

Algerian chaos deepens, as IMF applies screws

by Christine Bierre and Dean Andromidas

After the fiasco of the National Conference of Algeria's political parties, the Algerians find themselves in a political and military situation that is more chaotic by the day.

The national conference on Jan. 25 in Algiers was, as everyone expected, a thorough fiasco. Organized by the regime to create a nationwide rallying against the Islamists, not a single major party wanted to participate and thereby lend its support to the military. The National Liberation Front (FLN), historically the party of the revolution, the MDA of Ahmed Ben Bella, as well as the FFS of Aid Ahmed all stayed away because the Islamists of the Islamic Salvation Front (FIS) had not been invited. Did death threats from the Islamic Armed Group (GIA) against everyone who took part dissuade them? One need not be an ace at modern Algerian politics to realize that it is no longer possible to keep the Islamists on the sidelines.

Hence, the regime found themselves, on Jan. 25, thoroughly isolated, faced with a country where everyone, from the political parties of the unions to the leading historic associations, is convinced that there must be talks with the FIS. In December 1991, in the wake of the FIS victory in the legislative elections—3.2 million votes against 1.6 million for the FLN—the military decided to “put an end to the democratic process.” That was how the High Commission of State was born, set up to run the country for three years until Jan. 31, 1994. The military counted on profiting from this period to stabilize a disastrous economy and thus to create the necessary conditions for defeating the Islamists.

Far from winning their gamble, the military find themselves today with a far worse situation on their hands. Three years of the draconian austerity policies of the International Monetary Fund (IMF) have created conditions for a virtual blossoming of the FIS and a very severe crisis in the institutions that came out of the war for independence.

‘Painful, difficult, and costly’

The Algerian government has agreed to negotiate with the International Monetary Fund a rescheduling of its \$27 billion foreign debt. An Algerian delegation was expected to arrive in early February in Washington to work out the details. Algerian Economic Minister Mourad Benachenhou, a

former executive director of the World Bank from 1982 to 1990, admitted the agreement would be “painful, difficult and costly.”

It is hard to believe how much more painful it could be when Algeria is devoting virtually all of its \$10 billion in foreign exchange earnings to servicing its \$27 billion foreign debt. The government announced another 20% cut in wheat supplies, already scarce. Another round of austerity is sure to lead to massive social unrest.

The IMF is expected to grant a “standby” agreement in return for implementing another round of “liberal reforms,” and deeper austerity. The IMF accord is expected to include a 30-50% currency devaluation, a further liberalization of foreign trade, restructuring of the public sector, a steep rise in domestic interest rates, elimination of food and other subsidies, and eliminating the government deficit. In return, the IMF is expected to extend a few hundred million dollars in standby credits and release other funds that have been blocked.

Economy already collapsed

The Algerian economy has been in a state of collapse for the last several years and these measures will put them well under zero. Already 90% of its foreign exchange earnings, mostly from oil and gas, go to service its debt. The further weakening of oil prices has led to a \$1.5 billion drop in export revenues. It was recently revealed that Algeria had stopped paying the principal on much of its foreign debt, although interest payments are said to have continued. Foreign exchange reserves are said to be at zero. While Algeria's industrial sector is relatively modern and efficient, industrial production is functioning at 30% or less capacity because of lack of spare parts or foreign exchange and credits. Unemployment, said to be as high as 50%, is expected to increase by another 1 million under the IMF accord.

French economic experts report that Algeria would need at least \$4 billion in new credits this year alone if any progress is to be seen in the economy. Despite IMF promises of credits, Algeria is expected to lose millions of dollars worth of other credits that have been committed for industrial projects. So far, the big international creditors have opposed a rescheduling of the debt. France holds 50%, Japan another 25% of the debt, and the United States is the third largest creditor. Last autumn in an economic conference in London, a representative of the Japan Export Import Bank, a governmental institution that guarantees Japanese private commercial loans for Japanese firms, announced that if Algeria rescheduled its debt it would not only stop future credits, but would suspend any loans already promised.

Government manipulations

The national conference was called as a “last chance,” an appropriate way of describing the desperate situation in Algeria. Those who know the country well report that whole

regions are no longer under control of the military, but of the FIS. The war has also gone from the stage of being “pre-civil war,” to being simply a civil war. The Jan. 26 issue of *Le Canard Enchaîné* of Paris cited figures from French military intelligence that on Jan. 18 alone, 250 people died as a result of the fighting. Other sources say there are 350 deaths a week. That is many more deaths than in the end stages of the war of independence with France.

A good number of observers of Algeria consider it a miracle that the military command is still in power. Those who don't believe in miracles attribute it to some 30,000 elite troops trained in France. The situation within the Army itself has deteriorated: Recently it was reported that some 250 officers defected.

While the country becomes further and further engulfed in civil war, the regime not only has no plan to propose for Algeria, but is resorting to little tactical maneuverings. Hence, the government multiplied the lies and low-level manipulations in an effort to bring all the parties into the national conference, including the FIS, all the while ceding no ground to the latter. The parties were all told, in the hope of convincing them to attend, that the FIS leaders in prison—Madani and Belhadj—had agreed to allow four FIS leaders, currently in prison, to attend the national conference. The kindly military, we were told, went so far as to free, just before the conference, 700 Islamic political prisoners, an act which doesn't go very far, considering, according to *Le Canard Enchaîné*, that General Touati had told his buddies that there were currently 15,000 Islamists in prison.

Overall program needed

But the Algerians' salvation lies neither with the present power of the military nor with the FIS, such as it is. Whereas the military in power have been a disaster, even the best people in the Islamic camp complain that the FIS lacks program. Only an overall plan will allow the life-forces of Algeria to come together and lay the basis for the country's future. But, a plan is not an arithmetical callup of forces—two from FIS, plus one from the FLN, plus a half from the military: First, there must be a definition of the Algerian citizen. The great monotheistic religions define man as being made in the image of the Creator, endowed with reason and using his creative powers for creating better moral and material conditions of existence for human beings. These concepts, which inspired the renaissance periods of leading civilizations: Christian, Muslim, Jewish, etc., should be enshrined in the constitutions of nations. Then, an economic program should be defined which will permit Algeria to return to full employment and growth thanks to investment in industry and agriculture. This means a total repudiation of the IMF programs and all forms of economic liberalism. Algerian patriots will find among economists like France's Jean-Baptist Colbert, America's Alexander Hamilton, or Germany's Friedrich List, the models for building national economies.

Swine fever continues rampage in Germany

by Rosa Tennenbaum

Swine fever is still on the march in Germany. While the disease alert was called off in the southern state of Baden-Württemberg, in northern Germany, the heartland of German hog farming, the disease continues to take a toll. There are almost daily reports of new outbreaks, while large tracts of land have been forbidden to have any trading in hogs. And it looks like it will remain that way for some time to come, since the measures taken so far by the European Commission of the European Community are not aimed at halting the march of the disease as soon as possible. Every week, another 2,500 animals, virtually all of them healthy, are killed off. Even though the EC headquarters in Brussels has reduced the radius of the cordoned-off areas from the scandalously large 100 km down to 20 km, such an area is still three times as large as necessary to combat the disease from a veterinary standpoint.

Many might ask why the disease wasn't stopped in its tracks a long time ago, given these exaggerated measures. It is because using the methods being applied under the prevailing policies, it would be impossible to eliminate the disease—even if you eliminated the virus itself by killing off every hog in Germany. And indeed, that is precisely the direction which Brussels has mandated. In November and December alone, over 520,000 hogs were put to death in the state of Lower Saxony. When one considers that all of these animals were healthy, virtually without exception, the enormity of this senseless butchery becomes evident. The hogs are killed as follows: A troop of men comes to the farm and grabs one pig after another with a large electric prod, killing it with a high-voltage shock. The farmer looks on helplessly, and must then pay the men for the job: Each worker gets DM 25 (\$15) per hour, plus free room and board.

'Hog-free' zones

An earth-moving machine is then used to pile up all the cadavers into a heap, where they remain until they are transported for final disposal. After the troops leave the farm, all is deathly still—not a grunt can be heard. After such an action, according to veterinarians' reports, the farmer is usually left in a state of shock, while the family members cry their eyes out over the senseless killing of animals. But there is no mercy: The death commandos proceed to the next farm to continue their gruesome work, until the entire region has been made “hog-free.” The sheer numbers of hogs killed has