

THE 26 LIQUIDATED BANKS

I read the letter from JOE IGBOKWE on the 26 LIQUIDATED BANKS in THE GUARDIAN issue of February 2, 1998. Write-ups by this young patriot in magazines and newspapers always attract my attention. So was his book ^{which} ~~with~~ was serialised in newspapers. There are very few vocal young men of his age group with strong nationalist fervour still aglow in their hearts. BRAVO JOE.

We hear so much about sanitation of the banking system as one of the qualities of Abacha regime whereas if one looks at it objectively and with the interest of Nigeria and Nigerians at heart, it is a disaster. And I would like to add as an old man (77 years plus) that the phenomenon of distressed/failed banks has its roots in the past and was contrived during the Babangida regime to retard the progress of a section of the country in ignorant estimation of the consequences to the nation's economy.

I witnessed the "war" against the growth of indigenous Banks from the late forties to mid-fifties by the British colonial authorities. It was easy. They contrived some stories resulting in a run on the Banks. ~~No~~ew new deposits, while withdrawals mounted to stressing and straining points. Then followed distress and failure out of which liquidations, prosecutions and commissions of enquiry followed

We lost banks that were to strengthen foundations of our economic freedom and some founders and directors ended up in jail. That was before independence.

When the former military dictator, General Ibrahim Babangida, woke up one morning in the eighties and opened up a campaign that Nigeria was under-banked and encouraged registration of new Banks there was an outrage against it. Some seasoned and experienced Bankers raised an alarm against the dangers. Figures of Banks in Britain were given and they suggested that instead of new Banks, the existing

Banks should be allowed to open branches all over the country. Many articles were written against it.

They were ignored. Instead the flood-gate was opened for the registration of new Banks. Not only that, Mortgage, Finance and Investment houses of all manners flooded the country. Registration requirements were very easy. Even some "magic" Finance Houses without capital sprang up with ingenious manipulations offering mouth-watering interests. Babangida even went to Apapa to launch a Bank.

"Lead us not into temptation, but deliver us from evil" is part of the Church goes Lord's prayer. The self confessed 'evil genius' of our age led very very many into temptatin and subsequently delivered more and more unto evil in the resultant colossal losses of life's savings, prosecutions, weeping and gnashing of teeth. PROLIFERATION WAS A PLOY.

All what is going on now are carry-overs from the former regime. It goes from one stage to the other. Perpetuation of tenure through transition manipulation has turned to self-succession. Institutionalised corruption has now become means of intimidation, coercion, and blackmail. A la FAILED CONTRACTS TRIBUNAL and FAILED PARASTATALS TRIBUNAL which hang on the heads of politicians caught in the "FIVE FINGERS OF A LEPROUS HAND". syndrome.

So the "sanitation of the Banks" is a contrivance conceived by the former regime later oiled by sudden and unpredictable changes which are well summarised by Amaechi Okafor in his write-up in WEEKEND CONCORD of Saturday, January 31, 1997 with the following headings: (1) Political instability, (2) Economic depression (glut) (3) unpredictable monetary policy environment, (4) withdrawal of public sector deposits from Banks, (5) cancellation of facilities granted

banks by offshore guarantees by CBN, (6) Frequent changes in the method of foreign exchange allocation to Banks and (7) introduction of stabilization securities.

The write-up is titled "INTERNAL FACTORS THAT LEAD TO BANK DISTRESS".

After steady pauperisation, liquidation of Banks, imprisonment, detention with delayed trials of Bankers, the capital requirement for registration of a new Bank is now raised to ₦500million, If there is no ulterior motive, some Banks should have been group^{ed} together to save shareholders, depositors and the nation's economy. Read and re-read Joe Igbokwe's letter quoted above. And let all Nigerians note that the "evil genius" was bestowed^{with} a rare British Knighthood in the eighties - THE KNIGHT OF THE ORDER OF BATH- same as was bestowed on former President Ronald Regan of America around the same period. The reason or reasons for the honours and co-incidence to a super country leaders is another story for another day.

The British handed us independence in 1960 with three-regional set up of a Federation - North, West, East. We added one - Midwest in 1962. We also have Banks originating from the four regions. National Bank of Nigeria (Western Region) African Continental Bank (Eastern Region) Bank of the North (Northern Region) and New Nigeria Bank (Midwest Region).

Only the fate of Bank of the North is sure now because the nineteen Northern States have determined that it must not die. The other three have their fates in the hands of one man, Gen. Sani Abacha.

Then Banks which were liquidated in the fifties by the British administration were founded by people of the South West. National Bank survived because of some influential Lagosians like the Majas and the Alakijas. African Continental

Bank survived because the fight was carried to the Eastern House of Assembly. They must not die. The New Nigeria Bank was once publicised to be out of distress by the Central Bank. And some buyers came up, but have since not have a final approval from Abuja. It must not die.

None of the former three regions now divided into seventeen states has any indigene as Administrator.

Lead us not into temptation, but deliver us from evil!

~~DEDUCTIONS!~~

Lead us not into speculation, but deliver us from deductions?

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many weeks after. I dont whether
there others who did