

Uwe Friesecke

## Choose development, not IMF genocide

*Uwe Friesecke, from Germany, is a leader of the Schiller Institute who has frequently covered news developments in Africa for EIR. He spoke on April 27.*

I think it is quite obvious that one of the next projects which we will have to undertake, is to have a similar type of seminar, organized with more emphasis on all the details and history of Zaire as such. As part of what will be discussed later, I would already invite you to help us accomplish exactly that. Now, thank you very much for your contributions.

I would now like to address two problems, very briefly, to somehow situate this question of peace through development in Africa's Great Lakes Region. Again, from the standpoint of what Lyndon LaRouche referenced yesterday: the need for a just new world economic order. The two points are, first, the International Monetary Fund's structural adjustment programs, and second, how such a new world economic order would look concretely.

Without going into many details, what we have to state clearly, loudly, is simply this: The IMF/World Bank system

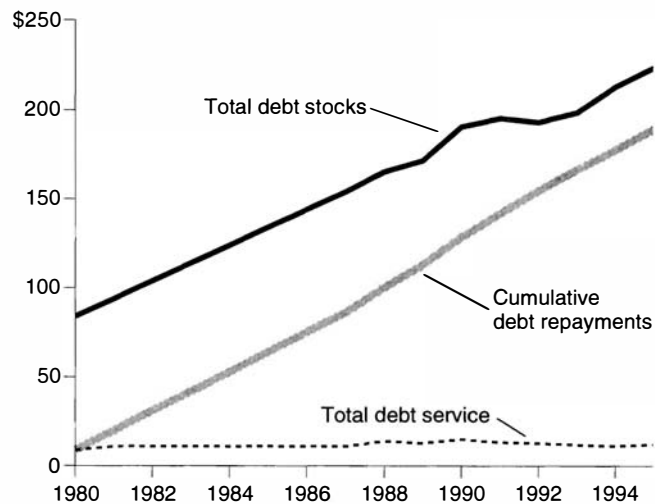
has been a system of looting, and it has destroyed Africa at least as much as the old colonial system of the nineteenth and first half of the twentieth century. We take the indicator, the debt problem, which just makes this point very clear. In 1980, sub-Saharan Africa started out with approximately \$80 billion worth of debt (**Figure 1**). Today, sub-Saharan Africa has close to \$250 billion in debt. Cumulatively, between 1980 and 1985, sub-Saharan Africa paid close to \$200 billion to international banking institutions. That is, it paid two and a half times more than it owed in 1980; and yet, it now owes three times more than it owed in 1980. We can go through this, country, by country, by country (**Figures 2-7**). We have all the figures; these are World Bank figures.

All in all, our estimation is that in those 15 years, probably the equivalent of something on the order of half a trillion dollars in real loot left African countries. And this probably doesn't count the illegal trade in gold, diamonds, and so forth.

**Figure 8** shows the debt of all six countries around the Great Lakes: Rwanda, Burundi, Tanzania, Kenya, Uganda, and Zaire. Those countries have close to \$35 billion in foreign debt right now. They have paid, in those 15 years, approximately \$20 billion. So, again, this shows you that unless this structure is removed, there is just no perspective whatsoever, for any serious development. Therefore, there is no perspective whatsoever, for any program of reconciliation in the area. Because what has simply happened is, that the process of looting enforced by the injustice of the IMF system, has ripped apart the material preconditions for human society to exist. And the population density in the area is greater than the population that can be sustained. Not

**FIGURE 1**  
**Sub-saharan Africa debt**

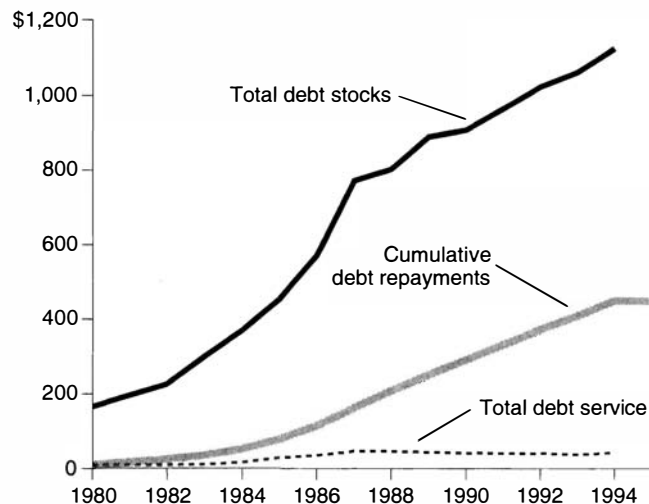
(billions \$)



Source: World Bank, 1996.

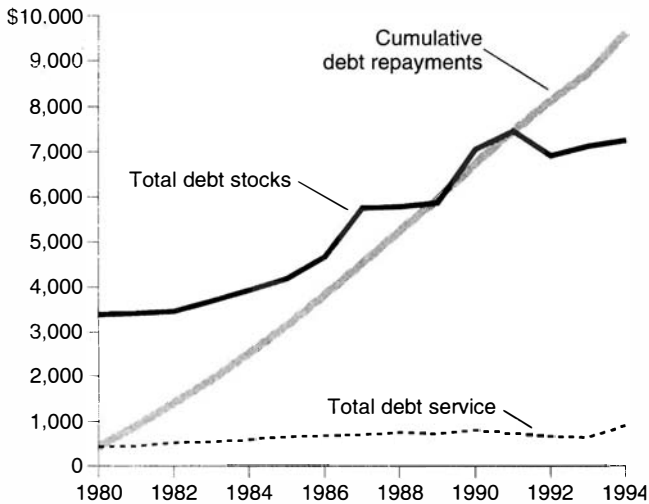
**FIGURE 2**  
**Burundi debt**

(millions \$)



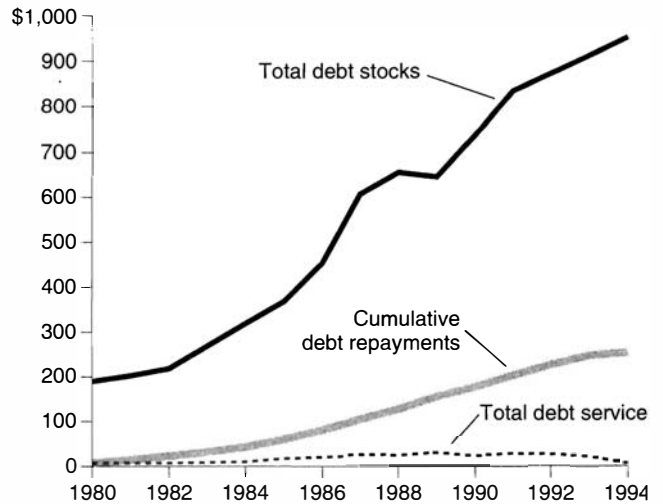
Source: World Bank, 1996.

FIGURE 3  
**Kenya debt**  
 (millions \$)



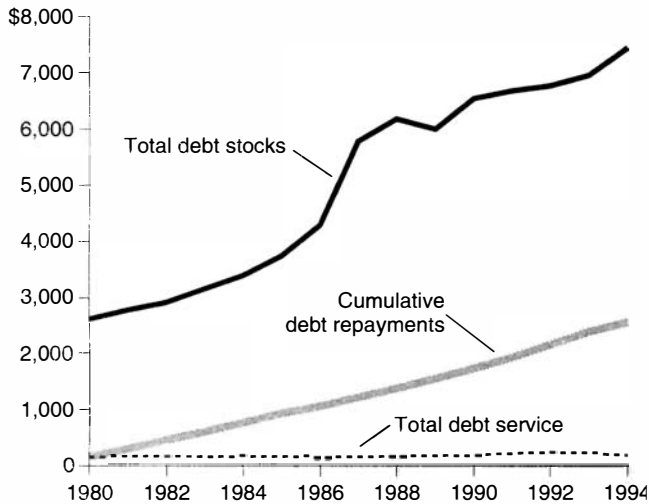
Source: World Bank, 1996.

FIGURE 4  
**Rwanda debt**  
 (millions \$)



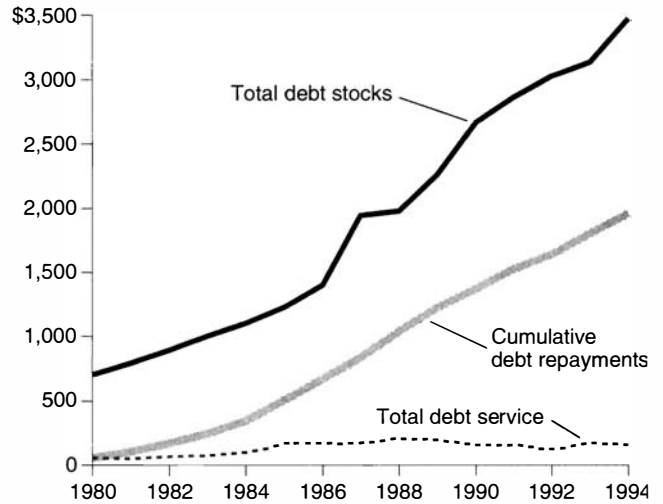
Source: World Bank, 1996.

FIGURE 5  
**Tanzania debt**  
 (millions \$)



Source: World Bank, 1996.

FIGURE 6  
**Uganda debt**  
 (millions \$)



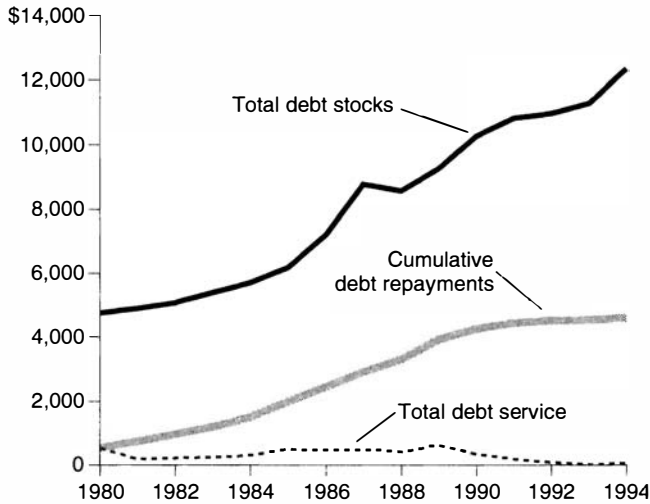
Source: World Bank, 1996.

because the population density is in any way large. Rwanda's and Burundi's population density is lower than [the German states of] Hessen or North-Rhine Westfalia. But, if you force 80-90% of the population to live off subsistence farming, and then introduce a system of systematic looting, wholesale looting, it will create economic and social chaos, political tensions, and military conflicts, because everybody is thrown

back into a situation where everybody is fighting for survival. This is an impossible condition for anything that is worth calling reconciliation and peace.

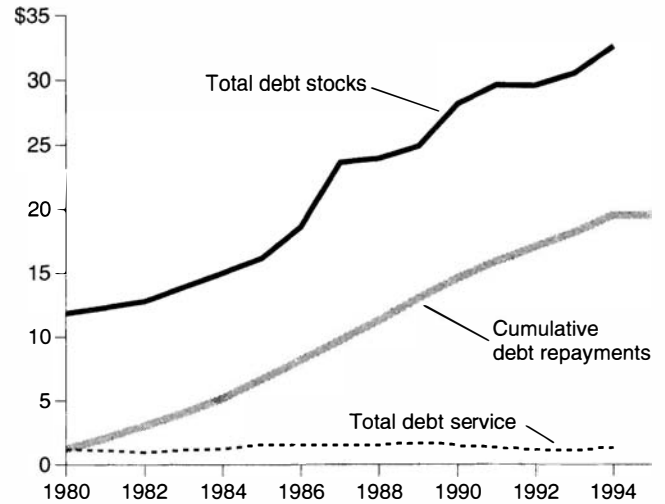
So, the first point I want to make is, unless this system of injustice of the economy—which is a continuation of the old colonial system under a new name, called IMF-World Bank—is removed, there will not be any peace.

FIGURE 7  
**Zaire debt**  
 (millions \$)



Source: World Bank, 1996.

FIGURE 8  
**Combined debt of all six countries studied\***  
 (billions \$)



\* Burundi, Kenya, Rwanda, Tanzania, Uganda, and Zaire.

Source: World Bank, 1996.

## What must be done?

Second, what would be the alternative of a new world economic order? It would have to have the following elements. This is strategically defined, under which, then, the growth of national economies would be possible again:

1. Immediately, all debt payments should be frozen. We then should draw a distinction between legitimate and illegitimate debt. The first should be paid over a very long time: not now, but only after payments are possible; and the illegitimate debt should be cancelled altogether. How the relations are, will have to be figured out. But there should be no illusion: Everybody knows the African debt will never be paid. It is a political blackmail of looting and political control for destruction. It has nothing to do with any financial considerations anymore, because the debt is simply unpayable.

2. The creation of a new monetary system with fixed parities, which is called a New Bretton Woods system, which we are asking President Clinton to implement, whose elements are the reregulation of the world trading system, based on the principle of a parity price for raw materials and agricultural goods. To stop that process of looting by which African goods are paid for below the cost of production, and therefore, even if African countries export some of their raw materials and get paid for it, it's always a losing arrangement. Because, what they get paid for it never covers the real cost of production, at the point of production.

This is the first, and most important aspect: that the trading system has to be reregulated, so that African countries earn real wealth from the trade they are engaged in and can take those earnings for their internal development.

3. We need to issue long-term, low-interest-rate loans, for rapid development of hard infrastructure, such as railways, as has been discussed in this conference; highways; waterways; energy production systems; water regulation—the obvious.

4. Transfer of modern technology from the industrial countries to African countries, including peaceful nuclear technology, and the establishment of science and technology centers in Africa.

5. The development of the internal markets of African economies: exactly the opposite of globalization. We have to defend, including with regional arrangements, the internal markets, so that local industries and agriculture can prosper, and then, Africa could become an equal partner in the world economy. But without protection, that's impossible. The elements are a Hamiltonian national bank; development of industry; development of modern agriculture, instead of subsistence farming; and development of qualified health care and education.

6. Regional integration of economies, and opening up of entire new areas for settlement.

The whole point here, is that a new, just world economic order means that this whole notion of "development aid" has to be thrown out of the window. We have to get rid of the difference between the so-called First World, Second World, Third World, and Fourth World! If we have a just trading system, we don't need development aid. If Africa can claim the right of equality with all other nations in the world, as far as trading and economic activity is concerned, then the earnings from that honest trading will be enough to finance

everything that is needed internally, and we can close down the ministries of development aid, because these guys have all the wrong ideas, in any case!

You take somebody like Professor Molle in Germany, who, in terms of the political problems in the region, is a relatively reasonable man; but if it comes to a fundamental understanding of development policy, then he says, well the new thing in development policy is, we have to manage the poverty: We have to have a more humanitarian approach to poverty, to arrange that poverty is somehow democratically controlled and arranged.

This is the cynicism which is there throughout the Western institutions.

As I said at the beginning of this seminar, in the 1960s, the idea that Africa would become the equal partners of the advanced industrial sectors, was an obvious idea for everybody. And, I will end by quoting an African for this, which today, reads like it comes from a different century altogether. But, that is exactly the spirit that we have to regain, and for which we have to fight, and what the new world economic order should enable us to do.

This is Cheikh Anta Diop, who wrote, in 1972, his treatise, *The Economic and Cultural Basis for a Federated State*. At the end, he describes different regions in Africa, and what he thinks the future for them, economically, will be. The first region he discusses is the Zaire River Basin:

“With its 650 billion kilowatt hours of annual reserves of hydraulic energy, the Zaire River Basin is destined to become the leading industrial region of Africa, the principal center of our heavy industry. In the final stage, hydraulic energy will supply all the electricity needed for the various branches of industry, using the resources of raw materials in neighboring territories.”

Then he goes through a list of all these strategic minerals and so forth.

“The simultaneous abundance of hydraulically created electricity and nonferrous metals makes this region especially suited to the fabrication of specialized steels for strategic or domestic uses, having numerous industrial applications: chromium steels . . . cobalt steel . . . tantalium steels . . . magnesium steels.

“Only regions privileged in electrical power can specialize in the production of such electrosteels. . . . The same is true of electrometallurgical industry in general, for the handling of by-products of copper ores, [etc.] . . .

“The region is as privileged as Canada for the handling of bauxite from other countries and the creation of an aluminothermal industry. Eventual discovery of iron ores with a yield of above 25%, and bauxite, would give this country an indispensable primacy for the location of heavy industry. . . .

“Zaire might create a significant chemical industry . . . a synthetic chemistry industry and cement works. The latter could call upon local clays and chalks and the noncoking coals of other regions. . . .

“Systematic development of rice-growing in Zaire . . . must be carried out in such a way as totally to change eating habits on the continent, replacing millet with rice as the basic dietary staple. In a near future, in three vital areas—food (rice), clothing (cottongoods), housing (cement and concrete)—Africa will be able to forego its dependence on the outside by ceasing imports from either Asia or Europe. . . .

“In an almost dramatic contradiction, the Zaire River Basin today holds almost all of our continental wealth while being the least populous area of the continent. It has 19 million people against 14 million in the Sahara, with a density of only two to three per square kilometer. This makes the region as rich as it is deserted—virtually as deserted as the desert itself.

“This internal weakness will have to be remedied in the future by a policy of hygiene and systematic birth encouragement. . . .

“The importance of the Zaire Basin is undeniable for all of Africa, and especially for us French-speaking Africans. . . .”

He goes through how heavy industries, and especially aeronautics, should be located on the coast of Zaire, and Zaire essentially should become a big industrial power, driving the entire development of the African continent.

Now, that was a vision from 1972. It is that vision, that we have to fight for again.

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