

cellor Kohl wanted a substantial French investment in East Germany, to establish at least some broader cooperation with France, because the French political elite was otherwise reluctant to cooperate with the reunified Germany in positive political terms.

### **Rohwedder is assassinated**

It was in the middle of this delicate situation, which was characterized by other such geo-economic conflicts over the future of other sectors of East German industry, that Treuhand chairman Rohwedder was assassinated by a sniper on April 1, 1991. Under his successor, Birgit Breuel, the Treuhand agency policy changed radically, toward a strategy of abandoning remaining links between East German and Soviet industry. Instead, Breuel pushed a policy of reorienting East German industry to the Western free markets. In the Leuna case, Elf-Aquitaine prevailed over British Petroleum, which opted out, and the French extracted a state subsidy of 2.2 billion deutschemarks (roughly \$1.4 billion) from the Germans, during a painstaking negotiation process that lasted from September 1991 to December 1992, when the contract on the "Leuna 2000" project was signed; a second phase of new French demands lasted into the spring of 1994.

### **The question of Russia**

From the standpoint of corporate investment, there were hundreds more reasons for the Germans to bribe the French, than vice versa. So, the question is posed, why would Elf-Aquitaine have to pay "commissions" in the range of FF 256 million, on Dec. 24, 1992, the day the contract was signed. The fact that the payment went to "firms" owned by former intelligence agents of France, Germany, and Britain, indicates that something else was being pursued, parallel to and in close connection with the "Leuna 2000" project, something that had to do with gasoline and oil refining only in the context of larger designs of geo-economics.

The situation in Russia, which, after the nominal end of the Soviet Union in August 1991, saw the beginning of destructive free-market reforms, and the repercussions that it had also in the regions bordering on Russia, has to be taken into consideration. Certainly, the fact that some people in and around Elf-Aquitaine decided to increase its budget for "commissions" from FF 20 million to FF 700 million in 1992, is related to increased requirements for conducting intelligence operations after the collapse of the Soviet Union and its state-sector economic system in 1991.

Certainly, there is a much more interesting story to be found in that context, than the simplistic "bribes and corruption" scandal of the kind that the German and other Western media are trying to make of that "Leuna 2000" case. The real story to be found is the one about numerous, so-far-undocumented aspects of the policies which the two destructive twins, geopolitics and geo-economics, carried out during the 1990s.

# Nigeria 2000: a time

by Lawrence K. Freeman

With the February 1999 election of Nigerian President Olusegun Obasanjo and his inauguration on May 29 of that year, the governments of the United States and Britain have changed their outward behavior toward Nigeria, from the vexatious policy they maintained when Nigeria was headed by Gen. Sani Abacha. Yet despite the West's new veneer, the underlying intent of the financial elite has not changed at all. With the Obasanjo government on the spot to deliver some minimal economic relief to the tens of millions of poverty-stricken Nigerians, and at the same time being forced to handle a new round of nasty "ethnic" attacks, the International Monetary Fund is seizing the opportunity to reinsert itself into the Nigerian economy. However, while it is far too early to predict the ultimate outcome, there are signs of growing resistance from several different sections of society, led by the labor movement, to another IMF takeover.

The Nigerian Labor Congress (NLC) led off a week of protests with a demonstration of 10,000 in Lagos, the largest city in Nigeria, on Dec. 15, and culminated its activities on Dec. 21 in Abuja, the capital, with several thousand workers rallying at Aso Rock, the villa of President Obasanjo. The immediate issue which catalyzed the protests was the decision of the government to deregulate fuel prices. It appears that for the moment, the week of protests in several state capitals has worked.

On Dec. 21, President Obasanjo met with leaders of the NLC, and agreed to hold off any immediate increase in the price of fuel. After the meeting, NLC President Adams Oshiomhole told the press, "We are convinced that there will be no fuel [price] increase in January." However, the NLC leadership has taken aim at the entire budget, and most importantly, at the IMF's underhanded efforts to take control of the Nigerian economy, as it did under former President Gen. Ibrahim Babangida. Nigerians have not forgotten, that it was implementation of the IMF's structural adjustment programs under Babangida (1985-93), through the massive devaluation of Nigeria's currency, the naira, and the liberalization of the economy, that resulted in the devastation of their nation, from which it has not recovered today.

### **The IMF's blackmail**

In Lagos, Oshiomhole made clear that "Nigeria does not belong to oil companies, the IMF, the World Bank, or their agents." The following week in Abuja, he continued on the

# for tough decisions

same theme, and “accused the International Monetary Fund and the World Bank of hijacking President Obasanjo’s programs for Nigerians,” according to the Nigerian press.

There is no question that the domestic price of fuel is very cheap in Nigeria, but, as one parliamentarian who joined the rally pointed out, “wages are the poorest in Nigeria.” Once the price of gasoline rises, there would follow an increase in prices throughout the entire economy. Originally, in early December, the government said that it was not fully committed to deregulation (a price increase), but then decided to push ahead with it. Why is the government, with the economy in shambles, and people hoping for some real material economic results from the “democratic” election of their new President, engineering a price hike, which will undoubtedly cause more economic hardship? Because the IMF has made *deregulation of the oil sector*, along with privatization of other state-owned authorities, one of its conditions for Nigeria to receive a \$1 billion loan. This is the same loan that was dangled in front of Nigeria all last year, and there is still no firm agreement from the IMF that it will be granted.

In addition to the demand to leave the fuel price at its current level, the NLC is also calling on the government to stop the “obnoxious” deregulation of the petroleum sector, to stop the commercialization of government-run infrastructure, to stop the \$1 billion IMF loan, and to “revisit the role of the Nigerian state in the economy . . . [including] job creation.” Nigeria is suffering from massive unemployment and poverty, only partially hidden by the millions of poor who try to simply survive by selling cheap consumer products to motorists stopped at intersections, and along the roadside, known as the “informal economy.” The largest sector of employment is the government civilian workforce. However, with the minimum wage for civil servants at 3,000 naira a month, equal to \$30, the necessity to raise the minimum wage substantially is a life-and-death issue, one which has been taken up by the NLC.

With the IMF breathing heavily down on the new government to accept its conditionalities of dismantling the country’s already poor infrastructure and ending fuel subsidies, there are other forces also resisting. Following the week of demonstrations, a policy debate has broken out in the Nigerian House of Representatives on the need to suspend action on deregulation of the petroleum sector, and some have

raised the connection between the fuel price rise and the new IMF loans. For the moment, the deregulation of the oil sector has been delayed by a majority vote in the House.

The well-known anti-IMF economist Prof. Sam Aluko also added his voice to the fight, in a lecture in Abuja to the Nigeria Economic Summit on Dec. 16. *Vanguard News* reports that Aluko told his audience that Nigeria had no reason to trust the IMF and the World Bank, and expressed his strong disagreement with the government’s privatization program, demanded by the IMF. (Aluko has endorsed Lyndon LaRouche’s campaign for the U.S. Presidency. See *EIR*, Dec. 24, 1999, p. 64.)

## **Ethnic warfare targets Nigeria’s sovereignty**

While President Obasanjo is walking a tightrope between the IMF’s insistence on deregulating its economy and new levels of resistance from the population, Nigeria has been hit with an outbreak of “ethnic” and “religious” confrontations in three geographical areas: the North, Lagos, and the Niger Delta region.

The recent round of deadly attacks in Lagos has been conducted by the militant wing of the Oodua People’s Congress (OPC), a group of Yorubas who have targetted the Obasanjo government—even though President Obasanjo is himself a Yoruba. They are advocating convening a Sovereign National Conference of “all ethnic nationalities” to “redefine Nigeria,” along with the creation of an “Oodua Republic” and other ethnic divisions. Reliable sources within and outside of Nigeria point to the fact, that the OPC is really controlled by the National Democratic Coalition (Nadeco), the main British-run opposition movement, which was deployed to break up Nigeria during General Abacha’s rule (1993-98). Abacha refused to cave in to the IMF while he headed the country.

The OPC is accused of being behind the attempted assassination of Lagos state Gov. Bola Tinbu on Dec. 12, in which four others were killed, and it is said to be responsible for several attacks resulting in the deaths of 100 people since President Obasanjo took over the government. The OPC and those behind it are continuing, if more violently, what Nadeco has attempted for years: to divide Nigeria up into warring ethnic entities, to prevent it from functioning as a sovereign nation-state.

In late November, 50 people were killed in fighting in a Lagos market, and bodies were found burned and mutilated. In response to the massacre, the government has given instructions, including orders to the police to “shoot on sight,” in order to crack down on the OPC. Hundreds of people are reported to have fled Lagos after this attack, with members of the Hausa tribe heading to Kano state, fearing further assaults. Predictably, once the militant Yoruba OPC began their violent attacks, the northern Hausas were propelled into action. A new northern Hausa-linked organization, the Arewa People’s Congress, has suddenly come into

existence. Authorities have already warned of an expected backlash from the northern Hausa stronghold state of Kano. The fact that the OPC emerged from the British-backed Nadeco, the phony democracy movement of the 1990s, and the OPC's public commitment to "liberate our people from the hands of the Hausa/Falani oligarchy," provides the crucial evidence that the well-known British mode of operation for destabilizing African nations—orchestrating "gang-counter-gang" violence by manipulation of age-old "ethnic-tribal" differences—is in use.

Is it a coincidence that at the time of the renewed Yoruba/Hausa violence, Zamfara and Kano states are potentially stirring up religious strife by bringing in *Sharia* (Islamic law) for the first time, with other states expected to follow?

The timing of these "ethnic" eruptions overlaps a year-long violent battle in the Niger Delta region, the oil-rich region of southern Nigeria, where militant elements in the ancient Ijaw tribe have been combatting government forces. Odi youth from Bayelsa state killed 12 policemen in November, which provoked a massive over-deployment by the military against the Odi community. The Niger Delta region, which accounts for a substantial amount of Nigeria's oil output, has remained pitifully underdeveloped economically, creating propitious conditions for deploying such militant youth.

### **Will Nigeria break out of the IMF geometry?**

The history of Nigeria, is the history of the British Empire-Commonwealth trying to gain control of Nigeria's enormous oil wealth. This looting policy has been the axiomatic feature of the uninterrupted policy by the British to prevent Nigeria from becoming an independent sovereign nation, since Nigeria freed itself from British rule in 1960. All the apparently internal conflicts have been the result of the struggle for Nigeria to become a leading nation of Africa, against the London-centered financial elite's determination to break up Nigeria, for the purpose of controlling the flow of its oil, from this, the fifth-largest oil reserves in the world. The so-called concern for human rights and democracy by the U.S. State Department, is really just propaganda to justify attacks on any Nigerian leadership that offers even the slightest resistance to British-IMF control of the Nigerian economy.

As soon as Obasanjo assumed the Presidency, the IMF, while dangling the \$1 billion loan, demanded the right to monitor the Nigerian Central Bank, which was at first rejected by Finance Minister Adamu Ciroma. President Obasanjo has been loudly campaigning for help from the West in return for having displaced the military government, and having brought about a democratically elected civilian government. While President Clinton has agreed to a certain amount of debt forgiveness, it is totally insufficient. Nigeria's foreign debt grew from \$3.5 billion in 1980 to \$32 billion in 1999. Debt service and arrears require Nigeria to pay \$3.5 billion a year, a sum equal to 33% of Nigeria's

yearly export earnings.

The axioms of the flawed thinking of the Obasanjo administration have been around for a long time in Africa. They go something like this: Our country will not have democracy and develop economically unless we attract foreign investments. We can't attract investments unless we are accepted into the good graces of the IMF. Thus, unless we go along with the IMF, our country will remain poor and underdeveloped.

The fallacy of this type of thinking, is that it is precisely because Nigeria and other African nations have followed the IMF prescriptions, that they have been destroyed. Such destruction is *what the IMF intends*. Look at the spread of AIDS in Nigeria and Africa generally. This is the biggest killer the continent has ever seen, and it is a direct result of British-IMF looting policies for the last 50 years. With little or no infrastructure, extreme poverty, and poor health care, it is elementary that the weakened immune systems of the African population will easily succumb to HIV infection. And, of course, with annual per-capita income at less than \$300, no one can afford the various cocktails of medicines used to treat AIDS, that are available to wealthier people in the West. With an estimated 5.4% of adult Nigerians carrying the virus, this poses a large-scale health-care emergency, which requires an similarly rapid expansion of the Nigerian economy.

There is a way out, but it will require a courageous Nigerian leadership to step forward to collaborate with U.S. Presidential candidate Lyndon LaRouche. As long as Nigeria's leadership operates within the old geometry, falsely believing that its economic growth depends on the "good graces" of the IMF, Nigeria will be squeezed until its people can breathe no more.

LaRouche's proposal for a New Bretton Woods system is the only feasible, realistic alternative to the present bankrupt global financial system. The derivatives-stock market bubble will pop in the immediate period ahead. The financial-monetary system is systemically flawed, and cannot last. It will disintegrate, either through deflationary collapse, or a hyper-inflationary blowout. Under these conditions, Nigeria can escape the nightmare of appeasement and step out of the "old" IMF- and British-dictated geometry into the new LaRouche-Bretton Woods framework. In a sense, it is that simple. The Nigerian economy has been stagnating for years. Unless there is a measurable improvement in the standard of living of the Nigerian population, accompanied by significant advances in construction of vital infrastructure and industrial projects, the economic-health crisis threatens to overwhelm even the best intentions of the nation's leadership. Such a crisis also produces the conditions for continued "ethnic-terrorist" deployments that could lead to the breakup of Nigeria, and a war more horrifying than the Biafra war of 1967-70. Now is the time to make tough decisions and act courageously, before it is too late.