

Nigeria draws the line against disintegration

by Lydia Cherry

In an announcement that sent tremors throughout the world of Anglo-American finance, Nigeria's new head of state Gen. Sani Abacha said in a speech laying out the 1994 budget on Jan. 10, that "the military still remains the only institution in the position to put an end to the drift toward total collapse." To halt the collapse, General Abacha declared that the days of applying International Monetary Fund Structural Adjustment Programs ("SAP") to the Nigerian economy were over, and announced measures to restart investment in the physical economy. Among the steps were decrees fixing interest and currency exchange rates, imposing controls on foreign exchange trading and imports, and, most important, providing that 60% of all bank credit will be directed to agricultural and manufacturing enterprises.

Three days later, Nigerian Finance Minister Kalu Idikaa Kalu said that although \$4.3 billion is needed to service external loans in 1994, only \$1.8 billion, or 23% of the country's expected foreign exchange income of \$8.1 billion, has been set aside for the purpose. "The reduced 1994 appropriation for debt service is attributable to the serious financial constraints arising from the fall in oil prices and the sharp drop in our foreign exchange resources," he said.

The Nigerian government's announcement that it is reversing the policy line of the last seven years came as a total surprise, and was received with little joy by a western establishment already greatly preoccupied with Russia's increasing resistance to genocidal International Monetary Fund (IMF) reforms and shock therapy. It appears that Nigeria is taking advantage of a window of opportunity provided by Russia's resistance to insane economic policies to embark on its own initiatives. Noted a Voice of Nigeria radio commentary on Dec. 16: "Gen. Sani Abacha is consistently pleading for understanding and support from the international community . . . the sort Russia is enjoying from the West, even in its turbulent political experimentation."

The London *Financial Times* was particularly critical that

the new budget announced by Abacha "gives priority to some notorious projects such as the Ajaokuta steel works, the aluminum smelter, and the new capital in Abuja." A Washington-based think-tank source moaned: "Nigerians can really do *whatever they want now*." The source made the comparison to Russia's problems with democracy and market reforms, where "they had an election and they got a surprising result from the right, and they are not in a firm position." She insisted that the Abacha speech represents "a very major development" because "anything that happens in Nigeria has such a spillover in the rest of Africa," particularly in places like East Africa where "they have been resistant to the pain of structural reform anyway."

Those who have sought to destabilize Nigeria using the phony pretext of human rights violations have had the rug pulled out from under them. A U.S.-based human rights source says that his Nigerian compatriots, who were earlier working with western countries to bring down the government, are now at a loss as to how to proceed. This is complicated by the fact that General Abacha "has taken over the entire trade union movement." On Jan. 17, Adams Oshiomhole, deputy president of the umbrella Nigeria Labor Congress, reiterated that grouping's strong backing for the head of state's shift away from free trade. "We are in full support of this aspect of the government's policies. We have been disappointed with the working of the free market. It has created far more distortions in the economy. We have been very critical of SAP. We haven't seen it working and we don't believe it can work." Nigeria Labor Congress president Pascal Bafyau added: "Their cherished SAP in recent years has undoubtedly led to the pauperization of the working class."

There is also, according to wire service reports from Lagos Jan. 18, "tension within Nigeria's umbrella Campaign for Democracy [CD] pressure group," a coalition closely allied with the western human rights crowd that feeds at the

Ford, Rockefeller, and MacArthur foundation troughs. CD Secretary General Chima Ubani has accused CD Chairman Beko Ransome-Kuti of collaborating with the new government.

Military under attack

General Abacha took over the government in mid-November, in the midst of destabilizing strikes prompted by the transitional government's decision to bow to western pressure to raise oil prices sevenfold. The oil price rise was the last straw. The economic reforms of the last seven years under military leader Babangida nearly crippled the country. In the past year, those deadly reforms were combined with heavy western pressure for multi-party elections, which Nigerian leaders kept warning could split the country into several entities.

According to Nigerian sources, it was General Abacha who told Babangida that he had to step down. Attempts to have an election, however, turned out to be a disaster because there was so much manipulation of the whole exercise by the "Project Democracy" crowd in Europe and in the United States. A key part of the western formula was to destroy the institution of the military. Nigeria has been blasted non-stop by the western media over the last year, with numerous "sanctions" placed on the country by its former colonial master Britain, as well as the European Community and the United States.

A Nigerian businessman, Lawal Idris, described to *EIR* the Babangida years: "After seven years of this we are nowhere; we are far worse off than when we started. They [the IMF] know it; we know it. Nigeria certainly isn't the first country that has been given IMF loans, conditionalities, etc. It does no one any good."

The reform process begun by Babangida in 1986, though modeled on the IMF, was under Nigerian auspices rather than the IMF's per se. Yet the results were the same. Between 1980 and 1990, per capita annual income fell from \$1,030 (1976 dollars) to \$250, while Nigeria paid accumulated interest payments equal to nearly the whole of its 1980 debt—yet as of 1989, its debt stood at \$32.5 billion. Any attempt to increase industrial capacity met howls of rage from the West.

The first speech that the new head of state made that caught the attention of the international community—the "Project Democracy" crowd called it unrealistic and meaningless—was delivered Dec. 22 to the Nigerian Institute of International Affairs, where Abacha called for a "Marshall Plan" for Africa: "I am convinced that bold and imaginative solutions are now required to deal with the problems, if African countries are not to be perpetually saddled with crushing debt burden." Africa's development was being destroyed by foreign debts which totaled \$275 billion last year, he said. This is 73% of the continent's Gross Domestic Product (GDP) and took more than 30% of its hard currency earnings to service.

Three days later, the military leader from the Muslim north stressed that "national salvation" for Nigeria "lay in the observance of the teachings of Jesus Christ to love your neighbors as yourself," according to Lagos Radio. "General Abacha called on Nigerians to eschew religious bigotry and learn to live together in harmony."

Back to the drawing board

General Abacha began his budget speech with reference to Nigerian history and the fact that Nigeria has been long recognized as one of the two potential superpowers of Africa. "At the birth of this nation 33 years ago, expectations were high and the possibilities for greatness were almost limitless. We appeared set for grand attainment to fulfill what the rest of the world saw as our manifest destiny to lead the black race into the mainstream of human civilization. But just as it seemed as if our sun was rising, twilight came and we have been groping ever since waiting for a new dawn. That we must recommence our journey to greatness is clear enough. What is not clear is the state of the vehicle with which to embark on that journey. Nigeria is today like a vehicle which has been reduced to a cannibalized contraption. . . . The sensible thing to do is to commence in earnest extensive repair works, having established the causes and sources of the damage. This, in a nutshell, is the assignment with which this administration is now saddled. . . .

"We make no pretensions about capability but, ironically, the military still remains the only institution in the position to put an end to the drift toward the yawning abyss of total collapse of the nation. . . .

"It has been said that the true test of a nation's progress is not how much it adds to the abundance of those who already have too much, but how well it is able to provide for those who have too little. . . .

"With the existing interest rate regime, it has become clear that real producers were being penalized while peddlers of paper money, crafty manipulators, and idle speculators were milking the economy dry. No responsible government would fold its arms and watch such a trend continue unchecked. . . .

"The international community must also come to understand the implications of these various programs. . . . It is no longer enough to insist on reforms whose pattern of effect has now been catalogued country after country, and yet for the international community not to appreciate what are the likely outcomes of changes that it advocates. Nigeria, like other African countries similarly situated have implemented structural adjustments of their economies. They are carrying the heavy burden that their debts place on their shoulders and they are saddled with the effect of a painful and conflict-ridden democratization of their policies. . . . This administration believes that equal attention must now be devoted to the management of peace within our societies. Peace can no longer be assumed."