

became one and the same person, then you have all the problems that we have been having in Nigeria and in other developing countries.

If the international community is putting all these pressures on Nigeria, because they want them to hand over power to a democratically elected government as soon as possible, I will commend their efforts. But I would also like them to understand the problem of Nigeria and give this present administration some time to effect those parameters. Those provisions I have just told you about should be properly in place, because if we hand over in a period of flux and anarchy, it will not work.

Politics in Nigeria is very complex, because of the multi-various sets of people in the country. We must have certain standards set, and that is the need for the new constitutional conference that was just inaugurated a few days ago by the head of state and commander in chief. That constitutional conference brought everybody who is anybody in this country together, to come and debate the problems of this country—not the problem of tearing the country apart, but the problem of how to live together to be united in diversity in the country. So this is what I would like to get across to the international community: that we mean business; that we have a good sense of purpose, and we are working for the interests of Nigerians.

If the pressure is on how we should govern ourselves, how we should run our economy, whom we should borrow money from and not borrow money from; what salary we should pay our people or not pay our people; what we should use our money for; whether we should cultivate our agriculture or not cultivate our agriculture but import, I think that is going a little too far into the internal administration of any country. They should allow us to develop a system that *we believe* will serve our people. It will then be left for our people to say: “No, that system is not good enough!” and they should revolt against this system! But not others, sitting down and saying, “No, you should not apply that system to your people; you must apply this system.”

And then they come around and say, “Okay, you are owing us, so if you do not want to listen to what we say and apply our system, pay us our money!” That is pressure, pressure that in many areas could be misinterpreted. I don’t want to use very strong words here. I am trying to say that if Nigeria, or any developing country, has come to map a course of development for itself, with sincerity of purpose, they should try to use all the instruments of intelligence to find out whether the members of this government are sincere in what they are doing. And I know personally that *I* am sincere in what I am doing. And I have stood my ground since I came into this. I am going to stop smuggling and diversions and so forth; it is a formidable task, but I’m working on it and it is succeeding. If they can find out that we are sincere in what we are doing, they should at least give us a little opportunity to *experiment*. That is the message.

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## Interview: Chief A.K. Horsfall

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# Oil is the patrimony for all Nigerians

*Chief Horsfall is the coordinator of the Oil Mineral Producing Areas Development Commission (Ompadec), which was set up in 1992 to alleviate various difficulties in Nigeria’s oil-producing communities which had arisen over several years, as a result of oil exploitation. Ompadec’s responsibilities stretch across the eight oil-producing states of southern Nigeria. The Rivers State is the biggest producer, with about 41% of the national production. Next is Delta State, with 30%; Akwaibom State produces about 17.5%; Ondo State is now number four, with about 5.1%, followed by Edo State and Imo State, which each produce 1.1%; then comes Abia State, followed by Cross River State, which has yet to produce a substantial amount.*

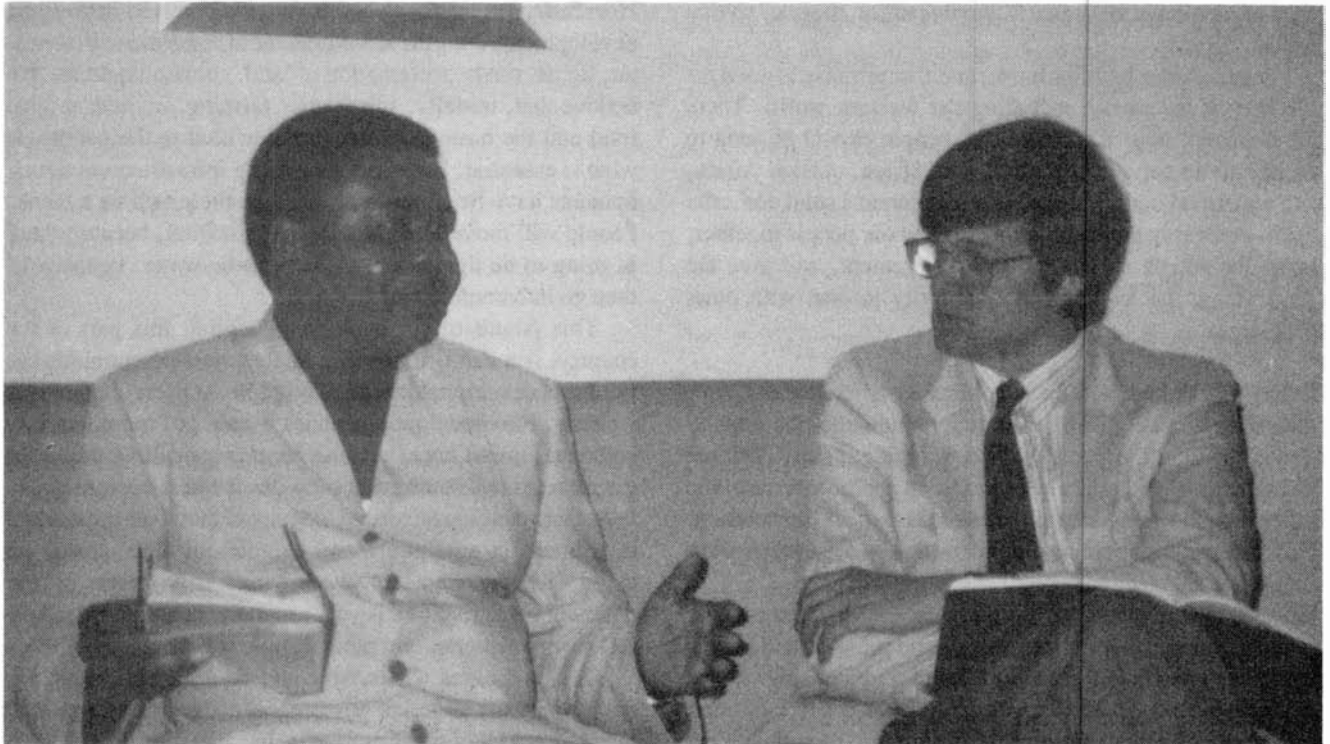
*Ompadec is an autonomous commission, reporting directly to the Nigerian President. Ompadec also has a consultative relationship with the Ministry of Petroleum, the Federal Environmental Development Agency, and state and local governments. Ompadec is funded by 3% of the oil sales revenue that reverts to Nigeria every year.*

*This interview was conducted in Nigeria by Lawrence Freeman and Uwe Friesecke.*

**EIR:** What has been the policy of the oil companies that have come into Nigeria? How do they relate to Ompadec, and have they been acting in the interest of developing Nigerian oil?

**Horsfall:** There are two issues there. The oil companies’ interest in developing Nigerian oil is their paramount interest, that is, exploiting the oil, selling it, taking their own percentage of profit, and paying their taxes, royalties. I think they are very adept and adequate at doing that. Over the years—and many of them have been operating since 1937—they have had no real policy of developing the communities from which they exploited the oil. But gradually, as time went on, they became more and more involved. As of now, almost all the major oil companies are involved at some level, to some extent, they all have budgets for community development, they are putting a little percentage of their operational money into such things as hospitals, maternity homes, generating plants for electricity. Basically, these have come rather late in the day, when the clamor for this was high.

**EIR:** Shell Oil Company has been operating here since



Chief Horsfall talks with EIR's Uwe Friesecke in the Nigerian capital of Abuja. "The blood of the Nigerian economy flows from the oil that comes from these regions. Unless you effect these major projects, then the economy of Nigeria cannot have blood."

1937; what are the other major oil companies that have been operating in Nigeria?

**Horsfall:** Some of the companies are Mobil, Chevron, and Ashland.

**EIR:** There were, during the period of the mid- to late-1980s, the structural adjustment programs (SAPs) of the International Monetary Fund (IMF), and recently the current government has taken measures to counteract them. How much do you think the SAPs hurt the Nigerian economy, and do you think the present government policies are in the right direction for helping the Nigerian economy?

**Horsfall:** I think the best answer you can find for this question is from the ordinary market women on the street. They see the period before SAP, the period during SAP, the period after SAP. Initially, during the period before SAP, things were drying up and getting harder, but the economy was going in a specific direction, toward development. Then SAP came, and there was some abundance, you would say, and then suddenly, the market *snapped up everything*, and now we are back to the stage where new problems are being created for the new administration, where one has to adjust SAP in order to meet local demands and the local political, security, and economic situation, as against the demands of the IMF. So there has to be some real rethinking and balancing in order to meet the domestic responsibilities of government and the demands of the people.

**EIR:** Nigeria has a debt of approximately \$35 billion; some people say the debt service per year is about \$6 billion. You are involved in the business of oil, which is the major source of foreign exchange. What will happen if this debt service is paid? Will that not reduce the amount of revenue available for development of industry and infrastructure?

**Horsfall:** Absolutely. I think there is going to be a catastrophe, a major security problem, if we put all the emphasis on paying back this debt, against the local demands. The population of Nigeria is growing by leaps and bounds, and people need food; they need shelter; they need communications; they need water and roads. And they are getting used to having these things. Over the years, in the 1970s and early 1980s, a lot of development had taken place. Then suddenly, development ground to a halt, and people could see that the IMF and the World Bank requirements were the causes of this. They don't see the IMF; they don't see the World Bank; they see a government responsible here, and they think the government is not able to stand up to the IMF or the World Bank to take care of their interests.

People have to live, they have to pay debts. There ought to be a greater sense of redirection, a greater balancing of how much Nigeria can afford to pay against what the demands are. People need to be fed; they need to go to school. Look at our schools, they have all gone into disarray. The hospitals are in very bad shape. The government needs money to put medicines into these hospitals and let people live their lives. The

debt burden must be drastically reduced for Nigeria, so that we can *survive*.

Nigeria has a lot of promise, and that promise is *good for the rest of the world*, including the western world. There are crises all over the place, and people expect Nigeria to contribute to solving these crises in Africa, outside Africa, and we can do that if we are able to maintain a solid domestic front—meaning that we are able to keep our people together, keep our people supporting the government, and give the government the leverage, the authority to deal with other problems.

**EIR:** The United Nations is holding a conference in Cairo, with the essential goal of enforcing reduction of the population of the world, especially the developing sector. They see the growth of Nigeria's population as a problem. We and others see the growth of population as part of the solution. How does your government and how do you see these actions by the United Nations?

**Horsfall:** While I do not advocate an uncontrolled population explosion, I do not think it is a good policy to kill people who have been born. We have a lot of human beings in this country; we not going to kill them; we've got to look after them, while we contribute toward the control of populations.

**EIR:** Could you tell us what your projects are and what your priority program is for the development of the area you are responsible for?

**Horsfall:** Basically we have an organization which is structured specially for development and rehabilitation. We operate ten departments: administration; agriculture and fisheries; manpower development; an environmental department; a research statistics department; a legal department; a department in charge of community/company disputes; and the works department, which relates closely to a monitoring directory. The works department and the monitoring directory are responsible for our many and varied construction jobs.

Here the economies have been depleted as a result of oil exploitation. Individuals have had few economic prospects. We are trying to remedy this. We give loans to farmers, to business people, to industrialists who set up industries to provide employment for various categories of people, so that the drift toward the urban centers will diminish. And the various departments that I mentioned work together to make sure that development and rehabilitation take place.

**EIR:** How big is the role of agriculture in Ompadec?

**Horsfall:** Here fisheries are primary, and agriculture, in these circumstances, is part of fisheries. There is more water in these areas than land, but the people are both fishermen and farmers. We give loans to both fishermen and farmers.

**EIR:** Is this just subsistence farming, or is this gradually also going to develop commercial farming?

**Horsfall:** Our approach is this: We are involved in physical development, i.e., the development of *infrastructure*—water, lights, roads, reclamation of land, communications. We believe that, initially, subsistence farming, in order to give food and the basic economic wherewithal to the people, is what is essential. But once these basic infrastructural developments have been put in place, then there will be a break. People will move into rural industrialization, because there is going to be light; there is going to be water. People will then go into commercial farming.

This [southern, oil-producing] region, this part of the country, is a *delta*. It provides the greatest potential for agricultural development in all of Nigeria. At press conferences recently, I invited donor agencies from all over the world to come and invest here, because apart from getting oil out of the place, it is this area that provides the best opportunity to invest and develop Nigeria. Understand that if we put enough investment in agriculture and fisheries in these areas, we could feed the whole of West Africa from there. So the potential for agriculture is very great; the potential for fisheries, shrimp fisheries and other things, is very large.

This is an area where we could do a lot of investment, not only by the Nigerian government, which as you can see is mired in a lot of other problems, but also from outside. We are encouraging private entrepreneurship in these areas. We want people to come and invest with the local people, so that they can transfer skills and acquire new skills, and people can make a profit and export our products to the world.

**EIR:** How do you see agricultural development going parallel with the development of small and medium-sized manufacturing industries? Experience elsewhere shows that once agriculture develops, fewer people are employed in agriculture and will be looking for other jobs.

**Horsfall:** We see them as absolutely complementary. The people in these areas have been farmers and fishermen, but over the years, particularly since about 1975, there have been a lot of people who have left the townships, having come to a fairly high level of public responsibility, and gone back to the rural areas. They now have the know-how to move into the areas of commercial agriculture and rural industrialization. In order to sustain forms of commercial agriculture and fishing, you need small-scale industrial assistance support. One will complement the other. Of course, we will refine some of the things that will come out of agriculture. Take cocoa for instance: We will refine cocoa.

The primary stage and the secondary stage will give a lot of employment to people and a lot of employment to rural industrialization. They are totally complementary.

**EIR:** If the government concentrates that much effort on these eight states, is there not the danger of friction with other parts of the country?

**Horsfall:** I'll answer that by reading a passage of my author-

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*There is no reason why Nigeria should not be a front-line major economic power in the shortest possible time. The progress of Nigeria is bound to pull the rest of Africa with us. It would be wrong for the West to write Nigeria out of the equation of international politics and economics.*

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ity from the government's view. The President, when he assigned the task of this commission, said, among other things: "Open up the affected territories and effectively link them up socially and economically with the rest of the country by providing various forms of infrastructures and physical development." Now the reason he said that, was the recognition by all, and I mean *all* Nigerians, that in spite of the potential of this area, right now it is particularly backward. The task of developing these areas has eluded many, many governments in the past, partially because the topography and terrain is terrible. For the 35 years of Nigeria's existence as a nation, development of the rural, areas of these communities has been very little and the current government is only trying to bring them up to par. You see, part of the security problems which have come up again and again for the federal government, have been connected to the gut feeling of the populations in these areas, that the wealth coming from oil, which is derived from their own territories, has been used to develop other parts of the country, without giving them the necessary attention.

**EIR:** You are saying that this part of the country traditionally was more backward, in terms of infrastructure, and measures are being taken to bring it to equal levels with other parts of the country?

**Horsfall:** Definitely; that is the position.

**EIR:** You are saying that this area of the country was more backward than other areas, but the oil companies were there for decades. Have they not taken care of these types of problems?

**Horsfall:** They have started, very late, to appreciate and take care of the problems, albeit in a *very* small way, because the problems that they have neglected over the years have become magnified greatly. Oil exploitation started about 40 years ago in these places. Ideally one would think that, as you plan to deal with taxes, with royalties, with profits, you would also plan for the communities from which you were exploiting the oil. They didn't. Granted, the oil companies here operated without any laws regarding what to do for or about the communities where they operated. But I think they had a certain social responsibility, a social responsibility to appreciate the hazards caused by oil exploitation and try to bring the communities back to life.

It is undeniable that you degrade communities by excavating their soil, by gas flaring, by dynamiting the areas, and life really becomes unbearable. The people in these areas drink from streams, many of which are polluted by oil extracts, by human pollution factors, and these things have not been addressed. This has been going on so long, that these problems have become enormous. Had these problems been addressed from the beginning, side by side with the exploitation activities, by now we would just be developing apace with the rest of the country.

The oil companies' attitude has always been, in fairness to them, that no laws obliged them to rehabilitate these areas. When they were pressed to do something, they were masters at public relations jargon. Let me give you an example. The people in the areas would say, "Give us electricity; you are flaring the gas next door and all over the place; why don't you extract that and give us electricity?" The oil companies would respond back to them, "But the laws of your country say that only the electricity company can provide lights for communities, so it is not for the company to do it. We pay our taxes to the government, and the government in turn should provide you with these various amenities."

That type of attitude continued until security threats began to surface: The communities began to revolt; the communities began to demonstrate; and then, of course, a new generation of oil company managers came on the scene. They finally started to grasp that their operations could not prosper unless they made at least a minimal effort to deal with these communities. Some of these managers are now tackling problems left over by their predecessors. The problems have become so enormous. Also, the intake from oil in Nigeria has diminished. My impression is that in light of this, the oil companies themselves may not now have the resources to take on the very big problems that have now manifested and solve them immediately.

The commission I head, Ompadec, has been tasked with the problem, and we are not trying to pick up the slack. We have come a long way in beginning to solve these problems; we have planned out a clear objective as to how to solve them, but the problems had built up over the years, and you really can't solve them that quickly.

**EIR:** The old colonial attitude was: "Take out of Africa what you can get, and don't worry about what happens to the

people and the development of the country." Would you suspect that that might still be an attitude?

**Horsfall:** If you will not take any offense, I will call it the capitalist attitude. The capitalist wants to make as much profit from whatever he is dealing with, and give off very little. In a way, you may be right; Shell existed here in the colonial era, and they had been protected by the colonial government. But Nigerians had a responsibility also. Over the years there were no policies, no government regulations, no laws to compel the oil companies to put back some of the things that they have taken away from the land. And this has caused gigantic problems, and this is now a major political problem and a major security problem for us.

**EIR:** What you described for your area seems to me relevant for the Nigerian economy as a whole. What we heard is that there are four big projects on line, which the World Bank and the IMF do not give the little money needed to finish, because they say those projects are not important for Nigeria. But they are important: a pipeline system throughout the country; a program for liquefied natural gas production; the Elema petrochemical plant; and the Boni export terminal to serve the second refinery for export. Is this not, on the national scale, a similar problem to what you described for your regional situation? These are necessary projects for development of the economic strength of the country, and they are

being blocked, rather than supported.

**Horsfall:** Incidentally, these are also other economic problems of this region that Ompadec is responsible for, because the Elema petrochemical industry is in the region, and is a primary industry in the region. The gas industry is in the heart of the petrol country. The pipeline that you mentioned is also almost confined to this region, although it will also serve the rest of Nigeria. But as you rightly deduced, the *heart of the economy of Nigeria* springs from the oil countries, and unless you treat these problems, then the heart of that economy cannot beat because we do not give it the blood. The blood of the Nigerian economy flows from the oil that comes from these regions. Unless you effect these major projects, then the economy of Nigeria cannot have blood.

We really don't have any other area to serve as the economic strength of Nigeria, which will enable this country to pay the debts that we owe the western world. To my mind, it is as much in the interests of the western world as it is in our own interest, that these projects are funded. It would give us the capability of paying our debt, and we would therefore be able to look after these communities, so that Nigeria will come back and play its own full and responsible part in the community of nations.

Perhaps to add further to what is going on, I think that the country is now, more than ever, aware of the fact that it cannot and should not neglect the development of these areas. To do so will be at its own peril. If you do not treat the human beings in these areas properly and bring them up to share in the aspirations for the overall development and growth of Nigeria, they will not walk with you, and unless you have their cooperation, the economy will not flourish.

**EIR:** What do you see as the potential of Nigeria for economic development? There is an increasing attitude in the West and in international institutions that now claims that the original idea of rapid economic development, such as was prevalent in the 1960s, is the wrong idea; that the division into North and South will be here forever.

**Horsfall:** "Forever," I think, is a totally hopeless word. It cannot be forever. If South Korea has grown in such a short time and is in the status that it is today, so can Nigeria. Nigeria—to my mind, and I think also to the mind of any sound economist—has greater potential than many of the new economies of Asia. I do not see any reason why we, particularly in Nigeria, should not be a front-line, *major* economic power in the shortest possible time. And once Nigeria speaks, Nigeria speaks for Africa. The progress of Nigeria is bound to pull the rest of Africa with us. Because the rest of Africa depends so much on Nigeria. You know that we have one-fifth of the population of black men on this continent. I don't see how—if we grew—we would not pull the rest of Africa along. I think it would be wrong for the West to write Nigeria, or *Africa*, out of the equation of international politics and economics.

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