

Walsh: It was one means to balance our balance of trade deficit with Nigeria. By encouraging investors, exports would follow. The Nigerians may have been motivated by this. [Former Vice-President Walter] Mondale initiated the whole thing while on his trip to Africa. The U.S. government got it going with the understanding that they would step out of the picture. The U.S. government is not involved in anything in Nigeria, we haven't put any money into it.

U.S. investment could be increased, however, if our anti-corruption laws and the laws on taxable income earned abroad were changed.

Parsons: How do you see Nigeria's future?

Walsh: Since the oil find, Nigeria has been overextending themselves. They did not anticipate a fall off in oil revenues. They invested badly, making heavy commitments two years ago for capital equipment. That takes a long time to arrive and for the order to pay off. Now everything depends on the market firming up. But the next budget will be a problem. They are only just finding out what their foreign commitment was. They did not know how many import licenses they had outstanding, so last year they stopped issuing them.

They must re-order their priorities—knock off their show-window projects, stop worrying about infrastructure, and let the service sector ride for a bit. They also have to find alternative sources of foreign exchange. It may be in the manufacturing-goods sector, but somehow they must diversify their export program.

The Green Revolution didn't go anywhere, and it won't now because of the elections.

Parsons: Does AID have any programs in Nigeria?

Walsh: Not as such. We have some population programs that we fund through U.S. voluntary organizations. But we have no aid programs.

Parsons: What about Stephen Low, the former U.S. Ambassador to Nigeria, who thinks private enterprises can work in Nigeria?

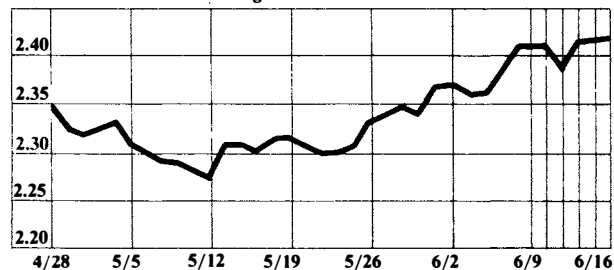
Walsh: Low has a constitutional bias against foreign aid, so he would prefer the self-help programs.

Nigeria has the resources to turn around and get going without concessional assistance. But does it have the political will to use their money to break with the past? Foreign aid is not there—and why? There is one difficulty, which is attitudinal. Nigerians don't make good students. They don't want to be told what to do. Not like Ghana, where they follow advice. Nigerians have visions of their role in Africa. So we just stay out and let them work their own way out of it. They don't want to be partners. They want to own things. That's why the JACC projects for part ownership in projects won't work.

Currency Rates

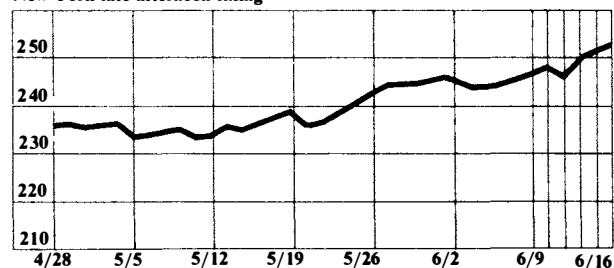
The dollar in deutschemarks

New York late afternoon fixing



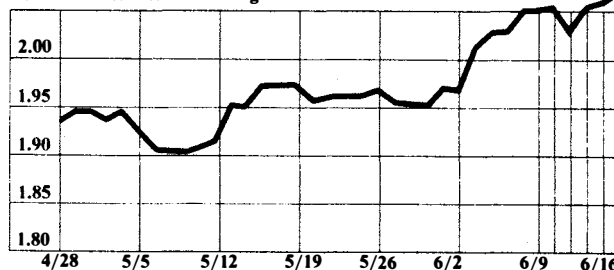
The dollar in yen

New York late afternoon fixing



The dollar in Swiss francs

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The British pound in dollars

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