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EIR

Executive Intelligence Review

January 28, 1994 • Vol. 21 No. 5 $10.00

EIR bolsters resistance to 'Zapatista' threat
LaRouche published in Croatia and Russia
Nigeria draws the line, sets example in Africa

Will the public schools survive to the year 2000?

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. . . .

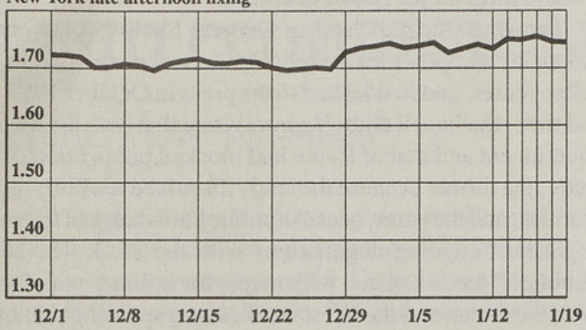
"It has been said that the true test of a nation's progress is not how much it adds to the abundance of those who already have too much, but how well it is able to provide for those who have too little. . . .

"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. . . .

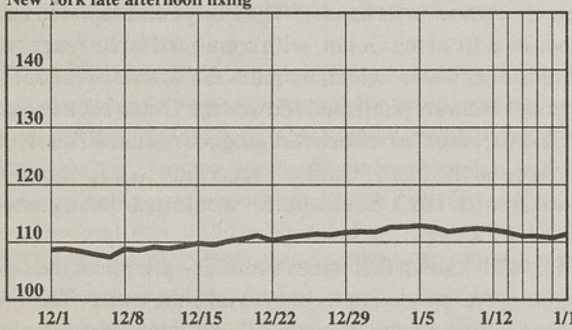
"The international community must also come to understand the implications of these various programs. . . . It is no longer enough to insist on reforms whose pattern of effect has now been catalogued country after country, and yet for the international community not to appreciate what are the likely 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."

Currency Rates

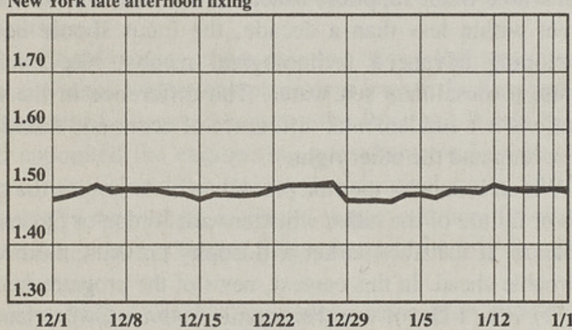
The dollar in deutschemarks
New York late afternoon fixing



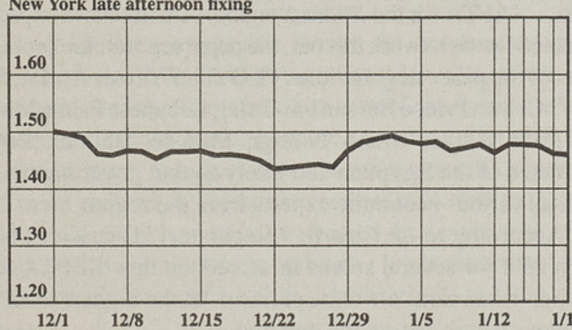
The dollar in yen
New York late afternoon fixing



The British pound in dollars
New York late afternoon fixing



The dollar in Swiss francs
New York late afternoon fixing



African scientists reject malthusianism

In our issue of Jan. 7, we reported the extraordinary challenge delivered by the African Academy of Sciences to the malthusian propaganda buildup to the U.N. International Conference on Population and Development, which is to be held in Cairo, Egypt in September of this year. As Paul Gallagher wrote (p. 4), the short document authored by J.K. Egunjobi of Nairobi, Kenya, the head of programs of the African Academy of Sciences, "is meek and humble, but blessed and true. It nobly defies the dogma of the World Bank, the International Monetary Fund, the Club of Rome, and the sterilization mafia of Johns Hopkins University." We publish the full text of Egunjobi's statement below (subheads have been added).

The Cairo conference is the third of the U.N.'s World Population Conferences which are being held every ten years. The first, in Bucharest, Romania in 1974, was keynoted by such leading lights of the malthusian anti-population movement as John D. Rockefeller III and Club of Rome chief Aurelio Peccei. That conference, contrary to the plans of its organizers, saw a fight for human life waged by the Vatican and some Third World governments, and spearheaded by Helga Zepp, then a leading associate, now the wife, of Lyndon LaRouche. The second World Population Conference took place in Mexico City in 1984.

In 1993, the British Royal Society and the U.S. National Academy of Sciences prepared a "Joint Statement on Population by the World's Scientific Academies," which was adopted at an international conference in New Delhi Oct. 24-27, 1993. The Joint Statement is a typical malthusian tract, fraudulently assuming that no technological breakthroughs are available to the human species, to solve the problems of the availability of food, water, and energy for a growing world population. Professor Egunjobi's dissenting report was presented to that New Delhi meeting.

Africa needs people

The African Academy of Sciences has studied the draft statement intended to be issued at the Population Summit of the World Scientific Academies, and wishes to comment as follows:

1) Care must be taken to acknowledge that while current rates of population growth and even absolute rates of population sizes may be and are a problem for particular countries, for Africa, population remains an important resource for development, without which the continent's natural resources will remain latent and unexplored. Human resource development must therefore form part of the population/resource issue. The forthcoming 1994 U.N. International Conference on Population and Development must receive the message clearly.

2) Part of the complexity of the population issue is that there are wide variations both between and within regions and countries. Consequently, the strategic planning needs of each country and region could vary very dramatically. Therefore, defining population as a global problem without qualification obscures this dimension. There cannot, therefore, be one target for all countries at all times. An African agenda would be very different.

3) Population policy is not only about fertility regulation. Fertility is only one parameter that requires management. Policies relating to the entire health sector, migration and urbanization and socio-economic conditions (especially that of women) in a nation are important elements in an effective population policy.

4) For most African couples, marriage is not only for companionship, but also, most importantly, for procreation. The statement completely ignores that, for certain parts of Africa, infertility is a major problem. Family planning should also be designed to look into the problems of infertility, so that couples who so desire may be able to procreate and meet their life desires.

5) To imply that family planning is the panacea for fertility regulation and even development, is at least simplistic. An understanding of the social and cultural milieu of African societies is central to an analysis of the success or failure, or the intrinsic value or otherwise, of family planning programs. In Africa, many of the so-called impediments to family planning have a rationality which requires careful assessment.

6) Whether or not the Earth is finite will depend on the extent to which science and technology are able to transform the resources available for humanity. There is only one Earth—yes; but the potential for transforming it is not necessarily finite.

7) The international economic environment in which Africa's development policies and programs are defined and executed is an important variable in the population debate. The contribution of the North to Africa's population predicament must be acknowledged in any suggestions as to how that situation is to be confronted.

8) The Summit statement should envision specific actions and collaborative strategies by the various Academies in the wake of the Cairo conference. A special panel on population and development could be set up by the Scientific Academies to develop and refine such actions and strategies.

France abandons Africa to the International Monetary Fund

by Jacques Cheminade and EIR Staff

At the African summit in Dakar, Senegal, on Jan. 10-11, the CFA franc, the currency of the French-speaking African countries, was devalued 50% against the French franc, the first change in parity since 1948. This drastic devaluation, denounced by one African spokesman as "collective murder of Africans," took place in a meeting where the central figure was not France's Minister of Cooperation Michel Roussin, but Michel Camdessus, the managing director of the International Monetary Fund. On Jan. 12, the IMF officially welcomed the devaluation. According to BBC radio, Camdessus said that the decision would "pave the way for negotiations" with these 14 African countries, and clear the way for $2 billion in new aid, including an increase in World Bank assistance, as well as in measures of "debt relief" by western governments.

France's abandonment of the franc zone countries of the African Financial Community—Benin, Burkina Faso, Cameroon, Central African Republic, Chad, Congo, Equatorial Guinea, Gabon, Ivory Coast, Madagascar, Mali, Niger, Senegal, Togo—became official when French Premier Edouard Balladur wrote a letter to the franc zone heads of state last September. It was backed up in a heavy-handed speech by Edmond Alphandéry to a meeting of 14 ministers at Abidjan, Ivory Coast, which subordinated all new French aid to the adoption of "structural adjustment" measures—i.e., IMF austerity recipes.

Thus the administrative heirs of Gaullism have buried the Africa policy defined by the late Charles de Gaulle in his Brazzaville address and decolonization project, which had made France's role in fostering the development of the former French colonies into productive nations, a central aspect of the national mission of postwar France.

Even worse, it is being claimed, with towering hypocrisy, that the "courageous" decision to devalue was taken by the African countries themselves in accordance with their national interest! Cooperation Minister Roussin wrote—with a straight face—in the Jan. 13 issue of *Le Monde:* "Today, the African nations are taking their destiny into their hands. On the political plane, democracy is moving forward: We've seen it in the Central African Republic, in Gabon, and in Mali, where elections have taken place under the eyes of international observers; we've seen it in Ivory Coast, where the transition took place in accordance with the Constitution.

"On the economic plane, the states of the franc zone are providing themselves with the means to rejoin the international community. Their heads of state have taken the decision to set new parities. This courageous measure was necessary; it was taken with all due seriousness."

Roussin went on to rehash the whole IMF argument: The CFA franc's parity change "will bring an end to the sharp anticipations which have led to a continuous and growing capital flight. . . . In bringing down the costs of production, it will allow growth to return to these countries. The reduction in public deficits will reduce their arrears which had reached dizzying heights."

"This is a collective murder of Africans by the IMF and France," a civil servant in Mali told the Reuters news agency. The London *Guardian*'s Will Hutton wrote that Camdessus promised that growth will now occur, but in fact, "while growth is uncertain, the drop in living standards is not." France's *Libération* newspaper reported that the devaluation scenario "had been carefully arranged between Paris and Washington," and predicted that "in the next two months" there could be "social explosions" in various African countries and that the "first phase" of results will be a "depressive one."

The effects of the devaluation

The principle of devaluation is not bad in itself. It could be argued that it makes it possible to spur economic growth by favoring exports and retaking the domestic markets, especially by discouraging fraud and smuggling. One might add that, in principle, it leads to an increase in rural revenues, especially for producers of raw materials for export, such as cacao, coffee, or cotton, because they receive more in local currency for a price at a fixed exchange rate. Ultimately, the state revenues would increase to the extent they depend on foreign trade. It could also be underlined that the CFA franc was "overvalued" with respect to the currencies of competing producers.

This reasoning, however, hasn't the least economic value, because its standpoint is purely financial, and its logic is contradictory to a productive economy today.

First of all, an ill-prepared devaluation, without drawing up a plan to shift national production to account for imports whose prices are suddenly doubled, brings ruin to the urban populations. Civil servants and employees, whose numbers were once myriad, are brutally thrown onto the jobless rolls or have their living standards cut in half, with no prospects for other jobs in a productive economy. Inflation becomes inescapable and strikes the basic, necessary products—automotive fuel, milk, canned sardines, rice, whose prices have already increased from 30 to over 100% in the 14 relevant countries, or are even unavailable—thereby robbing the poorest of the poor. Measures to cap prices on basic necessities will quickly prove ineffective, despite governmental efforts, due to price mania and a general loss of confidence.

The establishment of government stocks of these products—under advice from the World Bank and IMF—is tantamount to putting a tourniquet on a wooden leg. The emergency food aid agreed to by France may ease the pain, but can hardly cure the illness.

Even more serious, the monetarist logic of "competitive devaluation" creates the immediate—and "normal"—risk of imitation by the principal competitors. If Nigeria, which alone carries as much economic weight as the entire franc zone, responds by devaluing its own currency, the naira, a mad race will have begun. The outcome can be foreseen: The CFA franc will become inconvertible. Some of the states in the zone, such as Gabon, will not tolerate it and will prefer to ride off on their own by leaving the franc zone. With that, the leading instrument, alongside the French language, of French influence in this part of Africa, will evaporate.

The "logic" behind the devaluation of the CFA franc is hence twofold: the ruin of the living standards of the countries on which it is imposed, accompanied by a flight forward into competing devaluations and austerity measures, and the opening up of what was heretofore the private hunting ground of Paris to the Anglo-American companies.

Open door to the Anglo-Americans

The grain cartel company Cargill is already attempting to take control of the cacao network in Ivory Coast (with help from the failure of the "francophone" trade corporations) and a "petroleum war" is spreading throughout the Gulf of Guinea, from Cameroon to Angola, via Nigeria and Gabon, with the American multinationals working hard to erode the position of Elf-Aquitaine, the French petroleum company. The power grab by Occidental Petroleum in Congo is just a harbinger of far vaster operations.

Of course, Roussin held out a crumb of social and budgetary protection to the "courageous" Africans. As he wrote in *Le Monde:* "Therefore, France supports the decision of its partners. But it takes into account all the risks. Lest the public foreign debt of the African states of the franc zone become too heavy, France cancels the entirety of debts tied to public aid assistance that was extended to the least developed countries (LDCs) and half the debts tied to public aid assistance for development extended to medium-income countries (MICs), being a combined arrears and debts of FF 25 billion, being 6.6 for the LDCs and 18.4 for the MICs. Hence, this is a considerable effort."

Well, not really. No matter what, this debt could not have been paid—considering the actual means that African countries have—and the loans were agreed to for reasons having to do with political influence, or for the past few years, in order to settle the interest due on the previous debt, and not for actual development aid.

The sledge-hammer argument by the partisans of devaluation is that Paris could not indefinitely continue to assure the monthly payments of its protégés to the World Bank and the "paychecks of the African functionaries." "Just to keep these countries' heads above water, it would have cost [France] FF 50 billion this year," notes Jean-François Couvrat in *La Tribune*. In any case, notwithstanding the franc zone, capital flight has become uncontrollable (FF 5 billion over the first half of 1993) and since Aug. 2, the sale of CFA notes was suspended outside the African countries in the franc zone.

Monetarist logic in Africa

Is there some terrible fate that strikes the African countries, some inevitable cycle of aid and impoverishment? The truth is that the cause does not lie within the African countries, but within a long-term trend in the world economy.

The excuse that Messrs. Balladur, Roussin, and Alphandéry can give, therefore, is that they were no more than cogs—or bankruptcy trustees—in an evolution for which they themselves were not, from the very outset, responsible. Their failure consists in not having called a halt to the general catastrophic evolution in the world economy (the "monetarist logic") and in having capitulated without showing any political fight.

For years, the "franc zone" facilitated a stable, dynamic trade between the former capital and former colonies thanks to the advantage of a fixed exchange rate. Insofar as the fixed rate could not be maintained, it was because trade was bled white over the years as a result of the collapse of raw materials prices—a global phenomenon reflecting the collapse of the Anglo-Saxon monetarist model—on top of the mistakes in French aid itself.

The franc zone had long been a haven of relative prosperity. From 1960 to 1981, the period when capital controls and flexible exchange rates reigned in the world, the rate of growth in the African franc zone countries reached an average of 5% per year (as against 3% for the rest of the subcontinent). And even between 1981 and 1986, the per capita gross national product continued to grow in the countries in the franc zone, while it decreased in the rest of Africa. Growth in the countries of the franc zone collapsed, the victim of two phenomena outside of Africa: the drop in raw materials prices and the strong-franc policy of French Socialist Party governments. In effect, the franc zone countries watched while the competitiveness of their products was eroded vis-à-vis their neighbors—especially Nigeria—which massively devalued their currencies, following the recommendations of the IMF. As a result, brutally, the economic growth of African franc zone countries became among the weakest on the already horribly tested African continent. Per capita growth is now negative, and enterprises that turned inward toward the domestic markets are collapsing.

Faced with this situation, the mistake of the African leaders—inspired and egged on in their leanings by the French African lobby—was to plug the holes by all-out borrowing. Between 1980 and 1990, the public deficit on average surpassed 6% of the gross domestic product. In 1987, the deficit reached 13%. The debt, three-quarters of it held by France, exploded, going from 28% of the GDP in 1980 to 110% ten years later for all of sub-Saharan Africa. In Mali, for example, 60% of the government revenues and half of export revenues are swallowed up by debt repayment.

Over the years, this foreign indebtedness was compensated for by aid from France: Between 1987 and 1993, Paris more than quadrupled its "adjustment aid."

The problem is that this French aid—whether by Socialist governments or not—has followed a patronizing custom in taking little account of the actual imperatives of development. It has disappeared into the gulf that grows ever deeper between revenues and expenses, most often in pure losses. Revenues have collapsed in the wake of gross mismanagement that sacrificed the rural areas, and expenses have exploded as a result of supporting cliques close to power, especially in the army and civil service. In total, 50-60% of French public aid will have served as debt repayment and payment for the civil service, and most of the rest will have been more or less directly diverted overseas into international financial markets, with only 5-10% having actually contributed to the national economies, and not in the best of circumstances, at that.

Thus, the decision by Messrs. Balladur, Alphandéry, and Roussin to abandon the African countries of the franc zone is no innovation, but a consequence of an inevitable evolution under way for a long time and due to France's submission—both in its general policy and in Africa policy in particular—to the monetarist model of the Anglo-Americans and the IMF. The Socialist governments, which had the trump card in hand to change policy, bear particularly heavy responsibility in this development.

Today, only 1% of France's foreign trade is with the franc zone and, viewing its former partners as a burden, is delivering them over to the IMF—like a used Kleenex. Obviously, that is morally and economically unacceptable.

The solution is not easy, nor should it be merely "African." It requires a change in policy, on an international economic and financial scale, by the French government—going from a monetarist logic to an infrastructural and productive logic—and, in francophone Africa, structural reforms corresponding to the change in French policy, coherent with that kind of renewal, which can only be reestablished in the context of a broader Franco-German design. The current policy will leave Africa helpless before a chain-reaction of devaluations, lead to the ruin of its infrastructure (especially public health and education), and turn the franc zone into nothing more than a pious memory.

Interview: Rabah Kebir

The IMF is fostering civil war in Algeria

Rabah Kebir is the leader of the Islamic Salvation Front (FIS) outside of Algeria. He gave the following interview to EIR *in Germany in mid-January.*

We publish this interview in the perspective of the necessary dialogue which is the only way to assure peace in Algeria. The two conditions for such dialogue are the adoption of a national design for growth, based on the country's industrial and human capacities and rejecting the International Monetary Fund's conditionalities; and the freeing of political prisoners. The industrial nations must base policy toward Algeria on this perspective, the only one which can prevent social chaos and a rupture between the intellectual elites and the majority of the population. The ongoing, terrible civil war cannot be truly ended except through a common project which gives Algeria a program, a memory, and a future—all together. The definition of the role and place of Islam in this project belongs, clearly, to the Algerians themselves.—The Editor

EIR: Can you tell us about the FIS, its background and program?

Kebir: The Islamic Salvation Front is the leading party in Algeria. It was founded in 1989 and took part in the municipal and departmental elections. It won in 852 municipalities, i.e., 50%, and has governed them for a year and a half in a manner which the citizens have found satisfactory. The FIS program is to develop the economy of the country along Islamic lines. The FIS is based on Islamic principles, because that is our heritage. It has chosen the peaceful road to changing the policy of the country, which was run by the FLN for 30 years, and led to catastrophe in all domains. The FIS has tried to defend the Algerian people and, as a result, has won two elections, municipal and legislative, the second time by an overwhelming majority.

The FIS wants to distribute the wealth of the country equitably among the citizens, guarantee employment for everyone, and eliminate corruption and mismanagement from the Algerian administration.

EIR: At your Dec. 17 press conference in Bonn, you said the FIS was not responsible for the terrorist attacks against foreigners. Who was responsible? You also spoke of certain groups "out of control" and of the danger of revolution.

Kebir: In my view, there are two ways to effect political change: the peaceful way through dialogue, and revolution. The FIS has chosen the peaceful way, which is why it partici-