
EIR Team in Nigeria

Infrastructure Takes Root in Niger Delta

by Lawrence K. Freeman

Sir Henri Deterding, who created the Royal Dutch Shell oil company in the early 20th Century, and later supported Adolf Hitler's drive to create a Third Reich Empire, would be happy to see how Royal Dutch Shell has destroyed Nigeria, and prevented it from becoming an independent sovereign nation.

Deterding was a member of the Synarchist Movement of Empire, who believed in a dictatorship of fascist bankers to rule over and above nations. In fact, he despised the idea of sovereign nations, most especially the United States. Royal Dutch Shell, which first discovered oil in Nigeria in 1956, has been in the forefront of implementing genocide in Nigeria. The *genocidal* policy for sub-Saharan Africa continues to this day to be: Remove the African "natives" above the ground, to steal the resources under the ground.

The week-long fact-finding tour by *EIR* of the Rivers and Bayelsa states, located in the oil- and gas-rich Niger Delta region, sensuously revealed the effects of this ongoing policy and, most significantly, the actions being taken by progressive state leaders to reverse decades of intentional devastation in the region.

The Niger Delta is reported to be the second largest wetland area in the world, located where the Niger River flows into the Southern Atlantic Ocean at the Bight of Bonny, four degrees above the Equator. Six states produce 90-95% of Nigeria's oil and gas: Delta, Bayelsa, Edo, Rivers, Akwa Ibom, and Cross Rivers, and these states are designated as the South-South states.

Three other oil-producing states—Abia, Imo, and Enugu—provide the remaining 5-10%, and the nine states together make up the Niger Delta. With its enormous deposits of oil, and gas reserves estimated to last for the next 150 years, the Niger Delta is responsible for 80% of the nation's revenue, and 90% of its foreign exchange earnings, yet it is probably the most underdeveloped region of the country. This paradox, that the resource-rich Niger Delta is an impoverished region, is at the center of political and economic debate in Nigeria today.

Infrastructure Is a Matter of Life or Death

As the *EIR* team travelled through the Rivers and Bayelsa states, which produce the second and third largest amounts of oil respectively, we saw the devastating effects of deliberate policies by the British colonial Commonwealth, and Deterding's

Royal Dutch Shell to deprive people of the most basic infrastructure, and force them to live in "inhuman" primitive conditions. Functional roads, electrical power, plentiful clean water, and minimal health-care facilities are not available to the population at large. Railroads are virtually nonexistent. The majority of the people live off subsistence agriculture. To avoid spending a penny of investment in infrastructure, which could benefit the people in these areas, the oil companies are moving more and more of their oil production facilities to offshore drilling operations.

World Bank statistics report that 70% of Nigeria's 150 million people live on \$2 a day or *less*, and the average life expectancy, as of 2004, was down to 43.7 years! When we visited Ogoniland, we found that the population there had been living without centralized electricity for almost one year. The only employment is eking out a bare existence on small plots of land.

The entry level pay for civil servants is 7,500 naira per month, which, at 130 naira to the dollar, equals \$57 per month, or slightly less than \$2 per day. The streets of Nigeria's major cities are saturated with what's called the "informal economy," which is actually a disgusting cancer on the physical economy.

Primarily young adults and children run alongside cars, often while they are still moving, selling every imaginable consumer item brought into the country at cheap "free trade" prices. This is the most wasteful, and destructive "employment" of youth, which lowers the entire field of society's economic activity.

Electrical Power Brings Optimism to the Region

The Nigeria Electrical Power Authority NEPA, which has just become the Power Holding Company of Nigeria-PHCN, generates a paltry 1,800 megawatts of electricity for a nation of 150 million, with all parts of the country experiencing several blackouts per day, and some areas receiving no electricity at all from the national grid. Conservative estimates are that Nigeria needs at least 15,000 megawatts of electrical power.

Recognizing the vital importance of the role of state-sponsored infrastructure in breathing life into the economy, Dr. Peter Odili, Governor of the Rivers State, has used the power



The EIR team in a group visiting a new airplane hanger in Port Harcourt, the capital of Rivers state, Nigeria, and an example of the state's infrastructure building program. From right: Lawrence Freeman, the tour guide, Lawrence Fejokwu, Summer Shields, and Prof. Charles Okigbo.

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of the state to direct funds into projects that have led to increases in electrical power capacity, new roads, and improved levels of health care and employment. (See accompanying interview.) Rivers State has two oil refineries, which unfortunately do not operate at capacity; a petrochemical plant; a fertilizer plant; and a liquefied natural gas plant. New roads and bridges are being built, schools refurbished, modern housing complexes constructed, and a new modern specialist and diagnostic hospital, Braithwaite Memorial, is under construction in the capital city of Port Harcourt.

However, it is due to the state's commitment to substantially increase electrical power production and consumption for the population, that the greatest progress has been made. Before 1999, Rivers State was receiving a mere 20 megawatts of power from NEPA, which is almost beyond belief. With energy provided by two state-owned power plants, Eleme and Trans Amadi, the state increased capacity to about 80 megawatts. Rivers State is unique in having two state operating power stations, which it is upgrading, and is a few weeks away from bringing a new facility online.

The Eleme Gas Turbine Station has added 75 megawatts to its existing 25 megawatts, to yield a total of 100 megawatts, and the Trans Amadi Gas Turbine Station has expanded its 36-megawatt capacity to 136 megawatts. But it is the new Omoku power station, which the *EIR* team toured, which is the most impressive. At a cost of 40 billion naira (approximately \$330 million), the state bought six gas turbines from GE Nuovo-Pigmone, in Florence, Italy, for the Omoku plant. Each turbine will produce 25 megawatts, bringing online an additional 150 megawatts. The state's electrical power production will then total 386 megawatts—an almost 500% increase from the 80 megawatts it achieved in 2001, and about

2,000% more than the pre-1999 level, for a population of 5 million.

New transmission towers have been erected, and we saw new transmission lines being strung. This increased transmission capacity will enable the state government to bring electricity to the entire state, and provide surplus power to neighboring states, and to the national grid, to supply other parts of Nigeria. Also, for the first time, underground and “submarine” cables will be used to reach populations in riverine areas of the state.

The Omoku plant, begun in 2003, was built from scratch in the wilderness, and is now a huge complex. It is located near the site where Agip is flaring gas 24 hours a day, seven days a week. The plan is to stop the dangerous flaring, and instead pipe the gas 600 meters into the Omoku plant to run its turbines. When completed in the next few weeks, this state-of-the-art facility will be the most modern power plant in the country.

Road construction is also of major importance for the vitality of the state's economy. Because the region is in a swamp/wetlands environment, it takes more effort and expense to maintain the roads, and prevent them from collapsing, than it does in other parts of the country. To build a durable, long-lasting road, it is necessary to scoop out 1.5 to 2 meters of clay, and replace it with a layer of laterite, and then a layer of bauxite, before covering it with tar. This is made all the more difficult because the less-rainy dry season lasts only three months, from November to January.

Other important initiatives by the Rivers State government to improve the living conditions for their people include: a 100% subsidy for anti-viral drugs AIDS treatment, free health care for pre-school-age children and adults over 60



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The Omoku gas turbine power plant, soon to be completed, will be the most modern in the country and will supply 150 megawatts of electricity.

years of age, training for young adults, and grants of start-up capital for self-employment in basic trades at The Adolescent Project (TAP), and the creation of the Agency for Re-Orientation, Integrity, Service, and Ethics (ARISE), which is mandated to uplift the population morally.

Lights To Be Turned On in Bayelsa

The *EIR* team spent one day touring the neighboring Bayelsa State, the newest state in Nigeria, commissioned in 1997. It is also one of the most underdeveloped states with *one* main road, despite the state's enormous deposits of oil. Bayelsa is central to solving the problems of Nigeria because it is home to the fourth largest ethnic group in Nigeria, the Ijaws, who number 15 million in the Niger-Delta region. The Ijaws are mostly neglected, marginalized people, prone to frequent acts of violence and sabotage. They have been involved in numerous kidnappings and killings of oil workers, and "bunkering" of oil pipe lines (breaking into the pipes and stealing the oil), which has provoked the Federal government to deploy the military against the Ijaws.

One official gave us the following analysis: If you solve the Ijaw problem in Bayelsa, you solve the problem of the Niger-Delta, then you solve the problem of Nigeria, then you solve the problem of Africa. This is obviously overly simplistic, but it contains a kernel of truth.

Oloibiri (in Bayelsa State), the site of the first oil well dug by Royal Dutch Shell 50 years ago, remains a completely underdeveloped area; the road leading to the well is still unpaved! The current state government knows that the key to

solving the militancy of the Ijaw youth is economic development. Until this month, Bayelsa was left out of the national power grid, operating with its own power plant, built in 1980 with two turbines of 20 megawatts each, but with only one working at a time. Thus, a population of 4 million has lived off of 20 megawatts of electricity.

Four new turbines have been ordered, to add 70 megawatts of electrical power, and the state has the potential to be connected to power from Rivers State as well. The state goal is to have continuous light for all its residents by March 2007.

Bayelsa, like Rivers State, has put major emphasis on state investment in new infrastructure, and education. Out of a budget of 126 billion naira, 25 billion will be spent on infrastructure, and 15 billion on education. Combined, this is 32% of the

total budget. A new 500-bed hospital is under construction in Yenagoa, the capital city, and is expected to be completed by September. Governor Goodluck Jonathan has ordered 50 more ambulances to handle emergency medical care. New roads, bridges, and housing complexes, are under construction, as the state begins to climb out of decades of looting by the oil companies.

Nigeria's Achilles' Heel

Without doubt, the major internal danger to Nigeria, under conditions orchestrated by the financial/oil predators—which have had their fangs sunk into the country since its independence in 1960—is the combined effect of ethnic tensions and extreme alienation and deprivation on millions of poverty-stricken youth. Already, sabotage of oil production in the Niger-Delta has reduced oil production from 20% to 25% of its daily output, which had reached 2.5 million barrels per day. As more leaders are coming to realize, without building up the economy from decades of forced marginalization, there is no solution to the militancy of millions of frustrated youth, who see no future, even more so than in the Niger-Delta. The informal economy, is a monstrous waste of human potential, a cancer that must be excised from society.

Investments in basic infrastructure, such as potable water, electrical power, health care, and education, if they result in an improvement in the material quality life, are positive—even if the results are small relative to the real needs. The steps being taken by Governors Odili and Jonathan are the right course of action, which should be supported. Otherwise,

100 million Nigerians, living on \$1-2 a day, provide a ready mass of effectively disenfranchised citizens, who can be manipulated and whipped up into action, even against their own real interest.

Many years ago, when I first visited Nigeria, I was told that the country's problem can be summed up briefly as follows: The vast majority of Nigerians can't sleep at night because of their abject poverty, and the small wealthy elite doesn't sleep either, because the millions of poor are awake at night. This is even truer today. That is why seeing the completed and near-completed infrastructure projects in the two Niger Delta states we visited, brought a ray of optimism to our minds and hearts.

Despite the commendable efforts by even determined leaders, Africa cannot save itself. Its economies are too weak, and each nation's currency is not accepted outside its own borders. In brief, the nations of sub-Saharan Africa have been driven down below the level required for simple survival, as a result of decades of intentional economic genocide.

As the international financial system lurches towards the breaking point, only a global reorganization of the bankrupt monetary system, in accordance with President Franklin Roosevelt's original intent in his 1944-45 Bretton Woods, will finally provide African nations with the opportunity to develop their economies to the level necessary for the well-being of their citizens. American statesman Lyndon LaRouche is leading a campaign on every continent to bring into existence a New Bretton Woods, where sovereign nations will meet and work out trade and credit arrangements in treaty agreements among themselves, for the benefit of their respective populations, without the interference of the International Monetary Fund, the World Trade Organization, or the World Bank. Keep the free trade-globalizers out! A pathway for a true renaissance in Africa, is for thoughtful leaders to join with LaRouche in exploiting the impending collapse of the present financial system to usher in an alternative system—one committed to the principle of providing for the *general welfare* of its citizens

And the Presidential Election

The paradox of the Niger Delta fuels the controversy between the northern and southern regions of the country, leading into the as-of-now "scheduled" May 29, 2007 Presidential elections. This will be only the third Presidential election after the death of General Sani Abacha in 1999, and the first, since then, of a national leader other than President Obasanjo. Daily political debate in Nigeria is pivoted around two related issues: the distribution of oil revenues, and what geographical region the next President should come from.

All oil revenues are deposited in the Nigerian National Petroleum Company, controlled by the Federal government, which distributes the proceeds according to this formula: the Federal government keeps 52%, the 36 states receive 32%,

and the 776 local governments get 24%. Out of excess oil revenues, the nine oil producing states get an additional 13% apportioned to the amount of oil produced from the state. The South-South states want to increase that allocation to 50%.

The second hotly debated issue is the claim that it is finally time for a leader from the south to occupy the Presidency. The argument is that for many years the military dictators who governed Nigeria came from the north. The current elected leader, President Olusegun Obasanjo, who is completing his second term, is from the west, and thus many believe it is time for the next President to come from the south.

To outsiders, where a candidate comes from would seem to be of trivial importance, but to Nigerians it is an emotional issue. Nigeria is a nation regionally and ethnically divided. These divisions were intentionally nurtured under British colonial rule, and were used to help foment the 1966 coup, which brought to an end the First Republic, and ushered in decades of military rule. The People's Democratic Party (PDP) is the dominant party, which President Obasanjo, in effect, heads. Thus, the person that the PDP nominates for President, has a good chance of winning the election. Dr. Peter Odili, the popular Governor of Rivers State, is rumored to be an unannounced candidate from the Niger Delta for the PDP Presidential nomination.

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