportedly for trespassing on their own farmlands. The case dragged on for 9 months and, according to the villagers, on the day of Judgement something like the following dialogue ensued:

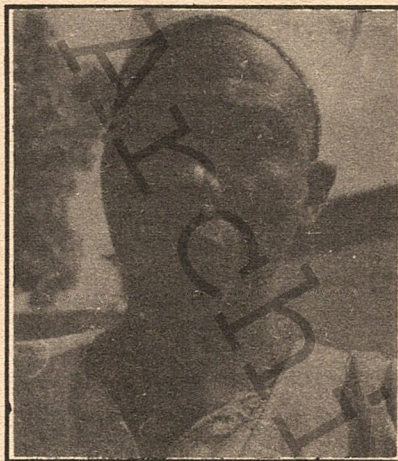
*Judge:* Did you sue Alhaji Hassan?

*Villagers:* No

*Judge:* Since you did not sue him, I have decided to give the land in dispute to Alhaji Hassan for safe keeping until you people sue him. When you do, each of you should hire the service of lawyers which will cost you at least N1,000.00 each before I will entertain your case.

*Villagers:* Lawyers? Who amongst us knows what a lawyer is? How can we employ lawyers services when our very source of livelihood has been taken away?

*Judge:* There you are! Who told you that you can compete with a rich man?



*Dauda Maiyadiya - sick but arrested along with others*

Contacted over the matter by *The Analyst*, a jittery and visibly shaken Alhaji Tukur Idris, the Bakori District Head, denied all involvements in the land deals. The matter, he said, did not involve him. And a committee of investigation appointed by the Katsina Emirate Council had exonerated him. Said Alhaji Tukur: "I am innocent. Ha! Ha!! Ha!!! Aman like myself who knows the constitution cannot do that. It is all attempts by Alhaji Sule Idris to demoralize me. We d...d... demanded the throne together and I beat him" (sic) When asked whether it was true that Alhaji Hassan gave him a Range

Rover and N40,000.00 for his assistance, Alhaji Tukur immediately shot up from his seat, his mosquito-net-like turban waving in cold-sweat: "No, No, No". To convince us, the District Head spent two hours taking us through all sorts of files, freshly-written memos and reports. Obviously, someone had been hard at work covering up his tracks.

The committee set up by the Emir of Katsina to investigate the allegations against Alhaji Tukur - which subsequently exonerated the District Head - was boycotted by the villagers. A spokesman of the villagers explained to *The Analyst* that they boycotted the committee because the District Head being investigated had earlier on seized peasant farmlands in the areas and given same to the Emir of Katsina. Moreover, the spokesman claimed that when the committee arrived Bakori, the members were hosted and given a very lavish and sumptuous dinner by the District Head.

This perhaps explains why the District Head, Alhaji Tukur, was confident that the matter of the villagers' land was "now a forgone conclusion". But considering the fact that this matter, which for all practical purpose is like a 'Muri case' in the making, affects the very existence of a couple of hundreds of Nigerians, the matter can hardly be said to be concluded. The villagers have now employed the services of an attorney from the Peoples Chambers, Kaduna, Mr. J.B. Maigida, a former Solicitor-General of the Kaduna State Government.

Meanwhile, the affected villagers continue to live in fear and insecurity; their means of living lying waste, their adult population constantly under police and court harrassment; and their children literally without a future.

As we drove out of these ravaged villages, the voice of one of the old men at Maiyadiya kept on ringing in our ears: '*An Maishe mu Marayu a Kasarmu*' ("We have been turned into orphans on our Land")

*Richard Umaru and Abubakar Siddique.*



## The Agbani (Passengers') Conference

In Nigeria, commuting by rail is associated with poverty. Those who can afford the high cost of commuting by road or air conveniently avoid the ordeal that is travelling by rail. All the talk about the train being the safest means of transportation is mere cover-up by those who refuse to admit that they do not have money. The only exceptions are, perhaps, those who convey large amounts of goods and do not want to pay the "tolls" collected by men of the Customs and Excise along the roads and those whom the rail lines do not pass through their areas.

Being a mass transit system the train brings together the largest number of poor and wretched Nigerians. That the train is used mainly by poor and wretched Nigerians probably explains why the Nigeria Airways (which serves the affluent few) and its problems attract more official attention and press coverage than the mess that is the Nigerian Railway Corporation (NRC); why the absence of modern navigational facilities at our airports receive more attention than the use by the NRC of dilapidated engines and coaches that break down (sometimes catching fire) frequently; why an hour's flight delay by the Nigerian Airways is considered more inhuman than a six-hour delay by the Nigerian Railway Corporation.

For purely economic reasons, I travelled by rail from Port Harcourt to Jos recently. The trip revealed to me, on a grand scale, how fellow poor Nigerians exist (not live) and also showed me that many of them know that their miserable condition is due to oppression and exploitation by a tiny minority of powerful people (Felas Beasts of No Nation).

These poor Nigerians do not have access to a column in the print media or even a voice on the radio. I therefore bring to readers the proceedings of a "conference" by

train passengers. First, what I consider to be the background to the "conference".

The first unwholesome thing that strikes a visitor at our Railway terminuses (whether in Jos, Port Harcourt or Kafanchan) is the chaotic nature of the places. They are worse than refuse dumps because here refuse is not dumped but scattered all over the place.

At the Port Harcourt terminus that morning, the refuse, including human faeces and urine combined effectively with other types of waste to produce a stench that was indescribable but hit



*Brigadier J. T. Useni Transport Minister*

the nose so violently that I considered a retreat.

Hundreds of tired looking intending passengers were seen all over the place, some sitting or lying on their luggage or in the refuse itself as if dirtiness has become their second nature. Some said they had stayed there for over 24 hours awaiting the arrival of the trains that were supposed to take them to their destinations. At the ticket counter scores more queued up without an official to sell tickets to them. When finally they got wind of the arrival of the Jos to Port Harcourt train they began to issue tickets. I got my own ticket and entered one of the coaches only to be confronted by such an amount of filth that made the floor of the coach look very much like the

ground of the terminus itself. Added to this was the stench of human wastes that filled the air in the coach. I tried a few other coaches and found them in the same condition.

A trip to the 'toilet' showed that the hole on the floor serving as the toilet was endless, meaning that whatever was passed into it fell directly on the rail track. The floor itself was covered by human wastes. There was no electric lamp on the ceiling like in the coaches themselves. This meant that at night the whole coaches would be thrown into utter darkness as the train snaked its way to its destination. Passengers were still taking their seats when scores of adult and school-age hawkers pestered them with the goods they were selling. Beggars kept on moving from one coach to the other praying God or Allah to protect the passengers, collecting alms from those who had some coins to spare. Religious fanatics of the Christian variety kept on shouting about the impending arrival of their Lord Jesus Christ.

Two rows of seats behind me a man in his late twenties (but who could pass for a 40 year old) started chewing the dry garri that he held in a polythene bag. Beside him a woman and her two kids ate bread and washed it down with water; on my left another man was eating sugar cane. Along the same row a pregnant woman was vomiting through the window.

As such thoughts as whether these things can happen in an aircraft, and whether an airport can be as dirty and uncared for as a railway terminus, kept running riot in my head, the train blew its noisy horn repeatedly and started dragging its massive body reluctantly along the steel rails away from the terminus. Although it was 45 minutes behind schedule, no one rendered any apology or even explained why.

When officials of the NRC emerged

and started checking passengers' tickets I noticed that a lot of passengers did not bother to buy the tickets. They instead bribed the officials with a few naira while the train was in motion and therefore travelled free of charge. Money kept on changing hands under the watchful eyes of the Railway Policemen who went round with the officials ostensibly to prevent trouble.

Another aspect of the corruption in the place came to light when it was noticed that the driver stopped the train in virtually all minor stations even though it was called "Express train". I learnt that some unscrupulous passengers bribed the drivers to get them to stop at the station at which they wanted to alight. This caused a lot of delays. At Mbawsi station, for instance, the train was stopped for only a girl to alight. Passengers booed and jeered at her and the driver whom they could not even see.

At 3 p.m. the train which should have, according to regular passengers, gone beyond Enugu pulled to a stop at Agbani. As it did not move in time some passengers started alighting to either stretch their legs or to ease themselves. Gradually, a small crowd formed around two men who were discussing the NRC and its plethora of problems. A cacophony of voices rose into the air. They complained that the train drivers took bribes in order to stop for people at every imaginable station thus ridiculing the label "Express train."

Some lamented with regretful nostalgia the departure of Indian managers of the Railways and others even mourned the departure of the British colonialists who built and managed the railways before independence. Others, however, argued that the foundation for the problems of the NRC and similar corporations was laid by the British themselves because they did not want us to develop like themselves. Nigerian workers in the railway corporation were not trained to carry human beings. The British built the railways mainly for carrying goods from the hinterland to the coast. That is why the rail lines do not pass

through those communities that did not produce in large quantities what the British wanted in their country, they reasoned.

At this point an elderly man who claimed to have travelled fairly widely, "at least in Africa", supported this view and added that the problems of the NRC must be seen in the context of the wider Nigerian society and its past. In his judgement, the whole problem lingers on the lack of interest in work by everybody. The major problem is the unbridled pursuit of wealth by virtually everybody. The rulers, he argued, are the worst offenders. Once they get elected or shoot themselves into office they begin to amass wealth as if the world is coming to an end the very next day.

when it does not have enough to maintain the train and coaches, he reasoned. According to him also, the railways reflects what is happening in our society. Nobody cares for the poor. The system we operate encourages everyone who can to grab as much as he can from whatever source. Those who can steal better survive. The poor, he continued, are the small fish swallowed by the big fish in order for the latter to grow.

The rich and powerful, he argued, do not travel by rail. When the Minister for Transport and Aviation, Jerry Useni, travelled by rail a few months ago in order to understand the problems of the NRC, he travelled first class. He slept in a comfortable bed, used a clean toilet and of course, did not stay in darkness. So he



*Train ... a poor man's transport?*

They do not care for human lives, he continued. It is only in Nigerian trains that passengers stay in darkness at night. He claimed that it is the technicians who loot the fans and electric lamps in the train. In this they are emulating the powerful Nigerians who loot public treasuries and go free. They include the top figures in the NRC itself who mismanage and appropriate the corporations' money for personal use.

To worsen matters, the NRC has been made to retrench capable hands

understood no problems and solved none. The man concluded that only a government controlled by the poor themselves can solve the problems of the NRC and such other corporations that should serve the people. The other passengers agreed with him with one adding that it will happen eventually.

Just immediately the train blew its horn and they all quickly dispersed into their different coaches thus bringing the conference to abrupt end.

*By Andy Okolie.*

# What Telecommunications Policy?

*"The Private Sector in Nigeria cannot go into any serious manufacturing in our own life-time. We are too much after quick money and cannot wait for ten or fifteen years before making profit".*

Mr. Obi, Managing Director of a company under the Ibru Organization, at the Seminar on Telecommunications Policy at Oshodi, Lagos, Feb, 4 1987.

Mr. Obi could also have added that the private Sector in Nigeria is too unpatriotic. But even as it is, he is sure to draw the ire of the Nigerian business community for such frankness. Yet, what he said is very true of the Nigerian Industrial Sector, and even more so of the country's Telecommunications industry.

Since 1985, this industry has gobbled down more than N2.0 billion in capital investments. The result so far: an extremely under-developed telecommunications industry offering very poor telephone, telex and satellite services; the further entrenchment of the processes and structures of the exploitation and control of our entire economy (and politics?) by foreign private companies (like I.T.T. and Siemens); and of course, the phenomenal rise to position of vast wealth of some Nigerian middle-men in the industry (like Chief M.K.O. Abiola of the I.T.T.).

And, what is worse, the situation in the industry - crucial as it is to the very survival and development of the country - is very unlikely to change for the better in the near future. Unless, of course, some drastic changes take place, putting the entire country in the hands of people and leaders with new ideas, new vision and the will to act decisively in the interest of the majority of Nigerians.

For now, though, the question is what to do with this very central and important but ailing industry?

This formed the main concern of the 10 day seminar on Telecommunications Policy for Nigeria, held at the (NITEL) Nigerian Telecommunications Limited Training School, Oshodi, Lagos from January 26th 1987 to February 6, 1987. The



*Col. Tanko Ayuba, Communications Minister*

Tuesday (Feb.3) session of the seminar, by far the most interesting, focussed specifically on the question of what to do, with the topic for discussion being "Monopoly, Privatization and Deregulation". This particular session had on its discussion panel Professor Buba Bajoga-Provost of the Balewa College, A.B.U. Bauchi; I.T.T's Chief Abiola; Dr. Yusufu Bala Usman of History Department, A.B.U., Zaria; Dr. Mida Ajose of the University of Lagos; Chief A. Adedeke - Chairman, World Teleport Association (African and the Middle-East); and a representative from the Defence Ministry.

Two main reasons made this session particularly interesting. The first had to do with the startling revelations made, which brought out clearly the paradox of the sorry state of Nigeria's Telecommunications industry in the face of massive capital investment in it and which should shock all concerned Nigerians. The second was the failure by Chief Abiola to put up a credible defence for his and I.T.T's role in helping to bring about such a paradox, when taken to task.

First, the revelations. Sixty (60) years after the introduction of the telephone culture into the country, and with well about N2.0 billion spent on it, so far, the only thing Nigeria today has to show for her pains are 250,000 connected telephone lines (out of 400,000 installed lines). This means, one

telephone line only for every 400 Nigerians and a telephone penetration level in the country of a meagre 0.3%. The average (of telephone penetration) for Africa is 3%; for the newly industrialized nations it is between 30 and 40%; for the industrialized countries it is over 90%, with Holland topping the list with 98% penetration.

Worse, as anyone who has ever tried to use the telephone in Nigeria would testify, the telephones are, a lot of the times, never in good working order. But there is yet another dimension to it: A Dr. Bala Usman pointed out in his contribution, the figure (of 250,000 connected telephone lines) could be mis-leading. For, as he argued, perhaps two-thirds of the connected lines are located in offices and therefore not in use for more than one third of the day; and the other (80 - 90,000) lines available for use most of the time, "are highly concentrated in the mansions of the very few rich and powerful Nigerians and are not available for the urgent social and economic needs of 99% of the population of this country".

There are talks in official circles, however, of improvement of telephone services in the country and even of introduction of more advanced systems. In a paper presented at the beginning of the conference, Alhaji Ibrahim Aliyu, Permanent Secretary, Ministry of Communications, said that his Ministry and NITEL have set themselves a target: to put Nigeria on the path of digitalization, upgrade existing lines and raise the telephone penetration level to 1% - all by 1990. The programme is, however, to be funded by a loan, just approved by the Federal Government, of a whopping N2.4 billion (US\$ 700,000) from the World Bank. And who gets the contracts? I.T.T and Siemens, of course! This means that by 1990 Nigeria would have sunk N4 billion in telecommunications and may boast of only 750,000 connected telephone lines.

But the official target may even be too optimistic - so argued Chief A. Akindele in his own presentation.

According to him, even if the World Bank project goes through, "it will only increase our telephone penetration to about 0.4% if the current annual population growth is maintained." In any case, it has been most reliably understood that a large chunk of the N2.4 billion loan is to go to ITT and Siemens as payments for contracts given in the past.

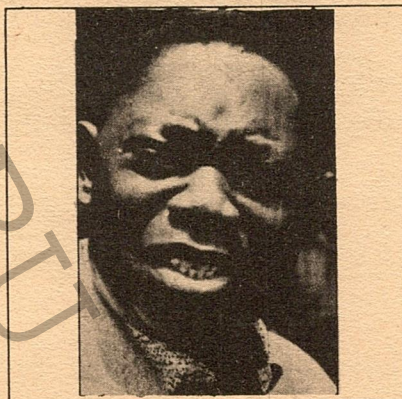
But much more serious are, the external loan factor in the project - which is bound to significantly increase our indebtedness to, and dependence on, the West - and the involvement of the ITT and Siemens - the same companies that have been controlling and dominating the industry and are largely responsible for its under-developed state. And herein lies the crux of the matter. For, as Dr. Bala Usman pointed out, it makes little sense deliberating on telecommunications policy without clearly and honestly identifying the causes of this disturbing paradox of massive capital investment in Telecommunications and its presently very poor state.

The Telecommunications industry, according to Dr. Bala Usman, has three distinct sections, namely:- the production and installation of telecommunications equipment; the maintenance of telecommunications equipments; and the operation of the telecommunications equipments. It is the first two (i.e. production, installation and maintenance) which, he argued, really involve massive funding (both capital and recurrent), and both are, in Nigeria today, dominated and controlled by multinational corporations, particularly the ITT. The way in which Chief Abiola became a Multi-millionaire in only a few years is a very good illustration of the super-profits (legal and illegal) the ITT has been making from public investment in telecommunications, said Dr. Bala Usman to a long and thunderous applause from the audience.

And what is at the root of this under-development in telecommunications in spite of massive investments in the industry? According to Dr. Bala Usman, the basic explanation is to be found in the "intensive exploitation

of Nigeria through the importation and installation of telecommunications equipment by those who dominate the two main sections of the industry", (i.e. mainly I.T.T. and Siemens).

He went on: "Telecommunications contracts have become a major haemorrhage in the Nigerian economy, and constitute one of the factors which have led the country into its



M. K. O. Abiola - IIT Chairman

current economic crisis". According to him, our telecommunications industry is characterised by a contract and importation syndrome which denies it of a sound basis since it has meant that there is virtually no designing and production taking place within the country even though the billions invested in it provide a good opportunity for such a basis or foundation to be built.

Chief Abiola, in a reply to this, during question time, drew attention to the complex nature of the telecommunications industry and to the logic that governs and informs private investments. Investing money in a business, he said, is a "cold and calculating affair", not an emotional one. Businessmen, pointed out the Chief, throw in their money only where they expect good returns.

On ITT's dominance in the telecommunications industry, Chief Abiola said that the company has

## ITT, Siemens Get Bonanza

I.T.T and Siemens - the two multinational companies that control and dominate the telecommunications industry in Nigeria - are to benefit from a N440 million bonanza. The amount represents an unprecedented 400% increase in the costs of contracts (for the installation of new digital telephone lines) the two companies are handling in Nigeria. The unprecedented hike in the contract costs (reported in the February 28, issue of *The Guardian*) was agreed to during renegotiation talks between federal government officials and representatives of the two firms. The increase was said to be based on Second-Tier exchange rates (specifically on the November 17 exchange rate of N3.5345 to the dollar).

The original cost of the contracts was N129.6 million - now raised to N569.4 million by the 400% increase. I.T.T. takes the bigger chunk of N329.7 million for the installation of 130,800 lines - which works out at N1,846 per each line. The originally agreed amount was N86.7 million, at N476 per line. Siemens managed to get a better deal. Its contract cost per line has been quadrupled from the earlier agreed amount of N367 to N2,035, presumably because it was reckoned that

the Deutschmark - the currency in which the firm will be paid - has appreciated against the dollar. But because it is installing fewer lines than I.T.T., Siemens's share of the bonanza is also less. It will now net N239.7 million instead of the N43.2 million as per the original agreement.

But there is even much more for both I.T.T. and Siemens in these deals than the above figures show or suggest. The contracts are to be financed with a U.S. \$450 million (N1.75 billion) loan to be provided by the two companies. It is any one's guess how much this "kind gesture" will fetch the two companies.

All the billions of Naira worth of major telecommunications contracts have always gone to I.T.T. (an American multinational) and its Nigerian subsidiary, and Siemens (a German firm) and its Nigerian subsidiary - with Nigeria always getting a raw deal. Nigeria has, so far, sunk about N3.0 billion on telephones and all there is to show for it today are 250,000 connected lines that don't work properly, and a telephone penetration level of only 0.3% - among the lowest even in Africa. But for I.T.T. and Siemens, business in Nigeria has always been very good.



# EARSHOT

## IBB's Season of Seminars

*Seminars, seminars - everywhere, everytime. At last the real reason of seminars is here with us.*

*Sure, there was also a season of seminars during the twenty months of the Buhari-Idiagbon-Rafindadi regime. But this season came into being not as part of an official policy; in fact it came into being in spite of the Buhari regime, as part of a resistance, though of a limited scope, to the regime's fascistic tendencies. Partly cowed by the Buhari-Idiagbon regime's excessively repressive style in conducting the country's affairs, and partly in a bid to find a way to keep up the fight, the more enlightened in Nigeria, mostly academics, started retiring to seminar/conference rooms. There, in the safety of such venues, they talked - largely to themselves and, even then, mostly in muted tones. What they said often went unreported or under-reported, or even distorted to smoothen the rough edges, by the media. This way, the eggheads unwound and had their say, the Buhari-Idiagbon-Rafindadi trio had its way and the nation continued to suffocate under the heavy blanket of silence that descended on it since December 31, 1983.*

*Now, we have a season of seminar of a completely different causation - but same effect.*

*This new season of seminars is officially induced - induced so nicely as to make the transition to it from the season of debates almost imperceptible. Before, it was debate, debate, and debate. Now it is seminars in well appointed venues, attended as well by officials as by experts, all talking to themselves. Only now they talk louder, and get more media attention and coverage.*

*In February this year alone, there were three major ones, all in search of policy: Seminar on Communications Policy; Seminar on Telecommuni-*

*cations Policy; and Seminar on (Television) Programme for Mass Mobilization. Towards the end of last year, there were many such seminars; and many more are already billed to take place soon; and many, many more are on the drawing board.*

*On the face of it, this looks like a healthy season: cross-fertilization of ideas, brain-storming and, occasionally, even some startling revelations and exposures. But in reality it is the Babangida administration that is best served by this season. The huge gatherings of "experts," the jaw-jaw, the official launchings and cocktails, the media blitz - all these give the impression*

## ...And a Major in a General's Shoes

*Later this month or early next month, a new publication may be on the streets. It's not another view of Nzeogwu (which, given the passion it excited, is now almost getting overdue); nor is it about coups or the civil war. None of these. This new book is about the "life and achievements" of someone in authority today.*

*Former leader (retired) General Buhari, you will recall, was only seven months in office when he came out with a book on himself - which traced his life and career right from childhood in Daura (Kaduna State) through military schools and commands right to Dodan Barracks - with the rather drab title of "Muhammadu Buhari: Nigeria's Seventh Head of State." This act was the most visible pointer to the less known aspect of the ex-leader's character: vanity. This weakness was carefully hidden behind the tough-guy, no-nonsense image he carried throughout his reign.*

*This present leader could not, of course, beat Buhari's record in terms of timing. He has been around in the Government House of one of the*

*of a serious and busy country being steered by a leadership that is open, responsive and receptive to new ideas, and create the illusion of the involvement of a broad section of Nigerians in policy formulation. Impressions and illusions - not much more.*

*For, at the end of the day, after all the sound and fury, you are left with almost the same kind of situation as obtained during the Buhari regime: the "experts" have their say, the IBB administration has its way, and business goes on as usual. The fine ideas, recommendations, and communiques from the seminars end up in files stacked on dusty shelves. No one pays attention to them - just as one one is today paying any attention to the recommendations from last April's Kuru Conference on Foreign Policy.*

*But then that's what the IBB's season of seminars is all about.*

*desert-threatened Northern states for more than one year now - since "I Brig. Dogonyaro..." (August 27, 1985) in fact. But this young governor is just as full of himself as Buhari was. And certainly more vain. Consider his (young governor's) choice of a title for the book: "A MAJOR IN A GENERAL'S SHOE." (The contract for the book went out when he was a Major). You must grant that the title is more inviting, even more imaginative, than Buhari's. But can anything be more presumptuous? A major imagining himself as a General! The cheek of it! But such are the times.*

*It's not known how much Buhari's book cost the nation. But this young governor's book is costing the state he governs N49,000 - paid in two instalments to the state's correspondent of a Lagos-based newspaper who did a similar job for the civilian (2nd Republic) Governor of the same state. And, you can bet your life, the launching of the book will cost the state just as much - if not much more.*

*But all this is privileged information, so keep it within earshot until the formal launching.*

**Let me SPEAK!**

# Some People have money like sand ...

Mallam Musa Akandi, of Zarmaganda village in the outskirts of Jos, is among the growing multitude of Nigerians for whom mere survival, even on a day-to-day basis, has become a real big battle. For many years now suffering has been Mallam Musa's lot. Which must be why he feels he is 90, when in fact he is, at most, only about 45. He has no job, no money, no wife, and has to beg in order to survive. Besides, his health is failing him. Mallam Musa, who is only about four feet tall, is very unhappy about his situation, and even more unhappy that some few Nigerians have money like sand while others have no kobo. But he has no idea what the solution to these problems should be - except that he believes that governments in Nigeria, which he says have been abdicating their responsibilities to the people, should cater for especially people like him.

Listen to Mallam Musa himself:

**Question:** How old are you?

**Mal. Musa:** I am not quite sure about my age, but I think I am about 90 years old now.

**Question:** Where do you live?

**Mal. Musa:** I live at Zarmaganda, with my brother who is a farmer. We live in a compound with five mud huts. I occupy one of the huts.

**Question:** Did you start life as a beggar?

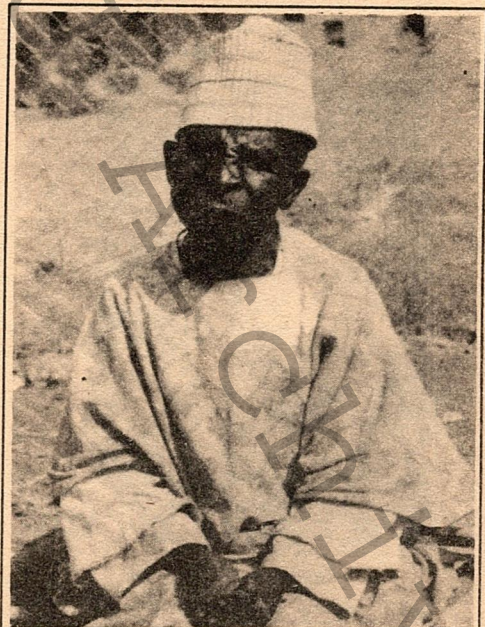
**Mal. Musa:** No! No!

**Question:** When did you start begging then and what did you do for a living before then?

**Mal. Musa:** I started life many years ago as a helping hand in the Jos Central Market. I used to run errands for butchers, and apart from the meat I used to get from them, they used to pay me well. I did this for some years. Then, one day, suddenly the market was swarming with policemen beating and driving people away. I managed to escape. But since then, I have not been able to secure another job. When things became impossible, I took to begging.

**Question:** How do you view begging as an occupation?

**Mal. Musa:** It's not good at all. It is disgraceful for a human being to beg. But what can I do now? I beg now because I am no longer strong enough to work. I have serious pains on the waist and legs. Besides, even if I were strong and healthy, where is the work for people like us to do? None at all. I see many strong people going



*Mal. Musa Akandi*

about jobless.

**Question:** In your view, should begging be allowed in a society?

**Mal. Musa:** No, it should not. But in this society, people know only themselves and don't care about others. What then are people like us to do?

**Question:** How much do you spend daily to and from your house?

**Mal. Musa:** Each drop in a bus is 40 kobo. So I spend 80k daily on transport. On very rare occasions, though, I get a lift.

**Question:** On the average how much do you make a day from begging?

**Mal. Musa:** Not much at all. Things are difficult these days. On a lucky day I get about N1; most days I end up with only 50 to 60k.

**Question:** Do you feed yourself or does your brother feed you?

**Mal. Musa:** I feed myself.

**Question:** Are you married?

**Mal. Musa:** No, I'm not married.

**Question:** Why?

**Mal. Musa:** I've tried and tried but I've not yet come across a woman who'll agree to marry me. I believe that the women refuse because they can see I have no job or a more reliable way of earning money with which to feed them and cater for their needs.

**Question:** What do you think of governments generally in Nigeria?

**Mal. Musa:** Governments in Nigeria have not been doing much in terms of helping us poor people. Governments have also failed to build good roads or make things cheaper for people. For example, it is now impossible for some of us to buy zink for roofing, and these days one can't get grass for thatch roof. So it's almost impossible for most people to build even simple mud houses to live in these days. I believe also that government should feed all disabled people and cater for their needs also.

**Question:** How do you see the fact that some few people are so rich in Nigeria when many are poor?

**Mal. Musa:** Yes, some people in this country have money like sand, and many big houses and cars; and it is even said that some people have aeroplanes. But many Nigerians have no kobo. This is very bad.

**Question:** What do you think is the solution to such acute disparities?

**Mal. Musa:** It's bad, but I don't know what the solution should be.

**Question:** Can you work now if you are given one?

**Mal. Musa:** As I said before, my strength is all gone and my health is not very good. So, I can't do any manual work now. Can't you see how it's even difficult for me to walk?

**Question:** You said your brother is a farmer, which means he has land. Do you yourself have any farm or land?

**Mal. Musa:** Land? Who will give me land?

# Contragate: The Savimbi Connection

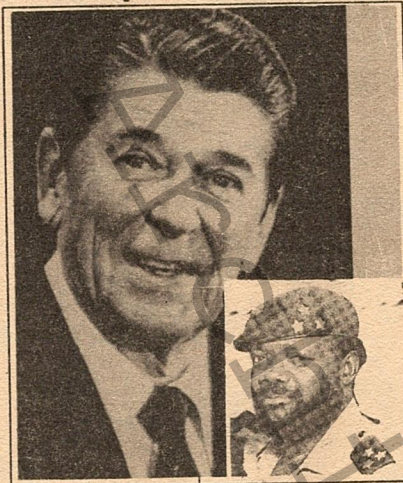
As the world watches with fascination the unfolding drama of the Iran-Contra arms deal, and the threat it poses to the viability of the Reagan presidency in America, there is an important, but little known, aspect of the story which is of great importance for Africa. This is the Savimbi connection.

The scandal itself, which has come to be known as 'Contragate', involves the sale by the U.S. of weapons to Iran (embroiled in a long war with Iraq), in exchange for the freeing of American hostages held in Lebanon; and the use of the profits from these arms sales (running into millions) to fund the Contra terrorist war against the Nicaraguan government. The cast of characters in this drama is vast and international, including: the Israeli government, which supposedly proposed the whole deal in the first place and acted as intermediary, having been a long-time supplier of arms to Iran; Robert C. McFarlane, Reagan's ex-National Security Advisor, who tried to commit suicide the day he was to testify before an investigating committee; William J. Casey, former Director of the CIA, presently in hospital with a brain tumour; Yaacov Nimrodi, a former Israeli Interligence officer in Iran, now an arms dealer, who helped to bring the participants together; Manucher Ghorbanifar, the key Iranian middleman; Retired U.S. Airforce Major General Richard Secord and his business partner Albert Hakim, an Iranian born arms dealer; Adnaan M. Khashoggi, a Saudi Arabian arms dealer and multi-billionaire, who introduced Mr. Ghorbanifar to the Israelis and who was one of the main financiers of the deal; and last but not least, Lt. Col. Oliver L. North, a staff member of the U.S. National Security Council, said to be the central figure in diverting the profits to arm the contras. And above it all (or is it in the middle?) is no less than President Ronald Reagan himself.

But while the American public is asking such questions as: What did the President know, and when did he know it? Did he knowingly give the go ahead for all of these illegal

activities, which, moreover, were against the stated policy of the U.S., others around the world are watching the whole exercise of investigation and exposure as a way of understanding better how imperialism works to support reactionary regimes and movements, and to overturn real attempts at progress and liberation.

What has emerged so far from the Congressional investigations is that not only were profits from the arms deal used to fund the contras in Nicaragua, but a substantial amount of money was also used to buy arms for the UNITA 'contras' in Angola. On December 9, 1986, the London daily *The Independent*, reported a clandestine plan to send nearly 60 tons of weapons to UNITA by way of



Reagan inset Savimbi

South Africa, including 40 tons of machine guns from Honduras, 20 tons of rocket launchers from Switzerland, and other arms from Brussels, Belgium. There is evidence also that Southern Air Transport, a charter airline with close ties to the CIA, was used to carry the arms, in violation of the UN embargo on arms shipments to South Africa.

Moreover, evidence is also emerging that Lt. Col. Oliver North has close connections with UNITA's leader, Jonas Savimbi. Savimbi, of course, is a great favourite of White House and U.S. conservatives. He was said to have received over \$15 million in military aid, including Stinger antiaircraft missiles) during a visit to the U.S. last year. In a recent article in *The New York Times*,

Sanford Ungar and Arnold Kohan reported a statement made by North when he was addressing a group of Methodist Church leaders in Washington in February 1986. North introduced himself to the group as a marine officer who had participated in two wars: Vietnam and Angola. Ungar and Kohan go on to report that "the CIA once tracked Lt. Col. North to Mr. Savimbi's bush headquarters in Jamba, Angola." So it seems that there is a clear personal connection between North and Savimbi, in addition to their similarly reactionary political views. It seems very likely that North has been an active participant in the CIA's dirty war against the MPLA government of Angola, in collaboration with its partners, UNITA and the South African Government.

But North, Savimbi, and all the others are merely bit players in the broader implementation of what is called the "Reagan Doctrine", which defines U.S. foreign policy in the Reagan era. The goal of this Reagan Doctrine is to hit out at the Soviet Union by attacking what the U.S. considers to be Soviet client states in the Third World, through the sponsorship of counterrevolution by the use of proxy armies engaged in 'low intensity conflict'. Of course, the U.S. defines any nation that clearly seeks to promote her independence from imperialist manipulation as a Soviet puppet. Anyone not under the thumb of the U.S. is automatically considered as 'pro-Soviet', and a potential target for destabilisation. Nicaragua and Angola are only two examples. Mozambique is likely to be another, as the U.S. right wing is putting serious pressure on the Reagan administration to support Renamo (Mozambican National Resistance) in its bandit war against the government of Mozambique. Not only is the Reagan Doctrine designed to roll back the gains made by progressive nations in the building of truly independent societies, but it is also designed to serve as a warning to other Third World countries who might decide to opt out of the imperialist orbit.

By N.D. Bariki



# The Impact of NATO Militarism on the Economy of Developing Countries

To start with what is NATO (the North Atlantic Treaty Organisation)? Few will deny that NATO is an aggressive and reactionary military pact among the capitalist and imperialist countries, headed by the United States of America. NATO is reactionary in a pretty literal sense, for it was formed between 1947 and 1949, as a reaction both against the then newly created United Nations which the US and Britain had already failed to dominate to their own complete satisfaction, and against the socialist revolutions that occurred in Central and Southern Europe between 1947 and 1950.

NATO was aggressive right from its birth and has ever remained so. It was aggressive at birth because it was established with the object of "containing" an alleged Soviet aggression. Yet it was born at a time when the USSR was busy reconstructing its economy up from the unbelievable ravages of the Second World War, a process which included a wholesale reconversion of the Soviet economy from war production to peaceful production. And it was born well ahead of the Warsaw Pact which was formed only in April 1955, full 6 years after the formation of NATO.

NATO was not the only aggressive child of the imperialist countries. It was born along with two hideous sisters, namely the South East Asia Treaty Organisation formed in 1952, and the Baghdad Pact, otherwise known as the Central Treaty Organisation, formed in 1953. While SEATO was meant to be used against the people's revolutionary tide in China, Korea, Indochina, Malaysia, the Philippines and Indonesia, CENTO was meant to help prop up Israel and the reactionary Arab regimes of the time, as well as to stem the tide of the bourgeois nationalist revolutions that were then running strong in the Arab countries, especially Egypt, Algeria, Tunisia, Syria and Morocco.

While NATO survives to this day, CENTO and SEATO, at least as

viable organisations, have collapsed under the hammer blows of revolution and revolt in the two regions against which these two Western, aggressive, organisations had been targetted. Strictly speaking it would be more accurate to say that SEATO and CENTO, for political and strategic reasons, have been absorbed into their senior sister, NATO. Thus, NATO not only survives, but it has expanded and burgeoned into an exceedingly sinister organisation under whose cover the U.S. perpetrates so much crime against humanity. Thus it was in the name of NATO that West Germany was arbitrarily rehabilitated and allowed to re-arm, without first being required to dismantle the Nazi state apparatus. It is under NATO that Japan is re-arming under the very same imperial regime that had led it into the Second World War, which for Japan started as early as 1923 and lasted till August 1945; and it is under the cover of NATO that the U.S. has militarily colonised Western Europe, from Greece and Italy in the South up to Norway and Finland in the north and formed it into a dumping ground for the most lethal of its weapons, both nuclear and conventional. While the American nuclear weapons in Western Europe (as well as those stationed in Alaska and northern Canada) are targetted against the Soviet Union, the conventional weapons are targetted against the people of Western Europe itself.

Meanwhile, it was in the name of NATO that Britain and France collaborated with Israel to mount an aggression against Egypt in 1956. It was under NATO cover that the US, Britain and Germany supported and aided the French colonialist war of suppression against Algeria, from 1954 to 1962. It was with the blessing of NATO and the political and diplomatic support of her member-countries, that the US mounted a massive and long-sustained aggression against the peoples of Vietnam, Laos and Kampuchea, lasting from 1954 to 1975, and with casualties running

into millions dead, tens of millions maimed, and damages running into hundreds of billions of U.S. dollars. It was NATO that armed and equipped underdeveloped Portugal to wage a genocidal war against the peoples of Angola, Guinea, Mozambique, Cape Verde and Sao Tome, for over a decade. It is NATO that is today arming and abetting both Israel and South Africa in their closely co-ordinated wars of genocide against the peoples of South Africa and Palestine. It is under the dark shadows of NATO that the U.S. has aided and abetted both Greece and Turkey to subvert the independence of Cyprus and, in the case of Turkey, to occupy her territory militarily. And it was from NATO, based in Britain, that the U.S. launched her disgraceful attack on Libya in March this year.

NATO subverts the peace and welfare of the peoples of the Third World not just through direct aggression but also through indirect, third party, aggression. Thus for example, NATO instigated and edges-on Israel against independent Arab States such as Egypt, Syria, Jordan and Lebanon; and it instigates and edges on South Africa against Southern African countries such as Angola, Mozambique, Zimbabwe and Zambia, with the central purpose of forcing these Arab and African countries to spend large percentages of their inadequate national incomes on the purchase of arms, largely from the NATO countries themselves. Likewise, it is with the same object in view that the NATO countries, using local and foreign agents scattered throughout the Third World, foment trouble and precipitate wars among neighbouring countries. A good example of an unfortunate and very costly war instigated by NATO between two Third World countries is the 6-year-old war between Iran and Iraq. So also are the frequent wars between India and Pakistan the handiwork of foreign and local agents of NATO, militating on both sides of the battle line and co-

ordinating their provocative activities for maximum effectiveness. Again, it is NATO that is keeping up tension between Libya and Egypt and between Algeria and Morocco. Right here at home it was a NATO country, with the aid of its agents deployed in our two enighbouring countries, that tried to precipitate a war between this country and Cameroun some time in 1982. It was the same NATO that set Mali and Burkina Fasso against each other earlier this year. The purpose is always the same - to promote the sale of NATO arms, to retard the economic and social progress of other countries, and to ensure their political and economic dependence and exploitation.

Thus NATO is a veritable vulture feeding on human blood and human flesh - the blood and the flesh of the people of the underdeveloped countries, who are forced to divert massive resources from social and economic development to combatting the menace of imperialism.

Comrades should be wondering by now what is the difference between NATO and the U.S. State Department and the Pentagon. I say, "little"; for when the chips are down, when it comes to the crunch, NATO is the international extension of these two U.S. government ministries. NATO is one of the organisatins that give U.S. foreign policy the appearance of multi-national policy. This has to be so because U.S. partners in the alliance are so dwarfishly subject to her that they have no alternative but to rubber-stamp whatever Washington unilaterally decides, very often giving their consent against their better judgement. U.S. preponderance and absolute hegemony in NATO is a reflection of the predominance of US capital in the economies of the countries that have ganged up to form this aggressive organisation.

Thus NATO is not only an enemy of the Third World and of humanity in a general sense: it is, in a very direct and specific manner, the enemy of the countries, largely European, that are so sinfully yoked together in it. They too need more social and economic development but this is made impossible by the demand of their reactionary ruling classes who collude with U.S. militarism and imperialism. Militarily, NATO is a nuclear and conventional Sword of Damocles hanging over heads of the peoples of the other countries - people who more

and more are disenfranchised by the very operation of their own political and electoral systems. Politically, NATO makes squaking quislings of their leaders - i.e. it makes them the despised voices of U.S. aggressive policies - some more so than others, to be sure, but all to an easily discernible degree.

I have not said - and I should not be misunderstood to have said - that NATO is the servant of the good and humane American people. It is not; just as the Pentagon and the State Department are not the servants of these American people. These two ministries, and hence the NATO which they control and manipulate, are servants to be sure; but it is the American military-industrial complex (the reactionary ruling class) and not the ordinary American people that they are servants of.

And what is the American military - industrial complex? It is that sinister alliance of US armament-makers, on the one hand, and U.S. generals and admirals - both serving and retired - on the other. It is this monopoly capitalist cabal that has conspired and prevented the American economy from being demilitarised, first after the First World War and later after the Second World War. It is this cabal that is responsible for the aggressive and hawkish posture of American policy. It is this cabal that has been responsible for U.S. direct aggression in Korea in the early fifties and in Viet Nam and Indochina in the 50s, the 60s and the early 70s, and for U.S. aggression by proxy against the peoples of the Middle East and Southern Africa. In short, it is this cabal that is behind every local and regional conflict right round the globe.

Such then is the cabal for which the NATO is an international cover, organiser, and spokesman. Hence, to oppose NATO and frustrate its global and regional aims is a duty which we the people of the Third World, along with the rest of beleaguered humanity, owe ourselves and our children, against whose future NATO has laid a terrible nuclear ambush, to be sprung as soon as progressive mankind lowers its vigilance.

But how can the world achieve lasting peace? By submitting to imperialism - the highest stage of capitalism? By co-existing with NATO and its imperialist objectives? Or by resolutely, and concretely

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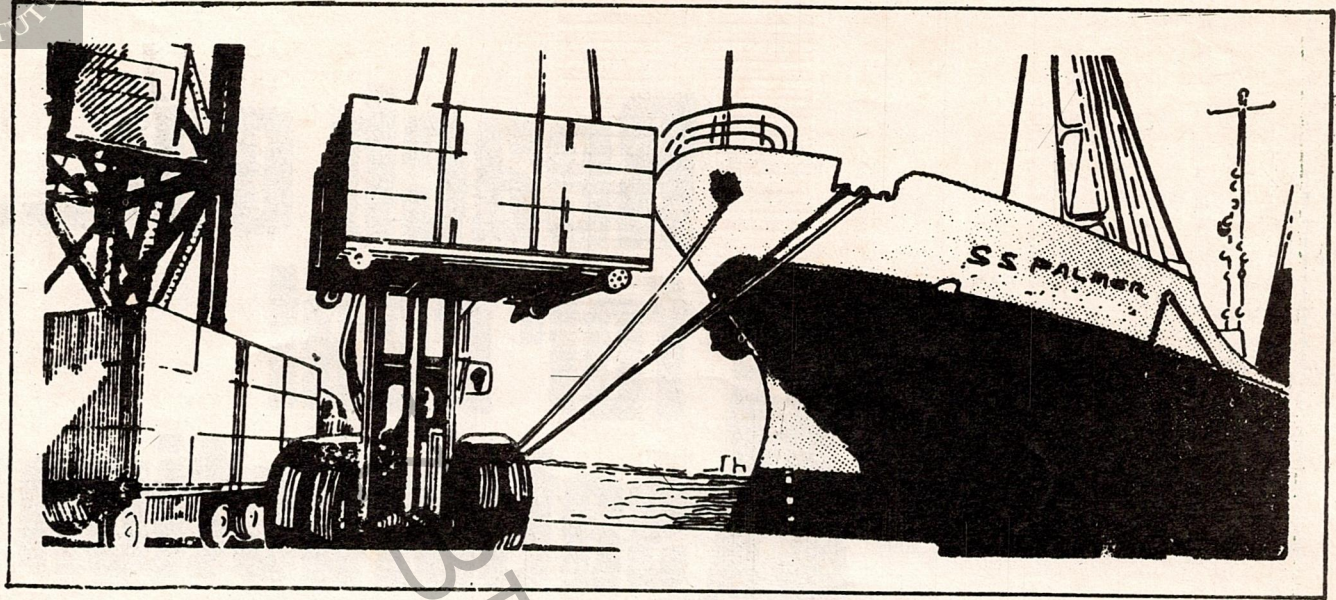
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exposing, resisting, opposing, and defeating NATO and all forces of imperialism and reaction? A temporary peace, or an illusion of it, can be achieved through a number of ways, but peace that can last for the foreseeable future can only be achieved through the defeat of all forces of exploitation and oppression of man by man and nations; and this can only be done by the liberating and progressive forces of world socialism; the only real forces that defeat global menace.

Thank you.

*Text of a paper delivered by Alhaji Abdulkadir Balarabe Musa at a rally organized by the All Nigeria Peace and Solidarity Organization, Lagos, December 8, 1986.*



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