

# EIR Conference Report

## 'Never Again!' World Now Knows What Is Happening in Africa

The Bad Schwalbach Conference

The Schiller Institute's extraordinary conference in Bad Schwalbach, Germany, whose sessions ran from May 3-6, brought together representatives of 40 nations to the task of "Winning the Ecumenical Battle for the Common Good." The discussions there of the urgent New Bretton Woods monetary reform, and of the Eurasian Land-Bridge high-speed transport corridors development, were taken with the understanding that the solution to the devastating problems and disasters in Africa is an absolute necessity. Shocking reports had just been published at the United Nations, confirming *EIR's* 1997 warnings of a genocide of millions in Congo and Great Lakes region of Africa—a genocide on a scale of any in history.

The task was defined by Lyndon LaRouche in his keynote: "the two focal points of this conference will turn out to be . . . the issue of Eurasian recovery, Eurasian development, as the pivot for world recovery—including the role of Russia as a very special part of any such recovery effort—and the relationship of this Eurasian commitment, to the contrasting situation of Africa. In other words, to understand the world as a whole, look at the possibility of what we can do in Eurasia, and then look at the needs of Africa."

We publish here the main presentations at the May 5 Bad Schwalbach panel on "Peace Through Development in Africa: the Moral Challenge for Europe." The speakers were Prof. Sam Aluko of Nigeria; Jean Gahururu, chief of foreign relations of the Rally for Democracy in Rwanda (RDR); Leonce Ndarubagiye representing Burundi's opposition force, the National Committee for the Defense of Democracy (CNDD); and Prof. Abdalla A. Abdalla of Sudan. The panel is followed by other important coverage of Congo's humanitarian emergency.

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Prof. Sam Aluko

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### Peace Through Development: The Nigerian Perspective

*Sam Aluko is a Professor of Economics who lives in Akure, in Ondo State, Nigeria. He served in the Economics Ministry of the Nigerian government for four years during the early 1980s.*



I appreciate the invitation extended to me by the Schiller Institute, not only to attend this very important conference, but also to contribute to the discourse on economic recovery as a vehicle for the sustenance of peace, in a world that has become increasingly bedevilled with financial, economic and moral crises, in spite of the increasing and new and complex technologies which are daily being made available to mankind.

There is hardly anywhere in the world today, where the financial, economic, and moral crises are more evident, widespread, persistent, and likely to continue, than in the African continent. Since about one out of every six Africans lives in

Nigeria (in fact, because of the dispersal of Nigerians throughout the African continent, about one out of every four or five Africans is a Nigerian), whatever happens in Nigeria has a very significant impact on the African continent.

One of the most evident characteristics of the African continent is that it has always been a “follower continent”; that it continues to remain a “follower continent”; and, unless it finds faith and independence in its own peoples, action, and governments, Africa’s continuing economic decline, its financial and moral crises, will not only increase and deepen, but will also ultimately constitute a threat to the peace and stability of the entire world. This is because the enormous economic and natural resources of the African continent will continue to invite the competitive exploitation and spoliation of today’s world’s most developed nations, as their diminishing resources recede further and further while their insatiable appetites grow more gargantuan by the day, and the financial and economic crises which are beginning to manifest in their countries deepen and defy solution.

It is significant that it was in the heart of Germany, where this conference on economic growth and world peace is being held, that the then few great powers of the world, at the Berlin Conference in 1884, decided to partition Africa and set it on its road to economic disintegration, political enslavement, and moral degeneration. Before and since then, Africa had gone through the pangs of slavery, colonization, economic domination, imperialism, neo-imperialism, European metropolitan peripheralization, and political manipulations that had led to and continue to sustain intra-ethnic and inter-ethnic wars and violence, aided, abetted and sustained by the technologies, weapons and propaganda of the powerful nations of Europe and America.

### **‘Follower Continent’**

As one of the privileged Africans, who have had the benefit of education and close and sustained interaction with Europe and America, I lay the main blame on my own African peoples. First, the blame on my African ancestors who, for a little inducement of gunpowder, money, and materials, sold our young and vibrant Africans into slavery and colonialism, and now, for money, wealth, and power, continue to sell the conscience of the continent to the ideas, philosophies, and inducements of the West—to the extent that the whole of the African continent today owes the West and its finance capitalists, debts that are almost thrice the gross domestic wealth of the continent. Africa has reached the present lackluster morass because its leaders have always been blind followers of the West, which is why I have called Africa, the “follower continent.”

When slavery was popular in the world, African leaders readily embraced it as a vehicle to wealth and power. When colonialism replaced slavery, African leaders readily pawned their kingdoms, dukedoms, and empires to the colonizing powers. When colonialism became discredited and commu-

nism/socialism/capitalism became the dominant competing ideologies in the West, African leaders readily embraced one variant or the other of communism, socialism, or capitalism. Now that communism and socialism have been virtually killed and exterminated by the West, epitomized by the U.S.A., and substituted with free trade, liberalization, deregulation, privatization, globalization, and other capitalist shibboleths, African leaders and governments have followed these “sing-songs” as their cardinal ideologies to economic development, political *resorgimento*, and resurgence.

When the West extended the carrot of loan capital to the African leaders and governments, they followed readily, and ended up in the web of the International Monetary Fund (IMF), the World Bank, the Paris Club, and the London Club of Creditors who now virtually run the African governments, with ready acquiescence and following by the African leaders. I need recount no more because the leaders of this Institute, and particularly Dr. LaRouche, have been in the forefront of exposing the designs of these world finance capitalists and their designs against not only the economies of the poorer segments of the world, but also particularly of the African governments.

### **Failure to Plan for Economic Growth and Peace**

It is often said, and wisely too, that, “no one plans to fail, but many fail to plan.” This is exactly what is happening in most countries in Africa today. Let me use Nigeria as a veritable example.

When the British Empire was in control of the politics and the economy of Nigeria, it encouraged and instituted “Development Plans” for the economy. The first was the Ten-Year Development and Welfare Plan, 1946-55; followed by 1955-60-62. When Nigeria became independent in 1960, it still continued with the 1962-68, 1970-75, 1975-80, and 1980-85 Development Plans, but with diminishing commitments to planning. The Colonial Plans were mainly designed to ensure a more coordinated harnessing of the vast Nigerian natural resources for British interests, manufactures, and commerce. Marketing Boards were established for cocoa, rubber, palm produce, cotton, and groundnuts, among others, and Government Corporations were established for the vast mineral resources of Nigeria, for energy, and, later for petroleum oil.

But as the hold of the West became less and less on the Nigerian resources, the economists and the political power-brokers of the West began to adumbrate consistently and with manipulated statistics, that the Marketing Boards were exploitative of the local farmers; that the corporations were a restraint on trade and efficiency; that the public-sector management of the economy was corrupt and undesirable; and that the government “had no business in business” but should deregulate and privatize the boards and the corporations.

TABLE 1

## Destruction of Nigeria's Currency Under the IMF

(Naira to the Dollar)

Year	Official Exchange Rate	Year	Official Exchange Rate
1970	0.71	(IMF Structural Adjustment Program begins)	
1971	0.70		
1972	0.66	1986	2.02
1973	0.66	1987	4.02
1974	0.63	1988	4.54
1975	0.62	1989	7.39
1976	0.63	1990	8.04
1977	0.65	1991	9.90
1978	0.61	1992	17.30
1979	0.60	1993	22.33
1980	0.55	1994	21.89
1981	0.61	1995	21.89
1982	0.67	1996	21.89
1983	0.72	1997	21.89
1984	0.76	1998	22.00
1985	0.89	1999	86.84
		2000	100.51
		2001 (May)	115.00

Source: Central Bank of Nigeria; Nigeria *Business Times*.

In 1986, the IMF/World Bank succeeded in convincing the then Nigerian military government into adopting their Structural Adjustment Program. The Marketing Boards were disbanded; public enterprises were deregulated; government intervention in the economy became discredited; monetary and fiscal policies of government were relaxed, and the free traders took over the reins of government. The result was that cocoa production in Nigeria fell from about 400,000 tons a year in 1986 to 150,000 tons in 2000, and the production of cotton, groundnuts, hides and skin, rubber, and palm produce decreased to between 25% and 35% of the 1986 level. Coal production fell from 360,000 tons in 1980 to 19,000 tons in 2000. Per capita income of Nigerians fell from \$760 per annum in 1985 to \$360 in 2000. Food imports replaced food exports. The value of the naira, Nigeria's currency, fell from N1=\$1 in 1985, to N115=\$1 today, at the Central Bank exchange rate (Table 1). Black marketing in the nation's currency began and grew since 1985, to become N140=\$1 today.

The IMF/WorldBank and their Western sponsors have now stated, with the approval of Nigeria's Central Bank, that the naira is even overvalued at the existing rate of exchange. The IMF has pencilled the naira at N550=\$1 as its real market rate of exchange. Ghana, whose cedi was of the same value as the naira in 1980, now has the exchange rate of the cedi at 6,750 cedi=\$1. Ditto in almost all the

countries of Africa.

The foreign debt overhang in Nigeria increased from zero in 1960, to \$1 billion in 1979, \$11.5 billion in 1986, \$33.2 billion in 1990, and \$35 billion in 2000—about \$18 billion of which was the current accumulated interest. In actual fact, Nigeria borrowed about \$17.5 billion between 1979 and today, repaid about \$33 billion during the period, and is still owing \$35 billion. Nigeria's debt is, today, estimated at about 82% of its Gross Domestic Product.

The IMF/World Bank, the Paris Club, and the London Club of Creditors (the Paris Club is the same creditor countries when they act as governments, as the London Club countries when they act as bank lenders), have involved Nigeria, like other African debtor countries, in debt-rescheduling, debt conversion, debt-buyback and deferred payments; all of which had exacerbated the debt burden, rather than debt relief or debt cancellation which the Nigerian governments hoped would be granted, if they continued to follow the prescriptions and the economic dictates of the creditors. As Nigeria became poorer and poorer, its leaders became more and more criminalized; lost more and more confidence in themselves and in the economy; and increased the keeping of their wealth, much of which was stolen or taken from the economy, in the banks, or invested it in the economies of the West, with the active encouragement or connivance of the West.

Nigeria is now being propelled to democratize as a way to economic recovery. But with every passing day since the military was replaced with a "democratic" regime in May 1999, the life and living conditions of the average Nigerian continue to deteriorate, with the hope of an economic recovery becoming more and more distant. But our government continues to follow the dictates of the West, with privatization, deregulation, liberalization, minimization of government involvement in the economy; retrenchment in public-sector employment; belief in a private-sector-led economy, even though the production sector itself is depressed, functioning at about 30% of its executive capacity, today, compared with 75-80% in 1985. The rate of interest has risen to 50% per annum, when the rate of return is less than 1.015%, if the products are sold at all, since the purchasing power of consumers has considerably reduced. The result is that Nigeria is now flooded with second-hand goods, low-quality or fake products, dumped and heavily subsidized foreign goods, from toothpicks to the most sophisticated equipment from the West and Asia. These further depress the few surviving industries in Nigeria and send them out of production. In 1999 alone, over 4,000 small and medium enterprises folded up in Nigeria.

The catalogue of economic woes can be multiplied *ad infinitum* in Nigeria. Yet, Nigeria is still regarded in Africa as one of the few resilient economies that are surviving the onslaught from the West.

## The Future and the Prospects

Rather than have our own original ideas and chart a new path for development, the present regime, with all its good intentions, aided and abetted by the West, has made anti-corruption crusades its main vehicle of economic growth and development. It has enacted a stiff anti-corruption law which is not materially different from what had long existed in many countries of southern Africa, Egypt, Algeria, etc., where corruption has increased. The regime seems to forget that most of the Western countries developed on corruption, both internally and internationally. The difference between the corruption of the West and Africa's, is that while that of the West was internalized and productive, ours in Africa had been, and continues to be externalized and destructive. There is no political system, democratic, oligarchic, dictatorial, republican, or monarchical, that had not been corrupt in varying degrees, Germany inclusive.

Therefore, Nigeria, like Africa, must return to itself: find its own views; chart a different economic path from deregulation, privatization, globalization, and liberalization, and use its government as the main engine of growth through planning and control of its exchange rate, its rates of interest, and the pursuit of full employment for its citizens, by mobilizing both the public sector and subsidizing the private sector in that direction. Otherwise, the new slavery emerging in Nigeria will be worse than that of the 16th, 17th, and 18th centuries' slavery in Africa.

Then, the slave traders *bought* the African illiterate youths from their captors, rulers, and leaders, and took them to the plantations in Europe, Oceania and the Americas. Today, millions of well-trained and professional Africans daily besiege the Western embassies, High Commissions, and Legations in Africa *to pay highly* for visas to enter Europe, America, including Canada and Oceania, in order to perform the slave-like and menial jobs, including prostitution, in these same countries, at the expense of Africa's economic fortune and honor.

Nigeria and Africa must pursue a new and different program of economic reform from the current prescriptions of the IMF/World Bank and their Western collaborators.

In order to achieve a modicum of economic growth that will meet the aspirations of Nigeria, and of Africa, a Marshall-type program for Europe, and, preferably a [Franklin] Delano Roosevelt type of economic recovery program for the U.S.A., must be formulated, adopted and executed. Otherwise, the dichotomy between the rich and the poor in Africa will intensify, increase the simmering and growing tensions, crises, and wars in Africa. Such a situation will increase the conflict between Africa and the West. Just as a country cannot remain at peace, half-slave and half-free, so the world cannot remain over-developed and under-developed, and hope to have and sustain peace.

Thank you.

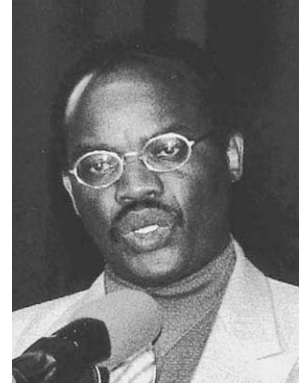
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Jean Gahururu

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## Winning the Peace for An African Renaissance

*Mr. Gahururu is a representative of the Rally for Democracy in Rwanda (RDR), in charge of foreign relations.*



Thank you, Mr. Chairman, for giving me the opportunity to address this friendly gathering. Allow me to thank the Schiller Institute for giving me the occasion for this study trip, and especially, allow me to express my thanks for having scheduled two interventions by the Rwanda delegation. Our message is unique: We are launching a solemn appeal and a cry of alarm, an SOS for Rwanda and the Great Lakes Region.

In the name of my own political organization, the RDR, one of the Rwanda political organizations which are struggling to promote the rebirth of Rwanda and Africa, allow me to express my profound gratitude for having given so much space at your seminar for men from my continent, a dying continent, to speak. I refer most especially to Lyn and Helga LaRouche, whose commitment towards Africa dates far back. Your loving relationship towards our continent began many years back.

For example, over 25 years ago, in 1974, you set up a team headed by Warren Hamerman, who, at that time, under your leadership, had warned of the worldwide holocaust which would be result of International Monetary Fund and World Bank policies in Africa. At the time, you had pointed to the neo-Malthusian doctrine expounded by these monetary institutions. You analyzed the nefarious influence of budgetary austerity, dictated, in true neo-colonialist fashion, to the continent.

What you said at the time was, and remains true today. The Bretton Woods institutions crushed economic growth, and sped on the process disintegrating our national economies. The greatest paradox lay in the fact that their policy led to a fall in national revenue, and, using as a pretext the need to make good the shortfall, the policy only led to a vicious circle of further austerity measures. Look at Africa today! A bitter sight to see! The famous Structural Adjustment Programs have done nothing but drag downwards physical pro-