

the real world' dictated the action, the antithesis (the subjective ideology of the nation's élite) dictated the talk: thus while the NPC, amidst much fanfare, agreed to the abrogation of the Defence Pact, it insisted on the maintenance of the essential terms of the Pact in a further agreement with Britain; and while it publicly rejected formal association with the EEC, it immediately sought some form of agreement to overcome the disadvantages of non-association. It is questionable whether these NPC responses were more than a formal genuflection to Southern popular opinion'.<sup>(1)</sup> When, however, the thesis was not of vital interest to the North, the antithesis did prevail; thus the NPC could be as strong in its condemnation of South Africa's apartheid policies as the Southern parties.

The pressures which encouraged changes in the NPC's attitude towards international affairs were not only internal. The Prime Minister and other Northerners who represented Nigeria at the UN and at Commonwealth and OAU Conferences, saw fellow Africans taking certain stands on issues and to follow their lead did not involve much modification in their original policies of practical pragmatism, while it did serve to bolster their support at home. They learnt more of the 'radical-type' terminology and were encouraged to use it.

Finally, the NPC, as the ruling party, spoke on behalf of the Government and on behalf of the Nigerian nation as a whole; and this was an extra inducement to compromise.

#### c. The 1964 Election.

No new foreign policy issues emerged from the 1964 election campaign in which little emphasis was given to foreign relations. An ironical situation arose when UPGA spokesmen found themselves criticising a foreign policy for which they, as former partners in the Coalition Government, had been partly responsible.

Chief Osadebay disparaged their foreign policy for its

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African Institute of International Affairs, December, 1966, pp. 5 and 14. "America's foreign policy is the resultant of the dialectic interplay between the nation's objective in the real world and the subjective ideology that prevails among the nation's élite."

1. Diamond, Stanley, op. cit., p. 22.

'daffness and purposelessness', (1) and denounced the Government's failure to make decisions on the Congo and on the recognition of Communist China. Dr Okpara censured the Government for permitting Northern Moslem pressures to tie the country too closely to the Arab world and called for a policy of neutralism in the Middle East. In general, UPGA spokesmen stressed the advantages of non-alignment in the East-West conflict and criticised the Government for lack of dynamism.

The NNA in reply pointed out that Nigeria's Foreign Minister was in fact an NCNC member and that the party was thus attacking its own leadership; and emphasised that Nigeria had achieved much on the international stage, and that it was respected in Africa as in the world.

#### VI. Trade Unions.

"Labour has been one of the international areas where the cold war seems to have stayed frozen longest." (2)

In Nigeria trade unionism dates from the end of World War II, but by 1950 it had already entered a state of disarray, from which it did not recover. The most fundamental reason revolved around the question of international alignments, since all Nigeria's trade unions required and received external financial aid.

In 1953 a central organisation, the All Nigerian Trade Union Federation, was formed. In 1957, however, some of its members accused it of having political leanings towards the Communist-dominated World Federation of Trade Unions (WFTU). Its leaders denied this, but when it rejected affiliation with the International Confederation of Free Trade Unions (ICFTU), based in Brussels and supported by United States finance, the organisation split; and the accusing faction formed the National Council of Trade Unions of Nigeria. In 1959 the two again amalgamated in the Trade Union Congress of Nigeria (TUCN) which affiliated to ICFTU. The more radical elements, charging that there had been no general agreement for such a move, immediately severed ties with the TUCN, and formed the Nigerian Trade Union Congress (NTUC). The leaders of the moderate TUCN were H.P. Adebole (President General) and L.L. Borha (General Secretary); and of the radical NTUC, M.A. Imoudu (President) and Ibrahim Nock (Gene-

1. West African Pilot, 14.11.64, in Mackintosh, John P., op. cit., p. 574.
2. West Africa, 23.3.68, p. 339.

ral Secretary).

Imoudu's Union accused Adebola's of procuring aid from the Western ICFTU, when the correct policy, it believed, for a trade union as for a nation was one of neutrality. This aid from ICFTU was no secret. On the other hand, it seemed that the Imoudu group was also accepting foreign assistance though Imoudu himself denied it. Yet the Assistant Secretary General in charge of external affairs openly declared that his union was receiving aid from Communist China, East Germany and Ghana and had accepted scholarships from a number of Communist countries.

In December, 1961, the All-Nigeria Peoples' Conference formed a committee charged with reconciling the two unions. Imoudu and Adebola agreed to accept the possibility of a compromise and together stated that 'communism, capitalism, fascism and partisan politics should not be tolerated in the Nigerian workers' movement';<sup>(1)</sup> and agreed that the question of international affiliation would be decided by a free vote. By the time the reconciliation meeting was due the breach was wide open again. The TUCN accused the WFTU of trying to destroy free trade unions in Africa in order to replace them with Communist unions, and produced a photostat of a letter which allegedly proved this fact, and verified that the TUCN was acting on orders from the WFTU and the Ghanaian Trade Union Council. Imoudu then produced, in his turn, a letter disclosing that American spies were in control of Adebola's TUCN.

The two finally managed to amalgamate as the United Labour Congress (ULC) for long enough for the new organisation to affiliate to ICFTU. Imoudu left the conference before this decision was taken and the possibilities of reunification collapsed again. Nevertheless, in April, 1963 the Minister of Labour, J.M. Johnson, announced to Parliament that in spite of the Government's failure to reconcile the unions owing to 'divergent views strongly held by the leaders' and 'pressures of foreign influences', the Government (on the recommendation of the Jalo Committee of the All-Nigeria Peoples' Conference) recognised the United Labour Congress on the grounds that it enjoyed the

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1. Meynaud, Jean and Salah Bey, Anisse, Trade Unionism in Africa, translated by Brench, Angela, London, 1967, p. 90.

support of the majority of organised labour. (1) For a short period the unions did manage to find sufficient in common to unite.

"The opportunity of the unions to break out of political isolation, the common fear of Northern domination ... and the pressing discontent of the rank and file induced the unions in September 1963 to submerge old ideological differences and to establish a Joint Action Committee." (2)

In October, 1963 and June, 1964 the trade unions, temporarily unified, were able to exert effective pressure on the Government. (3) through efficiently organised strikes. This association did not long survive the strikes and the Government, then on the point of recognising the Joint Action Committee, reverted to preferential treatment of Adebola's UIC. The Joint Action Committee finally collapsed when the various factions divided on whether to support the UPGA boycott of the 1964 general election by calling another general strike.

Trade unionism on the African continent was divided between the Pan-African Trade Union Conference - referred to as Monrovia-minded - which was supported by Adebola; and the All African Trade Union Federation - referred to as Casablanca-minded - which received its support from Ghana, the WFTU and Africa's radical unions including Nigeria's NTUC. This division further aggravated the already divided loyalties of trade unionists.

At the time of the military coup the gap remained unbridged with five distinct trade unions in existence: the UIC of Adebola, the NTUC of Wahab Goodluck and S.O. Bassey, the Labour Unity Front of Imoudu and Gogo Nzeribe, the Nigerian Workers' Council (affiliated to the Christian Trade Union Federation) and the Northern Federation of Labour, a regional splinter of the NTUC led by Ibrahim Nock. (4)

In these circumstances any pressures which the Nige-

1. HRD, Vol. 11(a), April, 1963, p. 531.
2. Friedland, W.H., Paradoxes of African Trade Unionism - Organizational Chaos and Political Potential, Africa Report, Vol. 10, June, 1965, p. 7.
3. The major conservative union which joined the Joint Action Committee was Adebola's UIC, supported by the Nigerian Workers' Council, an affiliate of the International Federation of Christian Trade Unions. Rivaling them, as well as each other, were the NTUC, led by W. Goodluck and S.O. Bassey, and the Labour Unity Front, led by Gogo Nzeribe.
4. West Africa, 16.3.68, p. 309. As a result of recommenda-

rian labour movement could have exerted on the foreign policy of the Federal Government were negligible. On the evidence available it appears that the Government generally supported the more moderate unions. During the 1959 elections, all parties declared their support for ICFTU and opposed Mkrumah's plans for an African Federation of Labour.<sup>(1)</sup> In 1961 the Government selected L.L. Borha of the TUCN to represent Nigeria at the International Labour Organisation Conference in Geneva - a move strongly censured by Imoudu. In 1963 the Government recognised Adebola's ULC and when the Joint Action Committee disintegrated, it maintained this recognition. In 1964 a certain J.K. Tettegah, first secretary of the All African Trade Union Federation, was refused a visa to enter Nigeria;<sup>(2)</sup> and in general ICFTU and its African affiliate, AFRO, were more active in Nigeria having convened a number of meetings there and having established their headquarters in Lagos. The Government made no attempt to control the trade unions but registered its approval of the Monrovia-minded, pro-Western unions which affiliated to ICFTU and the Pan-African Trade Union Conference; as opposed to those aligned with the Casablanca-minded WFTU and the All African Trade Union Federation. These preferences accorded with the general pattern of Nigerian foreign policy.

#### VII. Youth Organisations.

The most famous of these was the Zikist Movement, formed in 1946 by the militant members of the NCNC and banned in 1950. The Zikist National Vanguard followed it, but in 1961 the original name was restored after the lifting of the ban. It was given a great deal of publicity through contact with the

tions by the military government on 15.2.66, the NTUC, the Labour Unity Front and the Nigerian Workers' Council formed the Nigerian Trade Union Federation. Apparently the United Labour Congress was considering joining. In December, 1967, however, the Consultative Committee of the Central Labour Organisation under the Commissioner of Labour, Chief Enahoro, was still trying to heal the schism, which, according to Enahoro, was not being made any easier by the fact that foreign financial aid continued to support the rival groups.

1. Howe, R.W., On Foreign Policy, Africa Special Report, No. 2, February, 1959, p. 10.
2. Africa Research Bulletin - Political, No. 6, 1964, p. 103c.

West African Pilot and the Morning Post. It was this organisation which exposed publicly the fact that the Government was contemplating signing a Defence Pact with Britain. It advocated the appointment of ambassadors to all independent African countries, a republican form of government, negotiations among African leaders to decrease friction between African states, sending an ambassador to the Soviet Union, lifting the ban on Communist literature, and a neutral foreign policy.

In 1956 the National Union of Nigerian Students (NUNS) was formed, which within a few years included student bodies at most of Nigeria's universities and training colleges. Owing to its affiliation to the International Union of Students, dominated by student unions from the Communist bloc, it was accused of being Communist. But it was also a member of the International Student Conference, controlled by Western countries, and in 1957 the seventh International Student Conference met at the University College of Ibadan. NUNS played an active part in Pan-African and West African Student Conferences. It took up a position critical of the Government, opposing passport restrictions on travel to the Soviet bloc, requesting the Government to call for volunteers to fight in Algeria, calling for a republic, and supporting Lumumba - its students led riots against the USA and the UK over Lumumba's death.

An instance of student activity concerned the Defence Pact: a group of University of Ibadan students marched on Dr Kalu Ezeru to protest against his support of the resolution. Not satisfied with his explanation that the NCNC had already prepared an amendment, the group swelled to over a thousand, travelled to Lagos and broke through police cordons into the House of Representatives and the Senate. They were dispersed by tear gas, and the President of the NYC, Dr Tunji Otegbe, stood surety for those that were arrested.

The organisation which managed to outflank the others in its radicalism was the Nigerian Youth Congress (NYC). Founded in 1960 by Zikists as a forum for all progressive youth, it was taken over by militants who elected Dr Tunji Otegbe as President. He turned the NYC into a violently anti-Government pressure group and he, his deputy, Olatunde Lawrence, and six students from Ibadan were convicted of organising the Lumumba riots of February, 1961.

The principal theme of its pronouncements was that the Western neo-colonialists - the UK, the USA, Portugal, France, Spain and West Germany - were attempting to strangle Nigerian independence. It called for the nationalisation of all foreign firms, including oil companies, condemned the Government for permitting British soldiers shore leave, demanded the annexation of Fernando Po, and, of course, condemned the Defence Pact. When Otegbeye referred to the NYC as a political party the Zikist Movement and the AG ordered their members to resign from it. It is interesting to note that the extremism of the remaining members continued intact, demonstrated by their attendance at the Afro-Asian and Latin American Peoples' Solidarity Organisation Conference in Havana on 4th January, 1966, where the NYC endorsed a resolution condemning reactionary governments alleged to be plotting against their own people - and the list included the Nigerian Government.

The pressures applied by these vociferous youth movements were clearly for a more dynamic progressive and non-aligned foreign policy, and expressed frustration with the Government's continued reliance on the West and its apparent inability to demonstrate Nigeria's sovereignty on the international stage. With the aid of the Press, these pressures served to strengthen the hand of the NYC radicals and the AG opposition in Parliament.

#### VIII. All-Nigeria Peoples' Conference.

In May, 1961, Sir Abubakar appointed Dr K.O. Mbadiwe as his personal adviser on African Affairs. With the object of obtaining all shades of opinion on Nigeria's role in Africa, Mbadiwe organised the All-Nigeria Peoples' Conference in August, 1961, to which he invited selected individuals from political parties, trade unions, and youth and student groups.

Some of the Conference's major recommendations were that the Government should set up a republic, preclude foreign conferences from convening in Nigeria, prohibit neo-colonialist agents like the Peace Corps, accord equal treatment to the Soviet Union, stop anti-Communist witch-hunting and invite Nkrumah and Khrushchev to pay visits to Nigeria. The country should send representatives to the Belgrade Conference of neutralist states, support pan-Africanism and back African nationalist movements including the Algerian Provisional Government, sever all ties

with the Central African Federation and recognise East Germany, eschew the Common Market and recall sterling balances. (1)

The Conference did not allow for all shades of opinion, however, for almost no approval of Government policies was voiced, and almost nothing in favour of the West or derogatory of the East was professed. Although it served mainly as a forum to allow the radicals to vent their vituperation, it also demonstrated that Nigeria's foreign policy was proving a bitter disappointment to many of the nation's articulate intelligentsia. In this way Mbadiwe did manage, though only temporarily, to channel most of the currents of radicalism which, aided by effective publicity, poured criticism onto the Government's policies, with which the Government had to contend.

#### IX. Military Influences.

In accordance with the training and background of Nigeria's senior military officers, the military, as a unit, and its men, as individuals, made little attempt to influence the Government in the sphere of foreign affairs. (2) What limited influence they did exert was on grounds of practical necessity, and of a restraining and conservative nature.

Almost all of Nigeria's senior officers - such as Ironsi, Gowon, Ogundipe, Wey and Kam Selem - received a significant part of the military education in Britain, (3) and training methods and techniques as well as nomenclature and order of rank were adopted directly from the British system. These men appreciated that post-independence Nigeria still required external, and particularly British, assistance in the training of officers and for staffing and administration during the period of Nigerianisation; and further, that Nigeria depended on Britain for the continued supply of arms which would prevent the

1. "This was a curious mixture of demands, some trivial, some relatively easy to achieve, and others which would have had grave repercussions, but put together their promulgation was made to sound very radical at that time and suggested a gross deficiency in the government's capacity to ensure 'the effective projection of the Nigerian personality in Africa'." Mackintosh, John P., op. cit., p. 277.
2. The army's eventual intervention in politics was occasioned by part of the country having degenerated into chaos (see Chapter I).
3. The training of these men and of other senior officers is discussed in the final sub-section of Chapter V.

added problem of a mixed weapons system. Thus they supported what amounted to military alignment with the UK, and the Defence Pact. When it was practical and advantageous the military endorsed the principle of broadening the base of military aid and thus welcomed assistance from West Germany and Canada.

Another aspect of military influence was that the army, as a relatively well-trained and disciplined organisation, could be used as an instrument of foreign policy on two occasions, with a resultant increase in Nigeria's prestige internationally, and in the Federal Government's prestige at home: in the Congo with the UN forces and in Tanzania at Julius Nyerere's request in 1964.

#### X. Summary. (1)

In summing up, the following points may be made: the forces which served radical interests were the opposition Action Group and its leaders like Awolowo and Eshoro; the young radicals of the NCNC like Ezerra; the minor NEPU party; the left-wing trade unions under men such as Imoudu and Goodluck; the youth and student movements; the All-Nigeria Peoples' Conference; and those newspapers which helped to keep those groups and their views in the public eye.

Such forces, however, were far outweighed by conservative ones: the strength of the NPC and of the moderate members of the NCNC far surpassed that of the radicals in Parliament; their leaders like the Sardauna, the Prime Minister and the Minister of Finance held far more influential positions and their conservatism was backed by the larger and more populous North; economic problems demanded prudence and realism and these in turn necessitated close relations with the West. In addition, the moderate trade unions, led chiefly by Adebola, and the military, were restraining influences.

With the Western crisis and the demise of the AG, with the results of the census and the 1964 election from which the MNA emerged with a large majority, the more conservative elements

1. The Press has not been considered as a separate factor, for, although it was important in bringing to the attention of the public the conflicts among and the views of leaders and political parties, the pressures which it exerted were not different in kind from those of the parties and leaders which the various newspapers supported.

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took increasing control. Greater dynamism in foreign affairs was inhibited on the one hand by the necessity of politicians having to attend more closely to the deteriorating situation within the country, and on the other hand by the reduced availability of the chief forum for radical attacks on Government policies, as meetings of Parliament decreased in frequency and length.

Supporters of the Government's policy described it as cautious, pragmatic, realistic and conciliatory. Opponents called it reactionary, undynamic and subservient to the West. To achieve a just balance, the terms moderate and conservative were probably the most apt.

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### chapter 3 : nigeria's economic relations

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- the national development plan, 1962 - 1968

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### CHAPTER III : NIGERIA'S ECONOMIC RELATIONS

#### A. Introduction.

#### I. Economic History and Post-Independence Objectives.

"... Just as the boundaries of the West African territories were the creation of the colonial powers, so also were their economies." (1)

There were three major elements in the development of the Nigerian economy before independence, and by their interaction upon one another they helped to forge whatever development in fact took place. These were the policies practised by the various British Governments, the spread of important foreign firms, mainly British, and the consistent increase of agricultural production.

"Economic activity before the nineteenth century consisted largely of subsistent agriculture, handicrafts and trade in salt, slaves and precious metals. By the middle of the nineteenth century the slave trade along the coast had been replaced by trade in palm oil conducted by the Liverpool merchants operating in the area: an expression of the Palmerstonian policy of encouraging legitimate commerce in order to displace slaving." (2)

The steps by which Britain took political control have been described. By 1879 there were four lax firms operating more than six hundred miles inland. There were no less than fifty-eight trading stations. In 1886 the value of British imports from Lagos was £309,000. (3)

"... the large foreign-financed companies started principally as trading concerns but have increasingly diversified their operations to include processing of primary product and a wide variety of industrial activities. Some of the activities, such as the sawmilling and plywood plant at Sapele of African Timber and Plywood (Nigeria), Ltd., a subsidiary of United Africa Company of Nigeria, Ltd., represent large-scale modern industrial ventures. Several of these companies have

1. Post, K.W.J., *The New States of West Africa*, London, 1964, p. 109.
2. *Economic Development in the Commonwealth. Nigeria*, prepared for British Information Services (B.I.S.) by the Central Office of Information (C.O.I.), London, September, 1965, R.4748/65/10.
3. *Ibid.*

a century or more of trading experience in West Africa behind them and in this period through a succession of mergers and amalgamations have attained a far-flung and diverse establishment reaching, insofar as trading activities are concerned, into every section and virtually every village in the country. Representative of this group are the United Africa Company of Nigeria, Ltd.; John Holt and Co. (Nigeria), Ltd.; Cie Francaise de l'Afrique Occidentale; Paterson, Zacherovis and Co., Ltd.; Societe Commerciale de l'Ouest Africain. British banks, such as Bank of British West Africa, Ltd., and Barclay's (D.C. & O.) also have long association with Nigeria and are well established throughout the principal towns." (1)

Goldie was able to persuade the four companies to merge in the United Africa Company, which from 1886 to 1889 held a Royal Charter. Despite the fact that under the Treaty of Berlin (in particular, Articles XXVI and XXIX of Chapter V), Nigeria was proclaimed a free trade area, the UAC had by 1900 established a virtual monopoly in the lower Niger Basin. Later it was taken over by Lever Brothers and Unilever. By the time of independence the UAC had interests in wholesaling and retailing, sawmilling and plywood manufacture, palm oil and other export-processing activities, breweries, fruit juice plants, cold storage, engineering and shipping, and it was responsible for much of the total import and export trade of Nigeria; in fact, on the eve of independence the UAC and other Unilever subsidiaries still controlled about half of Nigeria's import trade.

British development of railway and harbour facilities in the early part of the twentieth century gave a certain impetus to other developments. Construction of a railway line which began at Lagos in 1896 reached Ibadan in 1900 and Kano in 1911; and, by the 1930's, largely due to the discovery of tin on the Jos plateau and coal at Enugu, most of the present rail complex had been completed. By 1914 dredging operations had reached completion at Lagos and in 1912 construction of Port Harcourt had begun. In the period between World War II and independence the British Government provided from Colonial Development and Welfare funds a total of about £80 million, £50 million of which was made up of grants and £30 million of loans.

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1. Diamond, Stanley, op. cit., pp. 67 and 68.

"The basis of the post-war economic revolution was agriculture, which on the eve of independence still accounted for over 85 per cent of the country's exports. This was the result not so much of the increase in agricultural production, which was considerable, but of the rise in world prices for the export crops produced by Nigeria. Until 1953 this rise was continuous. The balance of Nigeria's exports was accounted for mainly by tin and columbite mined on the Jos plateau. Fortunately for the country as a whole the variety of primary products was sufficiently diverse to avoid the worst effects of the vagaries of the world market, especially after 1953. However the Northern and Eastern regions, which during this period still depended largely on one export crop, were more vulnerable than the West, which was producing palm-oil, rubber, cocoa and timber for export. On average in the years 1956-8 groundnuts, coming exclusively from the North, earned some £30 million a year; palm products from the East and West £33 million; cotton and linters, mainly from the North, £8 million; cocoa from the West, £25 million; and rubber from the West, mainly from the area that is now the Mid-West State, but with some from the East, £7 million." (1)

Industry, however, did not keep pace with the expansion in agriculture and at the time of independence the only heavy industries were coal-mining and cement production, and the chief hope of development lay in the potential exploitation of oil, small quantities of which had just begun to be exported.

Fundamentally, then, in 1960 Nigeria's economic structure was similar to other newly independent black African states: a 'have-not', primary producer, heavily dependent upon the metropolitan country for trade, aid and investment. Nevertheless Nigeria was in a stronger position than most underdeveloped countries - it had more skilled labour, a larger internal market, a more diverse and greater agricultural production, a greater number of light industries, a greater variety of import markets, superior transport facilities and power supplies, and there was oil.

The objectives of economic policy would then be similar to those of any other developing country but, owing to the above-mentioned advantages, there was a greater hope of success.

"Specifically, the objectives of development have been stated to be: (1) a maximum in-

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1. Crowder, Michael, op. cit., p. 302.

crease in the standard of living; (2) rapid development of trained manpower; (3) achievement of an equitable distribution of income, both geographically and socially; (4) achievement of a self-sustaining economy; (5) achievement of a more productive and diversified economy to minimize excessive dependence on any single physical or economic factor; (6) achievement of a modernized economy consistent with the democratic political and social conditions of the Nigerian people." (1)

## II. The Economic Mission, 1961.

On 28th May, 1961 a major Nigerian economic mission left Lagos on the first leg of a world tour. Led by the Minister of Finance, it included two other Federal Ministers, three Regional Ministers, four businessmen and a number of officials and advisers. In a period of seven weeks the mission visited the United Kingdom, Czechoslovakia, Poland, the Soviet Union, the Chinese Peoples' Republic, Pakistan, India, Hong Kong, Japan, the United States of America and Canada. The second leg began on 24th September, 1961, and included West Germany, Norway, Denmark, Sweden, the Netherlands, Switzerland, Italy, Yugoslavia, Israel, Lebanon and the United Arab Republic. (2)

The Minister of Finance explained to Parliament that these countries were selected because they were considered 'to be of especial importance to Nigeria on the basis of existing trade, or the desirability of promoting new export markets, or the possibility of obtaining capital and technical assistance from them'. (3)

"The purpose of the mission is defined as:  
To increase awareness ... of Nigerian economic problems and programmes;  
To stress the unity of Nigeria;  
To explore the possibility of an expansion of trade ...;  
To increase the flow of investment capital into private and public sectors of the Nigerian economy;  
To enquire how far these countries are prepared to support a massive education drive in Nigeria, as envisaged in the Ashby Report." (4)

1. Proehl, Paul O., *Foreign Enterprise in Nigeria. Laws and Policies*, Chapel Hill, 1965, p. 17.
2. HRD, 20 July - 4 September, 1961, p. 63.
3. Ibid., Second Session, Vol. I, March - April, 1961, p. 184.
4. West Africa, 20.5.61, p. 561.

A fortnight after reporting the above, the same journal 'West Africa' made an extremely relevant point concerning the mission:

"The most obvious task is to increase cocoa consumption. And here there is something specific the mission can do: to point out to the Russians, the Czechs, and the Poles, that their protestations of enthusiasm for West African independence sound hollow when contrasted with their failure, though they are long-established consumers, even to maintain their previous level of cocoa buying, at a time when the rest of the world is expanding consumption." (1)

Nigeria showed impressive initiative and drive in organising an economic mission on so large a scale and demonstrated appreciable independence in the choice of countries with which it attempted to make commercial contact. The mission was successful in that it did serve to lessen the confusion caused by numerous regional missions which had been sent out previously, and in that it conveyed to the leaders of the countries visited the requirements of the Nigerian economy. This was of particular relevance in connection with the Communist countries with which there had previously been little contact. The exact degree of success is impossible to gauge. Forthcoming were many promises, a number of communiqués, and even the initialling and later the signing of a few trade agreements by some of the Eastern bloc countries visited. It did not, however, serve to increase to any noticeable effect, actual trade with those nations.

The small response from East Europe owed, no doubt, to the fact that these countries lacked a great deal of capital for overseas investment, and the limited amount available was not for use in countries where there was little possibility of political advantage. On the other hand Nigeria's own cautious approach to such offers as were made, and the delay in accepting them were also contributory factors. Although the sentiments of the Minister of Mines and Power, Mallam Maitama Sule (a Moslem Northerner) were not consistent with regular Government terminology, it is certain that they were very much in the minds of its leaders:

"... Unless we exercise caution and seek to attract investment only from such countries and

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1. Ibid., 3.6.61, p. 593.

peoples whose traditions and ideologies will not harm our political, social, religious and economic well-being, we shall find ourselves beholden to investment that will defeat its purpose." (1)

### III. The National Development Plan, 1962 - 1968.

The Federal Government at all times insisted that its internal economic policies must be geared to the attraction of foreign investment and aid. The significance of this policy was revealed with the long-awaited launching of the Federation of Nigeria National Development Plan, 1962 - 1968, which itself was framed in part by experts provided by the World Bank and the Ford Foundation, and influenced by two surveys by Dr Arnold Rivkin who, at President Kennedy's request, had led two economic missions to Nigeria.

The Plan envisaged a capital investment of £576.5 million of which half (383 million) would have to be raised abroad from international finance agencies and friendly governments in the form of grants and loans. By 1964 it appeared that costing had been too conservative and the capital requirements had already risen by some 16%. The quantified economic targets laid down by the Plan were as follows:

"(1) to increase the annual economic growth rate to 4.5 per cent by 1966 (GDP grew at the rate of 2 per cent in 1961-1962 and at the rate of 3 per cent in 1963-1964); (2) to hold the increase in per capita private consumption to 3.5 per cent per year; (3) to create 500,000 new non-agricultural jobs; (4) to raise the relatively lower standard of living in rural and depressed areas; (5) to maintain the investment rate at least at 15 per cent of domestic product; (6) to achieve, over the six-year period, a total gross fixed investment of £1183.3 million (excluding defence expenditures), 67 per cent of which is to be within the public sector and 33 per cent in the private sector; (7) to reduce the large proportion of gross fixed investment taken up by construction works (60 per cent in 1960); (8) to shift investment into higher "pay off" areas; and (9) to prevent price increases in consumer goods from rising more than 1 per cent per annum." (2)

1. HRD, 11 - 22 January, 1960, p. 96.
2. Federation of Nigeria National Development plan, 1962-68, (Lagos, 1962), pp. 22 - 24, in Proehl, Paul O., op. cit., p. 17.

The principal project involved, which, it was estimated, would require about 10% of the public expenditure was the Niger River Dam at Kainji. £30 million was to be appropriated to the construction of an iron and steel complex, £2 million for an oil refinery, £5 million for direct investment in industry, £25 million to aid regional governments in the expansion of primary production and £14 million for university education (£5.5 million for the University of Lagos, £4.5 million for the University of Ibadan and £4 million for regional universities). Following the announcement, the Development Programme became the basis of Nigerian negotiations for assistance.

It should be noted that in 1966 General Ironsi announced the details of a second development plan to cover the period 1968 to 1973. He said that the main objectives would be a high overall rate of growth, the rapid industrialisation of the economy, increased production of food for domestic consumption and a 'drastic reduction in unemployment'. On the question of investment he said that it was not expected that more than 4% of the capital required for implementing the new plan would come from foreign sources. Speaking of specific projects, he stated that the National Military Government was determined to proceed with the iron and steel project and had also decided to establish a salt manufacturing industry.<sup>(1)</sup> Hopes for the second plan, however, were short-lived.

#### B. Trade.

The significance of independence for Nigeria's foreign trade policy was that it empowered the Government to pursue its policy unrestrained by the external non-economic factor of British constitutional control. The Government took advantage of this to the extent that a positive effort was made to open up and extend trade relations with new areas, particular emphasis being placed on East Europe. It did not, however, attempt anything drastic in order to underline its independence, and it was clear from the start that old trading partners would not be abandoned before new ones had been found. Thus the trading patterns, at the time when the country was split by civil war, were

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1. African Economic Digest, No. 22, 10.6.66, p. 736.

similar to those at independence, and what changes had taken place had occurred slowly.

It is useful to take this point further, for substantial trade between two countries is usually built on economic necessity and takes many years to become soundly established. Thus the pattern of trade in 1960 was not very different from that of 1939. In that year more than half of Nigeria's imports came from Britain and the other major sources, in order of value, were Germany, the United States, the Netherlands and its possessions, Norway, Japan and Italy. About 60% of exports went to Britain; the other large importers, again in order of value, being Germany, the United States, the Netherlands and France. (1) Similarly, the products which Nigeria had to offer on the world market were mainly traditional exports: cocoa, cotton, groundnuts, palm kernels, timber, groundnut and palm oil, coal, columbite, tin, rubber, coffee, hides and skins, plywood, leather goods and spices. In 1958 Nigeria exported oil for the first time, and from then until secession, exports increased to such an extent that oil became by far the most important export. The increases were from £979,000 in 1958 to £3.1 million in 1959, £4.5 million in 1960, £11.5 million in 1961, £16.7 million in 1962, £20.1 million in 1963, £32 million in 1964, £68 million in 1965 and £92 million in 1966, while figures for January - September, 1967 were higher than those for the same period in 1966. (2)

Imports consisted of normal, traditional necessities of an underdeveloped country, affected by the demand for an increasingly greater variety of consumer goods and by the requirements of large-scale development: cement, corrugated iron sheets, vehicles, constructional steel, petroleum, machinery, electrical equipment, cotton and rayon piece goods, foodstuffs like sugar, flour and stockfish, jute bags, household utensils, tyres and tubes, clothing, footwear, bicycles, beer, tobacco, paper and board.

In accordance with successive revisions of the import control laws, Nigeria, by 1st October, 1960, had extended an open general licence to both sterling and dollar area countries.

1. Nigeria - Handbook of Commerce and Industry, June, 1962, Fifth Edition, pp. 131 and 154.
2. Nigeria Trade Journal, 1960 - 1968.

and to Japan. Those restrictions that were maintained were for the purpose of protecting local industries. Only goods originating in the Sino-Soviet bloc remained subject to quantitative restrictions and by a series of trade agreements 'most favoured nation treatment' was extended to most of the East Europeans.

In the field of exports there were two objectives: the first being to obtain a constant and satisfactory price level for products. In the words of Chief Okotie-Eboh:

"It cannot be said too often that much as we welcome aid from the richer countries of the world, it would be far more satisfactory if the need for such aid were avoided by the maintenance of a more reasonable level of prices for the commodities which these countries buy from us. Aid can never be a real substitute for trade, and that trade must be on satisfactory terms." (1)

Nigeria made use of conferences of the GATT members, of UNCTAD and of the Economic Commission for Africa to bring pressure to bear on the developed countries not only to allow primary products into their markets free of duty but to extend this principle to manufactured goods from the developing countries. Nigeria joined with those nations which produced similar products in an attempt, through joint action, to control a large share of world exports and so be in a position to control their prices; and became a member of organisations such as the Cocoa Producers' Alliance and the African Groundnuts Council, and a signatory to agreements like the International Tin Agreement, the International Coffee Agreement and the International Cocoa Agreement.

Nigeria's second objective was to extend the circle of trading partners and thereby increase export sales, thus diminishing the country's dependence on certain markets. In 1962 an International Trade Fair was held in Lagos, the first of its kind in Africa. Thirty-four countries participated: from Western Europe Austria, Belgium, Denmark, West Germany, Iceland, the Netherlands, Sweden, Switzerland and the United Kingdom; from Eastern Europe Bulgaria, Poland, Rumania, the Soviet Union and Yugoslavia; from Africa Cameroun, the Congo (Leopoldville), Dahomey, Liberia, Mali, Morocco, Niger, Rhodesia and Nyasaland, Sierra Leone, Tanganyika, Tunisia and the United Arab Republic;

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1. HRD, First Session, Vol. 18(a), March - April, 1965, p. 175.

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1. HRD, First Session, Vol. 18(a), March - April, 1965, p. 175.

from Asia-Hong Kong, India, Israel, Lebanon, Pakistan and Syria; and from the Americas the United States and Canada. Notable absentees were Communist China, Australasia and Latin America. In return Nigeria participated actively in trade fairs held abroad: in 1963 in Poznan, Cologne, Leipzig, Minneapolis and London, in 1964 in Budapest, Munich, Barcelona, Brno, the United States World Trade Fair, Leipzig, Plovdiv and Moscow, in 1965 in Milan, Brno, Frankfurt, Zagreb, Vienna, London and Toronto, in 1966 in West Berlin, Copenhagen, Milan and Tel Aviv; and at Expo 67 in Montreal. Generally, to attract attention to the exhibits, some high-ranking Minister would represent Nigeria at the fairs: for example, at Expo 67 Rear-Admiral Wey headed a delegation for Nigerian Day.

The countries which were represented at Nigeria's Trade Fair, at whose fairs Nigeria exhibited, and which received Nigerian Economic Missions, were indications of a clear intention to break away from economic dependence on the mother country and the West, and to establish commercial relations irrespective of political ideology. That the results were not commensurate with the effort has been mentioned.

In relation to trade it is worth noting that the Head Offices of shipping lines which visited Nigerian ports were to be found in Britain (5 shipping lines), France (4), the United States (3), West Germany (3), Japan (3), Italy (3), the Netherlands (2), Israel (2), Sweden, Denmark, Switzerland, Yugoslavia, Poland, Hong Kong, India, Ghana, Senegal, Egypt and South Africa (1 each); and the following airlines made use of Nigerian airports: Air Afrique (Ivory Coast), Air Congo, Air France, Air Liban, Alitalia, BOAC, British United Airways, Ethiopian Airways, Ghana Airways, KLM, Lufthansa, Pan American, Sabena, Swissair, Transportes Aereos Portugueses, UAT and United Arab Airways.

The direction of Nigeria's trade is shown in a series of tables for which three sources have been utilised: the Nigeria Trade Journal, 1958 - 1968, from which figures have been extracted for the nine years 1958 - 1966; the UN Economic Commission for Africa, Foreign Trade Statistics, (a) Direction of Trade, Numbers 6 - 10, from which figures, converted from thousand dollar units to thousandpound units, have been extracted for the four years 1962 - 1965; and from figures for the years

1967 and 1968 supplied directly to the writer by the Nigerian Federal Ministry of Trade, Economic Division, Lagos, in million pound units. Except for Table I, geographical divisions are based on those of ECA statistics.

Table I : United Kingdom and the Sterling Area.

|                | Imports. |        |         |         |        | £ thousand. |        |         |        |      | £ million. |  |  |
|----------------|----------|--------|---------|---------|--------|-------------|--------|---------|--------|------|------------|--|--|
|                | 1958     | 1959   | 1960    | 1961    | 1962   | 1963        | 1964   | 1965    | 1966   | 1967 | 1968       |  |  |
| Eire           | 105      | 448    | 422     | 527     | 592    | 466         | 433    | 301     | 446    |      |            |  |  |
| Ghana          | 278      | 200    | 638     | 605     | 162    | 254         | 208    | 248     | 248    | 0.02 | 0.1        |  |  |
| Hong Kong      | 3,173    | 3,605  | 3,605   | 4,198   | 4,349  | 5,166       | 4,661  | 3,593   | 1,815  | 2.6  | 2.3        |  |  |
| Iceland        | 1,354    | 1,557  | 1,556   | 2,562   | 2,150  | 1,488       | 2,217  | 2,187   | 1,951  |      |            |  |  |
| India          | 6,007    | 3,623  | 4,179   | 6,925   | 5,100  | 3,167       | 4,149  | 3,957   | 3,163  | 3.2  | 1.7        |  |  |
| South Africa   | 751      | 996    | 1,019   | 95      | 43     | 5           | -      | -       | -      |      |            |  |  |
| United Kingdom | 72,762   | 80,823 | 91,379  | 85,216  | 73,720 | 70,844      | 78,669 | 85,054  | 76,253 | 64.5 | 59.8       |  |  |
| Others         | 1,783    | 1,193  | 1,753   | 3,255   | 4,492  | 4,900       | 5,086  | 4,988   | 8,330  |      |            |  |  |
| Total          | 86,213   | 92,445 | 104,551 | 103,383 | 90,608 | 86,290      | 95,423 | 100,288 | 92,206 |      |            |  |  |

|                | Exports. |        |        |        |        | £ thousand. |        |         |         |      | £ million. |  |  |
|----------------|----------|--------|--------|--------|--------|-------------|--------|---------|---------|------|------------|--|--|
|                | 1958     | 1959   | 1960   | 1961   | 1962   | 1963        | 1964   | 1965    | 1966    | 1967 | 1968       |  |  |
| Eire           | 2        | 4      | 30     | 286    | 453    | 937         | 1,378  | 246     | 445     |      |            |  |  |
| Ghana          | 810      | 787    | 873    | 1,222  | 1,000  | 1,673       | 3,479  | 1,319   | 796     | 0.2  | 0.2        |  |  |
| Hong Kong      | 2        | 316    | 148    | 305    | 272    | 300         | 543    | 91      | 77      | 0.1  | 0.28       |  |  |
| Iceland        | 1        | 2      | 1      | 7      | 1      | 1           | -      | 1       | -       |      |            |  |  |
| India          | 228      | 274    | 508    | 597    | 137    | 442         | 697    | 219     | 153     | 0.16 | 0.04       |  |  |
| South Africa   | 771      | 216    | 112    | 18     | 20     | 13          | -      | -       | -       |      |            |  |  |
| United Kingdom | 74,943   | 82,025 | 77,552 | 76,219 | 70,386 | 72,131      | 80,657 | 101,465 | 105,177 | 70.3 | 61.9       |  |  |
| Others         | 561      | 65     | 772    | 288    | 1,140  | 1,176       | 1,250  | 1,004   | 2,309   |      |            |  |  |
| Total          | 76,718   | 83,689 | 79,996 | 78,942 | 73,409 | 77,273      | 88,044 | 104,345 | 108,957 |      |            |  |  |

# I. The United Kingdom and the Sterling Area.

Despite the fact that in relation to the BEC and to the rest of the world, the UK's position in Nigeria's trade weakened, nevertheless it remained far and away the largest single market for Nigerian goods and the largest single source of Nigeria's imports. This is hardly surprising. The UK had long realised the importance of Nigeria and as early as 1951 the Board of Trade had appointed a Trade Commissioner in Nigeria and by October, 1960 there were Trade Commissioners in each of the regional capitals. Since independence there have been frequent visits by Ministers of State at the Board of Trade, and by delegations from the Federation of British Industries, the Commonwealth Union of Trade, etc. In 1950 Nigeria established its first overseas trade office in London.

Until 1962 the Nigerian pound was tied by statute to sterling. In that year it was decided, firstly, that the parity of the Nigerian pound should be expressed in gold - 2.48828 grams - and, secondly, that Nigerian currency backing would not be held entirely in sterling securities but would include gold and non-sterling securities.<sup>(1)</sup> Nevertheless the link with the Sterling Area remained very close. It would be a mistake, however, to deduce from Table I that the Sterling Area as a whole was important for Nigeria. Trade with members of the area, excluding the UK, such as Hong Kong, Sire and Iceland was unimportant and so too with other members of the Commonwealth - India, Australia, Ghana and Canada, for example. What can be validly deduced is Britain's dominance, which, together with the prevalence of British investment and the importance of British aid to Nigeria, added up to one of the most fundamental facts of Nigerian foreign relations. Economically, the United Kingdom always remained vital to Nigeria.

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1. West Africa, 7.4.62, p. 365.

Table II : The Six Countries of the European Economic Community.

Imports.

|              | £ thousand. |        |        |        |        |        | £ million. |        |        |      |      |  |
|--------------|-------------|--------|--------|--------|--------|--------|------------|--------|--------|------|------|--|
|              | 1958        | 1959   | 1960   | 1961   | 1962   | 1963   | 1964       | 1965   | 1966   | 1967 | 1968 |  |
| Belgium -    |             |        |        |        |        |        |            |        |        |      |      |  |
| Luxembourg   | 2,136       | 2,769  | 3,273  | 3,569  | 2,969  | 2,913  | 3,330      | 3,433  | 3,508  | 2.9  | 3.2  |  |
| France       | 2,494       | 3,628  | 4,884  | 5,839  | 6,718  | 7,455  | 9,914      | 12,095 | 14,497 | 9.4  | 7.1  |  |
| West Germany | 12,258      | 12,144 | 15,211 | 16,500 | 13,419 | 15,364 | 22,508     | 29,542 | 27,458 | 25.2 | 21.2 |  |
| Italy        | 3,954       | 4,880  | 7,207  | 7,823  | 6,931  | 8,332  | 12,877     | 12,720 | 13,045 | 10.7 | 13.7 |  |
| Netherlands  | 8,834       | 9,622  | 11,609 | 10,611 | 9,188  | 10,151 | 10,207     | 10,426 | 9,287  | 9.3  | 7.8  |  |
| Total        | 29,676      | 33,043 | 42,184 | 44,342 | 39,225 | 44,215 | 58,836     | 68,216 | 67,795 | 57.6 | 52.0 |  |

Exports.

|              | £ thousand. |        |        |        |        |        | £ million. |        |         |      |      |
|--------------|-------------|--------|--------|--------|--------|--------|------------|--------|---------|------|------|
|              | 1958        | 1959   | 1960   | 1961   | 1962   | 1963   | 1964       | 1965   | 1966    | 1967 | 1968 |
| Belgium -    |             |        |        |        |        |        |            |        |         |      |      |
| Luxembourg   | 2,178       | 4,124  | 3,129  | 5,055  | 4,029  | 4,652  | 5,239      | 7,703  | 7,078   | 3.1  | 5.8  |
| France       | 1,956       | 4,923  | 6,351  | 9,708  | 6,736  | 15,902 | 9,996      | 18,241 | 25,909  | 22.4 | 11.5 |
| West Germany | 11,007      | 13,257 | 12,465 | 13,217 | 14,719 | 16,013 | 26,902     | 27,856 | 27,757  | 25.1 | 18.1 |
| Italy        | 8,400       | 7,401  | 7,015  | 8,151  | 8,803  | 9,556  | 7,475      | 10,940 | 13,660  | 14.0 | 13.1 |
| Netherlands  | 18,224      | 25,943 | 20,718 | 21,806 | 22,390 | 22,076 | 27,054     | 31,539 | 26,105  | 30.7 | 27.0 |
| Total        | 41,889      | 55,648 | 49,678 | 57,937 | 54,677 | 68,199 | 76,666     | 96,379 | 100,509 | 95.3 | 75.5 |

Table III : Western Europe, Excluding the European Economic Community.

| Imports. |       |       |       |       |                     |        |        |        |       |                    |      |                       | Exports. |       |       |       |                     |        |       |        |       |                    |      |  |  |
|----------|-------|-------|-------|-------|---------------------|--------|--------|--------|-------|--------------------|------|-----------------------|----------|-------|-------|-------|---------------------|--------|-------|--------|-------|--------------------|------|--|--|
|          | 1958  | 1959  | 1960  | 1961  | £ thousand.<br>1962 | 1963   | 1964   | 1965   | 1966  | £ million.<br>1967 | 1968 |                       | 1958     | 1959  | 1960  | 1961  | £ thousand.<br>1962 | 1963   | 1964  | 1965   | 1966  | £ million.<br>1967 | 1968 |  |  |
| Austria  | --    | --    | --    | --    | 545                 | 628    | 834    | 976    | --    | --                 | --   | Austria               | --       | --    | --    | --    | 1                   | 2      | 63    | 7      | --    | --                 | --   |  |  |
| Denmark  | 466   | 764   | 1,264 | 1,002 | 1,609               | 1,411  | 1,419  | 1,443  | 1,310 | 1.2                | 1.2  | Denmark               | 1,265    | 2,020 | 1,785 | 1,166 | 1,869               | 2,380  | 2,390 | 2,804  | 1,817 | 3.4                | 3.8  |  |  |
| Norway   | 6,012 | 6,830 | 7,211 | 5,837 | 5,532               | 5,664  | 4,852  | 5,715  | 6,764 | 4.6                | 2.1  | Norway                | 489      | 584   | 992   | 241   | 732                 | 929    | 839   | 748    | 463   | 0.5                | 1.0  |  |  |
| Portugal | --    | --    | --    | --    | 289                 | 280    | 276    | 174    | --    | --                 | --   | Portugal <sup>+</sup> | --       | --    | --    | --    | 278                 | 1,839  | 1,542 | 4,628  | --    | --                 | --   |  |  |
| Spain    | --    | --    | --    | --    | 195                 | 1,266  | 2,354  | 1,740  | --    | --                 | --   | Spain                 | --       | --    | --    | --    | 1,824               | 2,375  | 2,084 | 2,949  | --    | --                 | --   |  |  |
| Others*  | --    | --    | --    | --    | 6,871               | 6,488  | 7,717  | 10,312 | --    | --                 | --   | Others*               | --       | --    | --    | --    | 3,309               | 8,436  | 1,420 | 4,885  | --    | --                 | --   |  |  |
| Total    | --    | --    | --    | --    | 17,041              | 15,737 | 17,452 | 20,364 | --    | --                 | --   | Total                 | --       | --    | --    | --    | 8,013               | 14,961 | 8,038 | 16,121 | --    | --                 | --   |  |  |

Figures unavailable to the writer.

The figures for Sweden were £ and only among those supplied by the Ministry of Trade and are gi.

£ million units (right).

The Swiss Embassy (Pretoria, Letter dd.

25.9.68, Ref. 332.0 -IH/ts) supplied

trade figures for the years 1966 -67.

The Portuguese Embassy (Pretoria, Letter dd.

17.10.68, No. 107, Proc: 15/1.3/68) estimated that

Portugal purchased about £7 million worth of Nigerian goods in 1967, while sales to Nigeria were negligible.

Imports: 1960 1961 1962 1963 1964 1965 1966 1967 1968  
Exports: 0.7 0.3 1.0 1.2 1.4 1.7 3.7 4.3 1.7

Nigerian imports: 1966 £2,005,217 1967 £2,270,763  
Nigerian exports: 1966 £6,338,049 1967 £5,326,788  
Nigerian goods in 1967, while sales to Nigeria were negligible.

## II. The European Economic Community.

Nigeria's relations with the European Economic Community are discussed in the final sub-section of this Chapter.

## III. Western Europe, Excluding the Six.

The dominance of the Six in Western Europe in relation to Nigeria, was comparable with that of Britain in the Sterling Area. Nevertheless, trade with West Europe, apart from the Six, was not insignificant - in 1965 imports from this group had exceeded £20 million and exports to it had exceeded £16 million. In imports this made it comparable with Germany, Japan or the United States; and in exports with France.

Nigerian imports from Denmark consisted largely of stockfish, a food particularly relished in the Eastern Region. In fact a Danish Ambassador was sent to Nigeria with the main function of administering stockfish sales. One of the most bizarre results of the Ibo secession in 1967 was that it caused a local crisis in a remote village north of the Arctic Circle called Hammerfest, whose population was involved in working for the Findus Frozen Fish Factory. The factory was forced to close down.

In the four years 1962 - 1965, Nigeria's balance of trade with these countries was adverse, but in 1965 it improved owing largely, no doubt, to sales of oil. Denmark, Portugal, Spain and Switzerland were the major importers of Nigerian goods. Norway was clearly the largest exporter to Nigeria, other exporters of significance being Denmark, Iceland, Switzerland and Spain.

Table IV : Eastern Europe.

|                 | <u>Imports.</u> |      |      |      |                   |  |      |      |      |      |
|-----------------|-----------------|------|------|------|-------------------|--|------|------|------|------|
|                 | 1960            | 1961 | 1962 | 1963 | <u>2 million-</u> |  | 1965 | 1966 | 1967 | 1968 |
|                 |                 |      |      |      | 1964              |  |      |      |      |      |
| Bulgaria        | --              | --   | n    | 0.2  | 0.2               |  | 0.2  | 0.1  | 0.09 | 0.1  |
| Czechoslovakia  | 2.4             | 2.7  | 2.7  | 3.0  | 2.5               |  | 2.3  | 2.5  | 2.6  | 3.4  |
| Eastern Germany | 1.6             | 1.9  | 1.6  | 1.4  | 1.4               |  | 1.3  | 0.4  | 0.6  | 0.1  |
| Hungary         | 0.1             | 0.2  | 0.3  | 0.3  | 0.8               |  | 0.8  | 0.6  | 0.9  | 1.4  |
| Poland          | 0.09            | 0.3  | 0.9  | 1.4  | 1.6               |  | 1.4  | 1.3  | 1.7  | 2.0  |
| Rumania         | --              | --   | n    | n    | 0.09              |  | 0.01 | 0.01 | 0.01 | 0.04 |
| Russia          | n               | n    | 0.04 | 0.1  | 0.05              |  | 0.3  | 0.5  | 1.1  | 0.9  |
| Total           | 4.2             | 5.1  | 5.4  | 6.2  | 6.7               |  | 6.4  | 5.7  | 7.2  | 8.1  |

## Exports

|                 | Exports    |      |      |      |      |      |      |      |      |  |
|-----------------|------------|------|------|------|------|------|------|------|------|--|
|                 | £ million. |      |      |      |      |      |      |      |      |  |
|                 | 1960       | 1961 | 1962 | 1963 | 1964 | 1965 | 1966 | 1967 | 1968 |  |
| Bulgaria        | --         | --   | n    | 0.02 | 0.02 | 0.4  | --   | 0.4  | 0.3  |  |
| Czechoslovakia  | 0.6        | 0.6  | 0.4  | 0.06 | 0.07 | 1.0  | 1.0  | 0.8  | 0.4  |  |
| Eastern Germany | --         | 0.01 | 0.01 | 0.06 | 0.2  | 0.01 | 0.04 | 0.02 | 0.01 |  |
| Hungary         | --         | --   | n    | --   | n    | 0.7  | 0.6  | 0.9  | 1.4  |  |
| Poland          | --         | --   | 1.1  | 1.1  | 2.2  | 2.8  | 1.3  | 0.3  | 1.1  |  |
| Rumania         | --         | --   | --   | n    | --   | --   | --   | --   | --   |  |
| Russia          | --         | --   | n    | n    | 1.6  | 2.2  | 0.2  | 4.0  | 5.4  |  |
| Total           | 0.6        | 0.6  | 1.5  | 1.2  | 4.1  | 7.2  | 3.2  | 6.6  | 8.8  |  |

All the above figures supplied by the Nigerian Federal Ministry of Trade, Lagos.

-- There was no classification for this country during the specified year.

n Trade negligible.

-- No trade.

Imports from Yugoslavia (in £ thousand units): 1962: 114 1963: 89 1964: 265 1965: 341  
Exports to Yugoslavia 888 888 (UN ECA Figures)

Table IV : Eastern Europe.

|                 |      | Imports.   |      |      |      |      |      |      |      |      |  |
|-----------------|------|------------|------|------|------|------|------|------|------|------|--|
|                 |      | £ million. |      |      |      |      |      |      |      |      |  |
|                 |      | 1960       | 1961 | 1962 | 1963 | 1964 | 1965 | 1966 | 1967 | 1968 |  |
| Bulgaria        | --   | --         | --   | n    | 0.2  | 0.2  | 0.2  | 0.1  | 0.09 | 0.1  |  |
| Czechoslovakia  | 2.4  | 2.7        | 2.7  | 2.7  | 3.0  | 2.5  | 2.3  | 2.5  | 2.6  | 3.4  |  |
| Eastern Germany | 1.6  | 1.9        | 1.6  | 1.6  | 1.4  | 1.4  | 1.3  | 0.4  | 0.6  | 0.1  |  |
| Hungary         | 0.1  | 0.2        | 0.3  | 0.3  | 0.3  | 0.8  | 0.8  | 0.6  | 0.9  | 1.4  |  |
| Poland          | 0.09 | 0.3        | 0.9  | n    | 1.4  | 1.6  | 1.4  | 1.3  | 1.7  | 2.0  |  |
| Rumania         | --   | --         | --   | n    | 0.1  | 0.09 | 0.01 | 0.01 | 0.01 | 0.04 |  |
| Russia          | n    | n          | 0.04 | n    | 0.1  | 0.05 | 0.3  | 0.5  | 1.1  | 0.8  |  |
| Total           | 4.2  | 5.1        | 5.4  | 6.2  | 6.2  | 6.7  | 6.4  | 5.7  | 7.2  | 8.1  |  |
|                 |      | Exports.   |      |      |      |      |      |      |      |      |  |
|                 |      | £ million. |      |      |      |      |      |      |      |      |  |
|                 |      | 1960       | 1961 | 1962 | 1963 | 1964 | 1965 | 1966 | 1967 | 1968 |  |
| Bulgaria        | --   | --         | --   | n    | 0.02 | 0.02 | 0.4  | --   | 0.4  | 0.3  |  |
| Czechoslovakia  | 0.6  | 0.6        | 0.6  | 0.4  | 0.06 | 0.07 | 1.0  | 1.0  | 0.8  | 0.4  |  |
| Eastern Germany | --   | 0.01       | 0.01 | 0.01 | 0.06 | 0.2  | 0.01 | 0.04 | 0.02 | 0.01 |  |
| Hungary         | --   | --         | --   | n    | --   | n    | 0.7  | 0.6  | 0.9  | 1.4  |  |
| Poland          | --   | --         | --   | 1.1  | 1.1  | 2.2  | 2.8  | 1.3  | 0.3  | 1.1  |  |
| Rumania         | --   | --         | --   | --   | n    | --   | --   | --   | --   | --   |  |
| Russia          | --   | --         | --   | n    | n    | 1.6  | 2.2  | 0.2  | 4.0  | 5.4  |  |
| Total           | 0.6  | 0.6        | 1.5  | 1.5  | 1.2  | 4.1  | 7.2  | 3.2  | 6.6  | 8.8  |  |

All the above figures supplied by the Nigerian Federal Ministry of Trade, Lagos.

-- There was no classification for this country during the specified year.

n Trade negligible.

-- No trade.

Imports from Yugoslavia (in £ thousand units): 1962: 114 1963: 89

Exports to Yugoslavia

265 1965: 341  
888 1,165  
(UN ECA Figures)

#### IV. Eastern Europe.

"The Government's decision to go all out for trade with the Eastern countries is commendable, progressive and dynamic. This is a step in the right direction. It shows that the Federal Government is trying to shake off the colonial mentality which had clouded its affairs in the past." (1)

After Nigeria had signed a trade agreement with Russia the Daily Times (5.7.63) in an editorial, entitled 'Nigeria Gains', wrote that the agreement 'will surely be welcomed in this country as an ocular demonstration of the Federal Government's faithfulness to its declared policy of non-alignment. It will thus dispel once and for all the misgivings in some quarters that the Government is too pro-West or anti-Russia'. (2)

With support from Parliament, the press and the public Nigeria's leaders made strenuous efforts to increase free trade with East Europe, and the East European countries in turn appeared willing to co-operate. Nigeria's major economic mission visited them, they were invited to Nigeria's trade fair and Nigeria exhibited at their fairs, other economic missions, not only Federal but from the regions and the Nigerian Produce Marketing Board, visited them, and trade missions from Czechoslovakia, Rumania, Hungary, Poland, Russia and Yugoslavia went to Nigeria. Czechoslovakia held an exhibition of teaching materials in Nigeria in 1964 and opened a permanent exhibition of engineering goods in 1965. Poland held an industrial exhibition in 1965 and the Hungarians held a trade exhibition in 1966.

By the end of 1963, with a good deal of ceremony, Nigeria had signed trade agreements with Poland, Czechoslovakia, Bulgaria, Hungary, the USSR and Yugoslavia; and, in addition, long term credit facilities were offered by these countries to enable Nigeria to purchase their goods. In 1968 Rumania became the seventh East European country to sign a trade agreement with Nigeria. This meant that only Albania and East Germany had not signed such agreements, leaving them the only two for which licences were required for the import of goods. (3)

Nigeria's imports from this group, excluding Yugoslavia

1. HRD, Vol. 11(a), March - April, 1963, p. 539.
2. News from Nigeria, No. 51, 6.7.63, p. 12.
3. Africa Research Bulletin - Economic, No. 10, 1967, p. 875c.  
( 'Economic' denotes 'Economic, Financial and Technical' )

via, increased from £4.2 million in 1960 and £6.7 million in 1964 to £8.1 million in 1968; while exports also increased from £600,000 in 1960 and £4.1 million in 1964 to £8.8 million in 1968. This meant that the seven East European nations as a whole had achieved an importance comparable with only one of the lesser EEC countries. Of more significance, however, was the fact that the figures continued to rise through the first one-and-a-half years of the civil war - which can be said for few, if any, of Nigeria's Western trading partners. Further, although East European trade continued to represent but a small proportion of Nigeria's world trade, nevertheless in view of trade agreements, which have opened the way for expanding trade, and of increased Soviet influence in the course of the civil war, there is good reason to expect that the increasing importance of economic relations with this group will continue. This will not be a rapid process, however, as oil sales, which seemed to open up new markets in other parts of the world, are unlikely to increase substantially to this group: firstly, because the oil companies are all Western-owned, and secondly, because the East European nations have sufficient other sources of supply.

Table V : Asia.

|              | Imports. |        |        |        |        |        | Exports. |        |        |      |      |  |
|--------------|----------|--------|--------|--------|--------|--------|----------|--------|--------|------|------|--|
|              | 1958     | 1959   | 1960   | 1961   | 1962   | 1963   | 1964     | 1965   | 1966   | 1967 | 1968 |  |
| China-Peking | ---      | ---    | ---    | ---    | 1,575  | 1,572  | 3,127    | 4,861  | ---    | 6.2  | 3.7  |  |
| Hong Kong    | 3,173    | 3,605  | 3,605  | 4,198  | 4,349  | 5,166  | 4,661    | 3,957  | 1,815  | 2.6  | 2.3  |  |
| India        | 6,007    | 3,623  | 4,179  | 6,925  | 5,100  | 3,167  | 4,149    | 3,957  | 3,163  | 3.2  | 1.7  |  |
| Israel       | ---      | ---    | ---    | ---    | 1,201  | 930    | 74       | 1,111  | ---    | ---  | ---  |  |
| Japan        | 19,433   | 18,826 | 27,813 | 30,336 | 24,853 | 26,947 | 30,810   | 25,613 | 14,320 | 18.7 | 7.1  |  |
| Malaya       | ---      | ---    | ---    | ---    | 44     | 69     | 29       | 16     | ---    | ---  | ---  |  |
| Pakistan     | ---      | ---    | ---    | ---    | 1,389  | 1,460  | 2,559    | 4,222  | ---    | 3.2  | 1.9  |  |
| Singapore    | ---      | ---    | ---    | ---    | 22     | 36     | 53       | 39     | ---    | ---  | ---  |  |
| Others       | ---      | ---    | ---    | ---    | 1,098  | 1,701  | 1,183    | 3,059  | ---    | ---  | ---  |  |
| Total        | ---      | ---    | ---    | ---    | 39,636 | 41,048 | 47,310   | 46,475 | ---    | ---  | ---  |  |

|              | Imports. |       |       |       |       |       | Exports. |       |       |      |      |  |
|--------------|----------|-------|-------|-------|-------|-------|----------|-------|-------|------|------|--|
|              | 1958     | 1959  | 1960  | 1961  | 1962  | 1963  | 1964     | 1965  | 1966  | 1967 | 1968 |  |
| China-Peking | ---      | ---   | ---   | ---   | 4     | 348   | 587      | 701   | ---   | 0.9  | 0.24 |  |
| Hong Kong    | 2        | 316   | 148   | 305   | 272   | 300   | 643      | 91    | 77    | 0.1  | 0.28 |  |
| India        | 228      | 274   | 508   | 597   | 137   | 442   | 697      | 219   | 153   | 0.16 | 0.04 |  |
| Israel       | ---      | ---   | ---   | ---   | 59    | 79    | 73       | 73    | ---   | ---  | ---  |  |
| Japan        | 1,029    | 2,311 | 2,455 | 3,343 | 1,486 | 2,384 | 2,568    | 3,162 | 4,250 | 6.1  | 3.6  |  |
| Malaya       | ---      | ---   | ---   | ---   | 51    | 37    | 5        | 7     | ---   | ---  | ---  |  |
| Pakistan     | ---      | ---   | ---   | ---   | 8     | 3     | 6        | 3     | ---   | 0.01 | 0.03 |  |
| Singapore    | ---      | ---   | ---   | ---   | 11    | 30    | 18       | 6     | ---   | ---  | ---  |  |
| Others       | ---      | ---   | ---   | ---   | 695   | 1,044 | 6,148    | 395   | ---   | ---  | ---  |  |
| Total        | ---      | ---   | ---   | ---   | 2,723 | 4,856 | 10,744   | 4,651 | ---   | ---  | ---  |  |

-- Figures unavailable to the writer.

# V. Asia.

Nigeria's trade with Asia was hopelessly unbalanced. In the four years 1962 - 1965 the annual adverse balances were £37 million, £36.5 million, £36.5 million and £42 million. Although the large importation of Japanese goods was the major cause of this, there were also notable adverse balances with Israel, Pakistan, India, Hong Kong and the Chinese Peoples' Republic.

Exports to Asia as a whole were comparable with those to the African continent and to Canada and Denmark. Imports from Asia, excluding Japan, were similar in value to imports from West Germany. Japan accounted for about 60% of these imports.

Of all the Asian countries, India was the most active in trying to swell exports to Nigeria. Already in 1959 delegations from the Engineering Export Promotion Council and from the plastic and Linoleum Export Promotion Council of India had visited Nigeria, in 1964 India became the first Asian country to open an industrial trade centre with showrooms in Lagos, and in 1966 a radio-telegraph circuit between India and Nigeria was inaugurated. Yet Nigerian imports dropped from £6 million in 1958 to £3.16 million in 1966.

Communist China sent a number of delegations, one of which in 1961 assured the Minister of Commerce and Industry, Dipcharima, in the words of the latter, 'that with a huge population of 670 million people there is room for our cocoa and palm products. These are not things which can be grown in Communist China'.<sup>(1)</sup> When the Minister of Finance visited Peking with the 1961 Economic Mission, he and the Chinese Minister of Foreign Trade signed a joint communiqué emphasising their desire for increased trade. No trade agreement was, however, signed, and import licences remained necessary for goods coming from that country. The same restrictions were retained for Macao, North Korea, North Vietnam and Tibet.<sup>(2)</sup>

The major, and apparently perennial problem, was Japan; a problem which in fact originated in 1928 when trade be-

1. HRD, Second Session, Vol. 1, March - April, 1961, p. 236.  
2. Africa Research Bulletin - Economic, No. 10, 1967, p. 875c.

tween the two had been initiated. In simple arithmetical terms the problem presented itself thus, between 1958 and 1966:

|               |              |
|---------------|--------------|
| Total Imports | £218,951,000 |
| Total Exports | £ 22,988,000 |
| Total Deficit | £195,963,000 |

A £195.6 million trade deficit with one country over eight years was a luxury which a developing country could ill afford.

"... But the situation calls for a sober appraisal and calculated action because two mutually irreconcilable considerations operate in the matter in respect of our trade with Japan.

On the one hand there is the perfectly natural tendency to react to the chronic imbalance by restricting our imports from Japan. On the other hand, there is the need to exercise the businessman's commonsense of buying from the cheapest market and thereby having the best value for our money. After all, Nigeria is a poor country and, therefore, cannot waste money on expensive goods if cheaper goods are available at other sources." - Minister of Commerce and Industry. (1)

Nigeria appealed to Japan to rectify the situation; newspaper editorials and political debates made clear the necessity for Japan to increase imports. Amongst others, the Minister of Commerce and Industry (in 1959), the Minister of Finance (in 1961) and the Minister of State for Foreign Affairs, Nuhu Bamali (in 1965) visited Tokyo; and in 1965 a Nigerian Ambassador was appointed to Japan - all with the same purpose. Japan simply did not require Nigerian goods; nevertheless, efforts were made by the Japanese Government to improve the position. Scholarships were offered, Japanese firms participated in the establishment of industries, a Department of Electronics was to be set up at the Kaduna Polytechnic, and the construction of a modern fishing port at Lagos investigated. Trade missions arrived almost annually; in December, 1961 the leader of one such offered to buy as much tin as Nigeria could produce; (2) in 1963 a cotton purchasing team visited Nigeria; and in 1965 a mission offered to buy groundnuts and cotton lint. Commenting on this last visit, the Nigerian Produce Marketing Company accused Ja-

1. HRB, Third Session, Vol. 1, 1962, p. 484.  
2. Barclay's Bank Trade Review, January, 1962, p. 68.

pan of making propaganda about buying Nigerian products: it stated that the mission had reluctantly offered to buy 5,000 tons of groundnuts - from a possible total of about 400,000 tons - and 10,000 bales of cotton lint - from an exportable quantity of 150,000 bales. The prices offered were extremely low and therefore unacceptable to Nigeria. (1)

All this helped little, and in 1963 Nigeria introduced import restrictions which took effect as from 28th August. These took the form of a partial revocation of the Open General licence accorded to all Japanese goods in 1959, and covered woven cotton fabrics, textiles, cordage, cable, rope and twine, fishing nets, blankets and all clothing except furs. As this measure did not appear to have had much effect, it was announced in mid-1964 that no import licences for Japanese textiles would be issued for the rest of that year except to applicants who had exported Nigerian produce to Japan during the year, and then only to the value of the exports. In 1965 Nigeria went further and instructed foreign banks not to issue irrevocable letters of credit for Japanese imports, a move which some forecast would lead to the complete elimination of Japanese sales to Nigeria. (2) By 1964 the effects of these measures were beginning to be felt: Japanese exports to Nigeria dropped from £30.8 million in 1964 to £25.6 million in 1965, and to £14.3 million in 1966.

Japan now found it necessary to attempt to come to terms with the problem, and offered Nigeria a credit loan of £10 million to help rectify the trade imbalance, to be redeemable over eighteen years with a three-year grace period and at an interest rate of 5.75%. The Federal Minister of Trade, Mbaduwe, rejected the offer, since he could not recommend 'aid with strings attached'. He stated that the offer was coupled with a request that Nigeria should 'remove all discriminatory restrictions on Japanese goods and apply an open general licence policy to all Japanese imports to Nigeria'. (3) Nigerian press reaction was also cool and such newspapers as the Morning Post

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1. African Economic Digest, No. 42, 15.10.65, p. 416.
  2. Ibid., No. 34, 20.8.65, p. 335.
  3. Ibid., No. 33, 13.8.65, p. 326.

and the Daily Times felt the offer would not solve the problem - there was no substitute but for Japan to increase imports. (1)

When a Japanese trade mission visited Nigeria and explained that there was no ulterior motive to the offer, Mbadiwe agreed to support its acceptance and negotiations began, continuing through the last session of Parliament, (2) and on until 27th November when Gowon's Government announced acceptance of the loan. Earlier, in July, Ironsi had partially lifted the embargo allowing unrestricted imports of machinery, spare parts and raw materials and limited quantities of merchandise. In return Japan dropped the 5% and 10% import duties which had been imposed on cocoa and coffee beans respectively, and lowered the commodity tax on the two items from 10% to 5%; and yet another Japanese trade mission offered to buy Nigerian rubber.

The partial lifting of restrictions by Nigeria and the Japanese efforts produced some results, but although Nigeria's position improved slightly, the balance of trade remained fundamentally as before. In 1967 Nigeria's exports to Japan rose by about 50% while imports increased from £14.3 million in 1966 to £18.7 million in 1967; further broadening of trade relations was interrupted by the civil war. (Imports from Hong Kong were treated in similar fashion to those from Japan.)

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1. West Africa, 17.7.65, p. 804.

2. HRD, Vol. 20, 12 - 15 January, 1966, p. 14.

Table VI : Americas.

|                          | <u>Imports.</u> |        |        |        |        |        |        | <u>£ thousand.</u> |        | <u>£ million.</u> |      |
|--------------------------|-----------------|--------|--------|--------|--------|--------|--------|--------------------|--------|-------------------|------|
|                          | 1958            | 1959   | 1960   | 1961   | 1962   | 1963   | 1964   | 1965               | 1966   | 1967              | 1968 |
| United States of America | 9,378           | 7,916  | 11,579 | 11,894 | 14,976 | 17,897 | 28,930 | 33,083             | 41,516 | 27.8              | 22.2 |
| Canada                   | 183             | 414    | 1,026  | 1,670  | 2,700  | 903    | 1,808  | 2,085              | 3,125  | 1.6               | 0.9  |
| Venezuela                | --              | --     | --     | --     | 1,743  | 1,357  | 2,921  | 1,540              | --     | --                | --   |
| Others *                 | --              | --     | --     | --     | 3,860  | 4,285  | 5,002  | 5,729              | --     | --                | --   |
| Total                    | --              | --     | --     | --     | 23,279 | 24,442 | 38,661 | 42,397             | --     | --                | --   |
|                          | <u>Exports.</u> |        |        |        |        |        |        | <u>£ thousand.</u> |        | <u>£ million.</u> |      |
|                          | 1958            | 1959   | 1960   | 1961   | 1962   | 1963   | 1964   | 1965               | 1966   | 1967              | 1968 |
| United States of America | 8,069           | 11,842 | 15,597 | 19,091 | 18,104 | 17,359 | 14,316 | 26,213             | 22,331 | 18.4              | 16.0 |
| Canada                   | 4               | 321    | 1,166  | 503    | 1,719  | 1,875  | 2,472  | 2,488              | 9,831  | 8.9               | 5.5  |
| Venezuela                | --              | --     | --     | --     | 1,129  | 123    | 679    | 1                  | --     | --                | --   |
| Others *                 | --              | --     | --     | --     | --     | 305    | 924    | 4,557              | --     | --                | --   |
| Total                    | --              | --     | --     | --     | 20,951 | 19,662 | 18,391 | 33,259             | --     | --                | --   |

Figures unavailable to the writer.

-- No trade.

\* Nigeria exported £742,035 worth of goods to the Argentine, and imported £7,728 worth from the Argentine in the period January - September, 1967. Argentinian Embassy, Pretoria. Letter dd. 13.9.68.

Nigeria exported £2.7 million worth of oil to Brazil, and imported about £9,600 worth of manufactured goods from Brazil in 1967. Brazilian Embassy, Pretoria, letter dd. 12.9.68.

Nigeria exported £270,000 worth of groundnuts to Cuba in 1964. West Africa, 6.6.64, p. 636.

# VI. America.

The only American country with which Nigeria had traditional economic relations of any value was the United States, and these continued to gain in importance. In the nine years 1958 - 1966 Nigeria's exports to the USA rose from £8 million to £22.3 million and imports from £9.3 million to £41.5 million. This extremely large increase in imports resulted, during the two years before secession, in a significantly unfavourable balance with the Western Hemisphere. Relations with Canada not only increased in volume, but did so advantageously to Nigeria, whose exports rose from £4,000 to £9.8 million.

At independence Latin America and Nigeria had hardly been economically introduced. It took some time before they made any effort at contact; no Latin American countries exhibited at the Nigerian Trade Fair, the Nigerian Economic Mission bypassed them, and Nigeria did not participate in any of their trade festivals. In all probability had it not been for oil, the two would have remained remote. In 1963 a Mexican trade mission came to Nigeria and 1965 saw the arrival of Argentinian and Brazilian missions, the latter concluding an agreement with the Nigerian Gulf Oil Company for the purchase of 460,000 barrels of crude oil, <sup>(1)</sup> and offered to supply machinery and personnel for the manufacture of cocoa products. <sup>(2)</sup> The Nigerian Year Book of 1967 gives figures of oil sales to Uruguay, Argentina and Brazil. <sup>(3)</sup> The importance of oil sales is emphasised, for example, by figures contained in a letter from the Argentinian Embassy: in the period January - September, 1967, of the Argentine's total imports of £742,035 from Nigeria, oil accounted for an amount of £741,462. <sup>(4)</sup>

1. West Africa, 10.4.65, p. 408.

2. Africa Research Bulletin - Economic, No. 5, 1965, p. 311c.

3. Nigeria Year Book, 1967, p. 163.

4. Argentinian Embassy, Pretoria, Letter, dd. 13.9.68.

Table VII : Oceania.

|             | Imports. |      | £ thousand. |      |      |       | £ million. |      |      |
|-------------|----------|------|-------------|------|------|-------|------------|------|------|
|             | 1960     | 1961 | 1962        | 1963 | 1964 | 1965  | 1966       | 1967 | 1968 |
| Australia   | 0.2      | 0.3  | 232         | 444  | 623  | 883   | 0.69       | 0.59 | 0.3  |
| New Zealand | --       | --   | 188         | 175  | 171  | 220   | --         | --   | --   |
| Others      | --       | --   | 12          | 54   | 35   | 1,112 | --         | --   | --   |
| Total       | --       | --   | 432         | 673  | 829  | 2,214 | --         | --   | --   |

|             | Exports. |      | £ thousand. |      |      |      | £ million. |      |      |
|-------------|----------|------|-------------|------|------|------|------------|------|------|
|             | 1960     | 1961 | 1962        | 1963 | 1964 | 1965 | 1966       | 1967 | 1968 |
| Australia   | 0.01     | 0.02 | 249         | 196  | 561  | 316  | 0.67       | 0.31 | 0.1  |
| New Zealand | --       | --   | 10          | 14   | 48   | 39   | --         | --   | --   |
| Others      | --       | --   | --          | --   | 1    | 355  | --         | --   | --   |
| Total       | --       | --   | 259         | 211  | 610  | 710  | --         | --   | --   |

-- Figures unavailable to the writer.

- - No trade.

VII. Oceania.

Not surprisingly, this has remained an insignificant area of trade. In the four years 1962 - 1965 exports did not once reach a total of £.75 million, although imports rose to over £2 million. In 1965, Nigeria's exports to Oceania were comparable with those to India or the Ivory Coast, while imports were comparable with those from Canada or Iceland. This area is not likely to increase in importance for whatever the two parties may require can be obtained more cheaply, more conveniently and more speedily from sources closer by.

Table VIII : Africa.  
Imports.

|                               | 1962    | 1963    | 1964    | <u>£ thousand</u><br>1965 |
|-------------------------------|---------|---------|---------|---------------------------|
| Morocco                       | 202.5   | 271.7   | 236.0   | 325.0                     |
| Algeria                       | 25.4    | 36.8    | 685.0   | 636.1                     |
| Tunisia                       | 349.6   | 224.3   | 53.9    | 25.0                      |
| Libya                         | 7.2     | 2.1     | 1.4     | 1.7                       |
| Egypt                         | 306.1   | 191.4   | 204.6   | 289.2                     |
| Sudan                         | 1.1     | 0.4     | 1.6     | 4.2                       |
| Mauritania                    | -       | -       | -       | -                         |
| Senegal                       | 15.7    | 8.9     | 129.2   | 102.5                     |
| Mali                          | -       | 0.7     | 0.4     | 0.4                       |
| Ivory Coast                   | 6.4     | 84.3    | 183.9   | 280.7                     |
| Upper Volta                   | -       | -       | -       | 1.4                       |
| Dahomey                       | 5.0     | 56.1    | 126.0   | 37.8                      |
| Niger                         | 4.6     | 37.9    | 65.0    | 50.7                      |
| Guinea                        | -       | 1.1     | 12.1    | 0.4                       |
| Sierra Leone                  | 2.9     | 8.5     | 18.2    | 21.7                      |
| Liberia                       | 7.9     | 20.7    | 33.9    | 33.9                      |
| Ghana                         | 167.1   | 253.9   | 208.5   | 208.2                     |
| Togo                          | -       | 1.4     | 2.5     | 3.5                       |
| Cameroun                      | 45.0    | 26.4    | 183.9   | 35.0                      |
| Equatorial Cus-<br>toms Union | 113.2   | 90.4    | 134.0   | 227.5                     |
| Congo (Kinshasa)              | 8.2     | 18.5    | 295.4   | 288.2                     |
| Angola                        | 7.9     | 2.1     | 36.7    | 2.5                       |
| South Africa                  | 42.9    | 5.0     | 2.9     | 4.7                       |
| Zambia                        | -       | -       | -       | 10.7                      |
| S. Rhodesia                   | -       | -       | -       | -                         |
| Malawi                        | -       | -       | -       | -                         |
| Rhodesia-Nyasaland            | 106.1   | 185.4   | 213.9   | 363.2                     |
| Mozambique                    | 5.7     | 0.4     | 29.3    | 5.0                       |
| Madagascar                    | 3.9     | 10.0    | 10.0    | 26.4                      |
| Reunion                       | -       | -       | -       | -                         |
| Mauritius                     | -       | -       | -       | -                         |
| Tanganyika                    | 3.6     | 4.7     | 0.7     | 36.4                      |
| Uganda                        | 0.4     | -       | 0.4     | 1.7                       |
| Kenya                         | 2.9     | 21.4    | 16.4    | 47.9                      |
| Ethiopia                      | 1.1     | 0.4     | 1.1     | 2.1                       |
| Others                        | 43.2    | 142.1   | 93.2    | 62.1                      |
| Total                         | 1,485.7 | 1,707.2 | 3,081.4 | 3,137.1                   |

Table VIII : Africa (continued).Exports.

|                               | 1962    | 1963    | 1964    | <u>£ thousand</u><br>1965 |
|-------------------------------|---------|---------|---------|---------------------------|
| Morocco                       | 1,468.9 | 365.3   | 418.6   | 710.0                     |
| Algeria                       | 1.1     | 107.1   | 0.4     | 1.1                       |
| Tunisia                       | 1.1     | 1.7     | -       | -                         |
| Libya                         | 11.7    | 48.9    | 9.6     | 9.6                       |
| Egypt                         | 22.5    | 15.7    | 1,147.5 | 639.6                     |
| Sudan                         | 11.0    | 2.8     | 5.0     | 8.2                       |
| Mauritania                    | -       | -       | 42.9    | -                         |
| Senegal                       | 16.0    | 88.9    | 47.1    | 38.5                      |
| Mali                          | -       | 2.8     | 0.7     | 8.2                       |
| Ivory Coast                   | 253.9   | 462.8   | 320.3   | 205.7                     |
| Upper Volta                   | -       | 1.7     | 1.7     | 0.7                       |
| Dahomey                       | 51.1    | 52.5    | 41.4    | 28.6                      |
| Niger                         | 25.7    | 26.4    | 49.6    | 22.5                      |
| Guinea                        | 12.5    | 13.5    | 2.8     | 3.5                       |
| Sierra Leone                  | 285.3   | 265.0   | 282.9   | 363.5                     |
| Liberia                       | 47.1    | 57.1    | 44.6    | 47.5                      |
| Ghana                         | 998.9   | 1,983.2 | 3,765.4 | 1,318.5                   |
| Togo                          | 51.0    | 59.6    | 79.2    | 52.3                      |
| Cameroun                      | 356.0   | 252.5   | 166.8   | 83.2                      |
| Equatorial Cus-<br>toms Union | 118.9   | 30.0    | 199.3   | 40.0                      |
| Congo (Kinshasa)              | 140.0   | 52.9    | 83.2    | 82.5                      |
| Angola                        | -       | 1.4     | 119.6   | 14.3                      |
| South Africa                  | 20.3    | 12.8    | 19.2    | 37.5                      |
| Zambia                        | -       | -       | -       | -                         |
| S. Rhodesia                   | -       | -       | -       | -                         |
| Malawi                        | -       | -       | -       | -                         |
| Rhodesia-Nyasaland            | 7.1     | 7.5     | 13.9    | 45.3                      |
| Mozambique                    | 3.2     | 3.2     | 6.4     | 26.0                      |
| Madagascar                    | -       | 0.4     | 15.7    | 5.7                       |
| Reunion                       | -       | -       | -       | -                         |
| Mauritius                     | -       | -       | 0.4     | -                         |
| Tanganyika                    | 4.7     | 16.4    | 7.5     | 9.6                       |
| Uganda                        | -       | 5.4     | 4.3     | 4.6                       |
| Kenya                         | 7.9     | 2.5     | 44.6    | 23.6                      |
| Ethiopia                      | 3.2     | 7.5     | 7.5     | 3.2                       |
| Others                        | 71.4    | 70.7    | 533.9   | 73.2                      |
| Total                         | 3,991.0 | 4,018.9 | 7,482.5 | 3,909.2                   |

## VIII. Africa.

Nigeria's approach to African unity, <sup>(1)</sup> was moderate and functional, believing, in the words of Sir Abubakar, 'that African unity could be achieved by taking practical steps in economic, educational, scientific and cultural co-operation'. <sup>(2)</sup> The approach to African economic co-operation was that regional co-operation should be established first, and even in this regard the Government was cautious:

"As must be clear from the results of the recent Conference held here in Lagos, Nigeria attaches the greatest importance to the closest possible economic co-operation with other African states and particularly, initially, with the other West African states. This will doubtless in time lead to the establishment of at least a West African Common Market comparable in concept to the present European Common Market. It would be idle to underestimate the magnitude of the difficulties which must be resolved before this can come to pass.

First is the complexity of the manifold problems involved in reconciling the interests of the nations which formerly belonged respectively to the British and French spheres of influence in Africa. Secondly, is the fact that, unlike the countries which go to make up the European Common Market, whose economies are broadly complementary to each other in that by far the greater volume of trade takes place between the member countries themselves almost all the trade of the African countries is with the outside world, frequently in competition with each other.

Before a Common Market can become a reality there must be far greater industrialisation. I look forward to the day when Nigeria will become the industrial heart of an African Common Market, as a result of conscious planning and co-operation by the African states in unison...

A West African Free Trade Area is a greater immediate possibility, but even here the problems are immense." - Minister of Finance. (3)

A leading Nigerian economist, P.N.C. Okigbo, who became Nigeria's Ambassador to the EEC, maintained that the difficulties lay primarily in Africa itself with its 'physical geographic bottlenecks, lack of basic infrastructure, paucity of natural endowments and resources, lack of political will and abundance of political rivalries, suspicions and jealousies'. On West

1. See Chapter IV.
2. Balewa, Sir Abubakar Tafawa, *Nigeria Speaks*, Longmans of Nigeria, 1964, p. 159.
3. HRD, Third Session, Vol. 1, March - April, 1962, p. 280.

African economic unity he was also pessimistic:

"... The chances are ... that one large union of more than fourteen states would make its functioning too uneven, too full of initial obstacles and too prone to failure. Its size would engender too many conflicting national interests to be reconciled and would thereby impede the harmonization of policies." (1)

Lagos' policy, then, was that sound economic foundations should be established and action should be taken within the limitations resulting from the structure of the economies of African countries. The first step taken was to establish common customs posts with the neighbouring Chad, Dahomey, Cameroun and Niger in order to facilitate trade and co-operate against smuggling. After the customs agreement with Dahomey the Government-sponsored Morning Post (20.7.64) wrote:

"Nigeria and Dahomey on Saturday demonstrated in practical terms the real meaning of co-operation among African States ...

For we believe that there can be no other short cut to a united Africa than by economic co-operation such as now exists between Nigeria and Dahomey." (2)

In the following year Nigeria agreed to extend the railroad from the Northern Nigerian town of Maiduguri to Fort Lamy in Chad. In addition, Nigeria signed trade agreements with Cameroun, Mali, Senegal, Togo, the UAR and Niger; air service agreements with Ethiopia, Ghana, Togo and the UAR; and established direct telephone-telecommunication links with the Congo (Kinshasa), Dahomey, Ethiopia, Guinea, Ivory Coast, Niger, Togo, the UAR and East Africa. Nigeria was a signatory to the Chad Basin Agreement, a member of the Niger River Commission and attended and acted as host to conferences such as the Conference on Co-ordination of Industry in West Africa, 1964. The Government was represented at and supported the UN ECA Conference held in Niamey, convened to discuss matters relating to economic co-operation in West Africa, with a view eventually to establishing a West African Economic Community, and supported the plan of President Ould Daddah of Mauritania to organise a meeting of heads of states to establish such a community; and, at Monrovia in 1968, became one of the nine members of the new

1. Okigbo, P.N.C., Africa and the Common Market, London, 1967, pp. 157 and 155.
2. News from Nigeria, No. 42, 22.7.64, p. 1.

West African Regional Group, the ultimate goal of which is economic integration of the region in all fields of industry, agriculture, communications and energy and the liberalisation and expansion of trade, the removal of barriers in the way of increased trade and ultimately the establishment of a West African Common Market.<sup>(1)</sup>

It is doubtful, however, to what extent Nigeria is prepared to make sacrifices to this end: for example, although giving vocal support to the ECA project of a West African iron and steel industry, Nigeria ignored requests for an open declaration concerning its plans in this field and was clearly intent on establishing such an industry entirely under Nigerian control.

In Africa as a whole Nigeria has been a regular participant in all economic conferences and a frequent member of executive boards. Chief Okotie-Eboh, for example, was unanimously elected the first Chairman of the Board of Governors of the African Development Bank. Some of the conferences attended by Nigeria were the African Dairy Problem Conference, the African Seminar of Budget Planning and Management, the ECA Working Party on Manpower and Training, the ECA Tariff Study Group, the African Airlines Conference, the African Meeting of Technical Experts, the African Railway Systems Conference, the Inter-African Coffee Organisation Conference and the African Conference on Statistics.

And yet, for all the activity, the speeches, the conferences, the trade agreements and the telecommunications links Nigeria's trade with the other African states remained minimal. Except that some of the data on border trade is obscured by such trade taking place across unpoliced boundaries, it would appear that trade, not only between Nigeria and the other states, but all inter-African trade, has remained disappointingly small. The highest level which Nigerian imports reached was in 1965 when they amounted to £3.14 million, similar in value to imports from Hong Kong and Belgium-Luxembourg, and accounting for about 1% of total imports. Average exports for the four years stood at approximately £4.85 million, a lesser amount than to Belgium-Luxembourg which was by far the smallest market in the EEC for Nigerian goods; exports to African states accounted for only

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1. Africa Research Bulletin - Economic, No. 4, 1968, p. 995a.

about 2% of total exports.

As regards exports, the following countries were of significance: in North Africa Morocco and Egypt; in West Africa the Ivory Coast, Sierra Leone, Ghana and Cameroun; and in the rest of Africa only the Equatorial Customs Union and the Congo (Kinshasa). In regard to imports the following were the more important: in North Africa Morocco, Egypt and Tunisia; in West Africa the Ivory Coast and Ghana; and in the rest of Africa the Equatorial Customs Union, the Congo (Kinshasa) and Rhodesia and Nyasaland. At the low level obtaining, Nigeria's balance of trade with Africa was favourable in all four years.

Just as one of the most fundamental factors in Nigerian foreign relations was the vital economic position of the United Kingdom, so at the other extreme was the nearly complete irrelevance of Africa to Nigeria's economic needs.

#### C. Investment.

#### I. Rejection of Nationalisation.

In 1958 the five Governments of the Federation of Nigeria published the following policy statement:

"The Governments of the Federation of Nigeria, of the Eastern, Northern and Western Regions and of the Southern Cameroons, recognise that Nigeria will, for many years to come, need overseas capital and managerial and technological skills, if her resources are to be developed to the extent which the Governments and the people of Nigeria desire. They realize that overseas investors will be reluctant to lend their capital unless they can be assured that such investment, and the skilled overseas personnel which may be necessary to make it successful, will be welcome. The purpose of this statement is to give such an assurance...

Our Governments wish to give every support to the principle of partnership between overseas and indigenous capital and skilled personnel... No precise limits will be laid down for the numbers of Africans to be employed in senior managerial, technical and professional posts, but it will be expected that posts which can be efficiently filled by Africans, should not be filled by non-Africans. Our Governments will naturally especially value enterprises which are animated by this spirit of partnership and which make satisfactory arrangements for the employment, training and advancement of Africans...

Our Governments have no plans for nationalising industry beyond the extent to which public utilities are already nationalised, nor do they foresee any such proposals arising. Nevertheless

they are anxious that there should be no doubt in the minds of overseas entrepreneurs that Nigeria will provide adequate safeguards for the interests of investors in the event of any industry being nationalised in the future. Should this occur, the fair compensation, assessed by independent arbitration, would be paid." (1)

These principles were enshrined in Section 30 of the Independence Constitution of 1960 and Section 31 of the Republican Constitution of 1963.

Nigeria's policies concerning overseas investment were based on practical commonsense, the requirements of the country and the possibilities of success. Pressures for nationalisation were resisted and Nigerianisation remained moderate and sensible. As the Minister of Finance stated in Parliament:

"... This Government will continue to pursue sound financial policies. It will continue to ensure conditions in which investors from overseas can be confident of the safety of their investment ...". (2)

The clearest policy statement was made by the Minister of Finance in reply to Chief Awolowo, who had taken up the Government's challenge to bring the issue before Parliament. On 29th November, 1961 Awolowo moved: 'that this House approves in principle the nationalisation of basic industries and commercial undertakings of vital importance to the economy of Nigeria'. (3) He put the opposition view as follows:

"Our standpoint on the issue of nationalisation is not merely doctrinaire. Nationalisation is the cornerstone, and an indispensable tool, of the politico-economic system called socialism. We are advocating nationalisation, therefore, because we are convinced that, in contemporary Nigerian circumstances, its adoption is both pragmatic and in the best interests of our people and nation.

In present day Nigeria there are three traditional and inseparable evils of the capitalist system which must be conquered forthwith...

In the first place, an untrammelled capitalist system, of necessity, places a newly emergent and underdeveloped nation, such as ours, in a state of defenceless economic servitude and unduly prolongs the regime of poverty, ignorance and disease among the bulk of our people...

Practically all the major and minor extractive and secondary industries within the country

1. Nigeria Trade Journal, No. 4, 1958, p. 130.
2. HRD, Vol. 1, 18 February - 5 March, 1958, p. 122.
3. Ibid., Second Session, 15 - 30 November, 1961, p. 346.

and the bulk of our shipping business, as well as of our commercial undertakings, including small-scale distributive trade, are in the hands of foreigners...

... They have a monopoly on the purchases of our export commodities and so dictate the prices at which they are bought. Equally, they have an undisputed monopoly on all our imported goods, the prices of which they dictate in turn to us...

... Because they control the bulk of our financial institutions, they accordingly influence, for good or ill, the availability or otherwise of adequate capital and credit and their eventual direction...

... In their various industries and business undertakings they employ more than half of the country's labour force. Consequently, it is they and not the Government, as it is erroneously believed, who decisively set a limit on the level of wages to be paid to the workers.

... practically all the channels of our economic life, save those of petty trading, are completely monopolised by the foreigners. To the extent that this is the case, the Government as well as our people are in economic bondage and are not... but puny, contemptible creatures, begging for our daily bread and for other necessities of life from the aliens within our gates! It is an intolerable situation."

He went on to advocate the nationalisation of all mining enterprises, all mercantile marine and insurance business, all foreign-owned plantations, and all 'pseudo-extractive' and secondary industries 'like the timber and plywood industry at Sapela'.

"In the second place, the profit-motive which is the driving force of a capitalist system generates a good deal of vices of its own, such as excessive self-interest and utter disregard and disdain for the interests of others."

He estimated that not more than a dozen white families controlled Nigeria's finances.

"Yet over 90 per cent of our people still wallow in abject poverty and are riddled with ignorance and disease!

The motive force of socialism, whose cornerstone ... is nationalisation, is the welfare of the people and the greatest good of the greatest number - not, as under capitalism, the most fabulous riches for the fewest number...

In the third place, under the capitalist system, the four agencies of production - Labour, Land, Capital and Organisation - are rewarded, not for what they actually do or produce, but in accordance with what the harsh, remorseless and impersonal and out-moded mechanism of supply and demand dictates."

He concluded that under socialism, by means of nationalisation,

'each citizen gives according to his ability and receives according to his needs'..(1)

The Minister of Finance moved an amendment 'to delete all after the words 'that this House' and to substitute the following:

"(i) Resolves that the nationalisation of industries and commercial undertakings beyond the extent to which public utilities, Shipping, Airways, railways, Power, Communications and Marketing Boards are already nationalised is not in the best overall interests of Nigeria;

(ii) welcomes the review of company and other legislation now being carried out by the Federal Government and other measures to ensure that such undertakings are conducted in the best interests of Nigeria;

(iii) welcomes the increasing participation by Nigerians in the ownership and direction of such undertakings; and

(iv) deplores irresponsible statements on nationalisation which have recently been made in Nigeria and overseas." (2)

"... fundamentally, we believe in a future under a system of democratic socialism which respects the rights and liberties of individuals, and in which both public and private capital have their proper parts to play."

He broke off to point out that on this issue Chief Akintola, the Deputy Leader of the AG, disagreed with Awolowo, and quoted speeches made by the former in the United States; and then continued:

"Experience in other countries has shown that, quite apart from the loss of individual freedom and liberty, widespread State ownership and control do not necessarily lead to rapid economic development, nor to the material betterment of the mass of the people...

... further nationalisation ... would do untold harm and would cripple the attempts by all the Governments of the Federation to secure the rapid and orderly development of our economy...

First, Nigeria is desperately short of technical and managerial talent and of persons with modern business experience. It would be grossly uneconomic, although theoretically possible, to recruit expatriate managers and technicians to manage to nationalised concerns...

Secondly, even when they are all added up, the total financial resources available to Government

1. Ibid., pp. 346 - 349.  
2. Ibid., p. 351.

are grossly inadequate to meet Nigeria's needs. The little that is available must be deployed to build up the basic infra-structure, upon which all further productive development depends, and for which private capital cannot possibly be forthcoming in anything like adequate amounts - Communications, Harbours, Railways, Roads, Health Services and, above all, Technical and Higher Education.

Thirdly, even supposing there were at present an undertaking in Nigeria which could by some stretch of the imagination be regarded as worthy of nationalisation, we must remember that it adds nothing whatsoever to the growth of the economy, whether by increasing our productive capacity, making new opportunities for employment or in any other way, to take existing concerns into state ownership. The money which would otherwise have been used to compensate the existing owners - and even the Opposition have not suggested that no compensation should be paid - can be put to better use in establishing new industries and diversifying the base of our economy. And this is our argument. We have no unlimited resources in this country.

Fourthly, as the result of conscious policy by all the Governments of the Federation, we have achieved a wide measure of success in creating a climate favourable to private investment in Nigeria ... and this policy is ... doomed to failure from the outset if there is a threat of nationalisation hanging over the industry.

Fifthly, we all know that at least until such time as our own resources are adequate to sustain our further growth and development, there will be a continuing need for foreign investment in the private and productive sectors of our economy if economic growth is to be maintained and improved.

Let us make it quite clear ... foreign capital ... will not be forthcoming in anything like adequate quantities unless the potential investor sees at least as good opportunities for growth and long-term profits in Nigeria as in his home country or other countries in which he may invest.

... The threat of future nationalisation will drastically curtail foreign investment even if it is accompanied by promises, or even guarantees of compensation...

All the Governments of the Federation are in the last stages of preparing their Development Plans for the next few years and it is abundantly clear that, even after mobilising our own domestic resources to the utmost, we shall be looking for external financial assistance to a much greater extent than hitherto. It would be difficult indeed for us to attract any sympathy for it from the international financial institutions or other friendly governments if they felt that we were using our limited resources to buy out undertakings rather than deploy them in ways which would contribute directly to the growth of our economy...

Friendly Governments might well question the de-

sirability of imposing additional burdens upon their own taxpayers to assist Nigeria in those circumstances.

One argument which has frequently been adduced in favour of nationalisation is that it will bring in additional profits to augment Government revenues. Here, again, I am afraid that theory and practice do not necessarily talk the same language... Take the statutory corporations for example, almost all of them pay exorbitant salaries and they are invariably not properly managed. That is a statement of fact.

As many hon. Members are aware, several of the major expatriate companies operating in Nigeria at the moment have consistently ploughed back into further development the bulk, if not the whole of their profits and, of course, we already enjoy a forty per cent share in the profits of all companies operating in Nigeria without risking a penny of our own limited financial resources in them. This, of course, is through the operation of company taxation." (1)

The amendment was carried by 132 to 42 votes. (2)

These policies remained constant, and from the time of Awolowo's imprisonment went largely unchallenged. Socialism as a doctrinaire ideology made almost no impact on Nigerian politics. What support there was for socialism seemed to arise principally because capitalism was identified with colonialism and because socialist terminology had a strong appeal to discontents. Awo's main criticism of the Government was for allowing the economy of the country to drift - a criticism which received the support of many non-socialists - and his call for greater planning was largely answered by the Six Year Development Plan.

Those who actually controlled the financial strings of the country remained consistently and strongly opposed to socialism, as evidenced by Chief Okotie-Eboh's statement in 1965:

"... the principle from which nationalisation springs, is the complete subordination of individual freedom to the supposed interests of the State...

It is the loss of individual freedom, that must make socialism and wholesale nationalisation completely unacceptable to all true and honest Nigerians, for we value personal freedom highly...

Let there be no mistake about this; there can only be one kind of socialism, and this, as I have shown, is by its basic denial of personal freedom un-Nigerian and a violation of the entrenched clauses of our Constitution." (3)

1. Ibid., pp. 351-4.

2. Ibid., p. 376.

3. Ibid., Vol. 18(a), March - April, 1965, p. 170.

In 1965, too, the Sardauna of Sokoto made a statement to the effect that foreign investments were safe in Northern Nigeria 'as our religion, tradition and way of life forbid our people to grab what does not belong to us'. (1)

Within two weeks of its assumption of power in January, 1966, General Ironsi's regime in an official statement made it clear that Nigerian economic policy was to remain unchanged:

"The Federal Military Government has stated its intention to honour all treaty obligations and financial agreements entered into by the previous Government.

It welcomes all honest and genuine businessmen who are prepared to invest in the country in mutually beneficial projects.

It wishes to re-affirm the assurances given by the previous Government that there are no plans for nationalising industries beyond the extent to which public utilities are already nationalised.

And that there should be no doubt in the minds of entrepreneurs that Nigeria will provide adequate compensation in the event of any industry being nationalised in the future." (2)

When General Gowon took over and chose to free Awolowo and appoint him Federal Commissioner for Finance, it might have been expected that substantial changes would follow. Awo did still support socialism: in a lecture at the University of Lagos in March, 1968 he said socialism was the way to economic freedom for developing countries, but added that socialism included 'mutual love, social justice, the triumph of human dignity ...' (3) In practice the civil war gave Awolowo the opportunity - indeed made it essential - to increase Government control of the nation's economy. Compared with the corresponding period in 1967, Nigeria's exports in the first half of 1968 dropped by 32.6%, occasioned in particular by a decline of \$55.8 million in the value of oil sales. (4) Furthermore, the cost of maintaining a large army at war and of reconstruction in the liberated areas was extremely heavy. This was not helped by British devaluation, the immediate effect of which was to cost Nigeria \$13 million. A relatively tightly controlled economy will clearly remain a feature of Nigerian economic policy for some time; but the principle of non-nationalisation contained in the 1958 policy statement is

1. Africa Research Bulletin - Economic, No. 7, 1965, p. 340b.

2. West Africa, 29.1.66, p. 130.

3. Ibid., 23.3.68, p. 357.

4. Africa Research Bulletin - Economic, No. 7, 1968, p. 1101b.

is still adhered to.

## II. Investment Incentives.

Before independence, economists were aware that a stable and reliable government and economic policy that welcomed investment and guaranteed against nationalisation were insufficient to attract foreign investment. Thus the Government passed certain ordinances, the purpose of which was to attract such investment. In 1958, for example, the Industrial Development (Income Tax Relief) Ordinance was passed. Under this certain benefits were to be given to enterprises, incorporated as public liability companies which qualified for 'pioneer status'. Determination of such status was a Cabinet responsibility and was to be given if a potential investor could show that similar projects did not exist or did so on an inadequate scale.

"... Qualification of his project as a 'pioneer industry' entitles a foreign entrepreneur to a tax holiday, favorable write-offs of capital equipment, and tariff protection, if he needs it, to ward off competition from imports while his business is in the 'infant industry' stage. Capital may be forthcoming from the newly established Nigerian Industrial Development Bank. Government will assist in securing land for factories; industrial estates, planned areas that are close to shipping facilities and markets and have roads and utilities already in place, have been developed near several cities."

"It is possible for a pioneer industry corporation to enjoy a complete tax holiday for a period of five years. An initial two-year period of relief is granted, provided the company has fixed assets in excess of \$5,000 when production begins. Additional years of relief depend on increases in assets; thus a third year of freedom from tax is given if fixed assets have increased during the initial two-year period to \$15,000, a fourth ... if ... to \$50,000 and a fifth ... if ... to \$100,000. This schedule is, obviously, designed to encourage reinvestment of profits, rather than remittance to parent companies abroad." (1)

Further benefits were granted under the Income Tax (Amendment) Act, also of 1958, the effect of which was to enable a company to write off about 50% of the capital value of its machinery during its first taxable year in calculating taxable income. The Industrial Development (Import Duties Relief) Ordinance of 1957

1. Proehl, Paul O., op. cit., pp. 8 and 120.

provided for the repayment, wholly or in part, of duty paid on components imported for assembly into finished articles. Although, under the Exchange Control Act of 1962, the Minister of Finance was given the authority to institute controls over all foreign exchange transactions, this power was rarely, if ever, used.

### III. Some Figures on Investment.

Final, detailed and comprehensive figures on foreign investment have been unobtainable. Nevertheless those figures which are available show patterns which lead to similar conclusions to those made concerning Nigeria's trade relations. At the end of 1962 foreign investment in fixed assets in Nigeria was as follows: United Kingdom £113.6 million (74.9% of total foreign investment), United States £15 million (9.9%), Western Europe £5.9 million (3.9%) and others £17.2 million (11.3%).<sup>(1)</sup>

In April, 1965 the Central Bank of Nigeria sent out questionnaires to 533 companies believed to be either wholly or partly foreign-financed and having authorised capital of £10,000 or more. Of the 533 companies, 62% responded and on the information so received Table IX is based.<sup>(2)</sup> The quarterly Nigeria Trade Journal includes lists of new companies registered or incorporated in Nigeria. The foreign companies mentioned have been listed according to the country of origin (so far as this is possible). Results for the period July, 1957 to July, 1967 appear in Table X. Here, as in Nigeria's trade relations, the United Kingdom, as was to be expected from its lengthy control of Nigeria's economy, predominated. In 1965 its investments still accounted for about 70% of total foreign investment.<sup>(3)</sup> In 1962, for example, the United Africa Company, a subsidiary of the Anglo-Dutch corporation, Unilever, was wholly responsible for or had a substantial stake in the following projects which were under construction, at an advanced stage of planning or awaiting final agreement from the Government: a brewery at Kaduna (capital investment of £750,000), a brewery at Ikeja (£2 million), a cosmetics factory (£300,000), a packaging materials factory (£1 million), a textiles yarn factory (£1.5 million), a textiles

1. Foreign Investment Survey, Central Bank of Nigeria, Economic and Financial Review, 1964, p. 12, in Proehl, Paul O., op. cit., p. 8.
2. Nigeria Year Book, 1967, p. 131.
3. New Commonwealth, March, 1965, p. 139.

Table IX : Flow of Foreign Private Capital by Origin.

|                |      |        |         |          | \$ million   |
|----------------|------|--------|---------|----------|--------------|
|                | Year | Inflow | Outflow | Net flow | Total Inflow |
| United Kingdom | 1961 | 16.4   | 2.6     | +13.8    |              |
|                | 1962 | 8.4    | 5.5     | + 2.9    |              |
|                | 1963 | 22.9   | 5.9     | +17.0    |              |
|                | 1964 | 49.7   | 21.7    | +28.0    | <u>97.4</u>  |
| United States  | 1961 | 7.2    | 1.3     | + 5.9    |              |
|                | 1962 | 4.5    | 0.5     | + 4.0    |              |
|                | 1963 | 6.7    | 1.3     | + 5.4    |              |
|                | 1964 | 16.4   | 1.4     | +15.0    | <u>35.2</u>  |
| Western Europe | 1961 | 6.8    | 0.9     | + 5.9    |              |
|                | 1962 | 7.6    | 0.7     | + 6.9    |              |
|                | 1963 | 14.4   | 1.0     | +13.4    |              |
|                | 1964 | 18.1   | 2.8     | +15.3    | <u>46.9</u>  |
| Others         | 1961 | 1.7    | -       | + 1.7    |              |
|                | 1962 | 4.4    | 0.5     | + 3.9    |              |
|                | 1963 | 2.2    | 0.1     | + 2.1    |              |
|                | 1964 | 6.8    | 2.1     | + 4.7    | <u>15.1</u>  |
| Total          | 1961 | 32.1   | 4.8     | +27.3    |              |
|                | 1962 | 24.9   | 7.2     | +17.7    |              |
|                | 1963 | 46.2   | 8.3     | +37.9    |              |
|                | 1964 | 91.0   | 28.0    | +63.0    | <u>194.6</u> |

Table X : Foreign Companies Registered or Incorporated in Nigeria. (July, 1957 - July, 1967).

|                             |  | Number of Companies                                                             |
|-----------------------------|--|---------------------------------------------------------------------------------|
| United Kingdom              |  | 118                                                                             |
| United States of America    |  | 67                                                                              |
| European Economic Community |  | 56                                                                              |
|                             |  | Netherlands 13, France 20,<br>Italy 10, Germany 10,<br>Belgium 3.               |
| Western Europe              |  | 13                                                                              |
|                             |  | Switzerland 7, Denmark 3,<br>Greece 2, Norway 1.                                |
| Asia                        |  | 28                                                                              |
|                             |  | Japan 11, India 8, Israel 5,<br>Lebanon 4.                                      |
| Eastern Europe              |  | 1                                                                               |
| Africa                      |  | 4                                                                               |
| Americas                    |  | 3                                                                               |
|                             |  | Russia.<br>Ghana 3, Congo (Kinshasa) 1.<br>Canada 1, Venezuela 1,<br>Bolivia 1. |

factory (£5 million), a galvanising factory (£1 million), a cycle factory (£900,000), an extension of a vehicle assembly plant (£100,000) and a pharmaceutical factory (£250,000): a total of over £13 millions.<sup>(1)</sup> New British-financed factories had been established for the production of, inter alia, metal windows and doors, ropes, bicycles, electrical equipment, yeast and alcohol, asbestos and cement. 42 of 53 foreign-owned insurance companies were also British.<sup>(2)</sup>

In addition there was the contribution of the Commonwealth Development Corporation (CDC) which in 1966 had about £12 million invested in fourteen projects: Coast Construction (Nigeria) Ltd., Cross River Rubber Estate, Development Finance Company, Dorman Long and Amalgamated Engineering Ltd., Dunlop Nigerian Industries, Ilushin Estates Ltd., Lagos Executive Development Board, Nigeria Hotels Ltd., Nigeria Housing Development Society Ltd., Niger Cement Company Ltd., Nigerian Industrial Development Bank, Northern Housing Estates Ltd., Northern Nigerian Investments Ltd. and Textile Printers of Nigeria.<sup>(3)</sup>

United States business circles, though a long way behind Britain at independence, made an increasingly impressive impact and many well-known American companies established subsidiaries in Nigeria including Coca Cola, Pepsi Cola and Seven Up. Other big names to appear on the Nigerian scene were the Chase Manhattan Bank, the Bank of America, General Motors Corporation, Goodyear International Corporation, Westinghouse International, National Cash Register, IBM, Pfiser International and Chesebrough-Ponds. American money found its way into the manufacturing field in the Nigerian Sewing-Machine Manufacturing Company, formed by Singer, the Nigerian Flour Mills, Nigerian Textile Mills and Nigerian Electronics.

The third major source of investment was Western Europe, in particular the EEC countries. Foreign private capital of West European origin rose to £75.7 million in 1964, 25% above the total of 1963. Private capital investment by the Six advanced from £50.4 million in 1963 to £58.7 million in 1964 and accounted for 83.6% and 77.5% of aggregate private investment by

1. African World, August, 1962, p. 16.
2. HRD, Vol. 2, 9 - 29 May, 1962, p. 1129.
3. Commonwealth Development Corporation, Annual Report and Statement of Accounts for Year Ended 31.12.67, p. 8.

Western Europe in 1963 and 1964 respectively. Within the EEC private investment from the Netherlands remained the largest, followed by that of France, Italy and West Germany in that order. (1) Major Dutch interests were connected with British interests in Unilever and the UAC, and in Shell-BP. Other investments were made in textile printing and beer - Heineken established three breweries. Private investments of Netherlands companies were estimated in 1965 to total about £39.8 million. (2) An established and major French investment was the Compagnie Française de l'Afrique Occidentale which diversified into a varied selection of enterprises. French investments were thought to be valued at about £35 million. (3) Italian firms like Alfa-Romeo and Marconi established subsidiaries in Nigeria, and others invested in manufacturing: in plants for the production of gas, fibre bags, sacks, jute bags and shoes, and for the processing of palm kernels, cocoa, flour and tomatoes. In the fields of building contracting and civil engineering a number of well-known Italian firms played a significant role in the development of the country: Borini Prono and Co. Ltd., Cappa and D'Alberto Ltd., G. Cappa Ltd., Cogefar, Edilit Ltd., Guffanti Co. Ltd., Impregilo S.p.A., Italcem Ltd., Italo Builders Co. Ltd., Pedrocchi and Co. Ltd., Poletti Bros., Giovanni Rodio, A. Savoia Ltd., B. Stabilini and Co. Ltd., Stirling Astaldi (Nigeria) Ltd., (Anglo-Italian concern), and Union Builders Co. Borini Prono, for example, had by 1967 constructed no less than 1,645 miles of road with 316 miles under construction, and Italian companies have been involved in such major projects as the Lagos harbour extension and the Kainji Dam Hydro-Electrical Development Scheme. (4) German businessmen were concerned with the manufacture of asbestos sheets and pipes, cement, glass, textiles, radios (Telefunken), and paper. (5) Outside of the EEC the major European source of investment was Switzerland. The names of Swiss companies ope-

1. Nigeria Year Book, 1967, p. 134.
2. Netherlands Embassy, Pretoria, Letter dd. 19.9.68, Ref. VB 5546.
3. Nigerian Embassy, Paris, Letter dd. 20.11.68, Ref. ENP/94/Vol. 2/191.
4. Italians in Nigeria, Published by the Commercial Office of the Italian Embassy in Lagos, 1967.
5. According to a letter from the Belgian Embassy, Pretoria, there was no private or government investment but the Nigeria Trade Journal did list a few.

rating in Nigeria demonstrate the extent and nature of investment stemming from a country considered of lesser importance in this field:

Industry: Aluminium Manufacturing Company of Nigeria (ALUMACO), Geka Trading Company Ltd. (perfume), Nigerian Wood Preservation Industries Ltd., Nigerian Textile Mills Ltd. (Swiss participation), United Nigeria Textiles Ltd. (Swiss participation).

Trade: Union Trading Company, Société Commerciale de l'Ouest Africain (Swiss participation), Western Sudan Exporters Ltd., F. Steiner and Co. Ltd. (watches and surveying equipment), Benz (Nigeria) Ltd., Paul Egli and Co., Swiss Lumber Company, Industrial Products Trading Company (West Africa), CIBA (Nigeria) Ltd., Nestlé Products (Nigeria) Ltd., Lacovary Nigeria Ltd., Watchmakers of Switzerland, Holey Timbers Nigeria Ltd., Nigerian General Superintendence Company Ltd., Utilgas Nigerian and Overseas Gas Company Ltd., West African Chemical Company (Pest Control, Swiss participation).

Transport: Swissair, Panalpina World Transport Ltd.

Consultants: Business and Industrial Consultants Ltd., Geodetic and Construction Survey Ltd. (1)

Japanese business interests were active in a motor assembly plant and in the production of textiles, hosiery and nylon, and galvanised and iron sheets. Indian enterprises were concerned with the production of pencils, razor blades, paper, motorcycles and textiles; and Israel, through large companies like Solal Boneh, Vered and Misra Gas, co-operated with regional governments to establish the Nigersol Construction Company, the Nigerian Water Resources Development Company and the Askar Paint Company.

#### IV. Oil.

By the time the civil war broke out, oil had become Nigeria's most important export. The original exploration had been carried out by the Anglo-Dutch firm, Shell, which had amalgamated in Nigeria with British Petroleum. Their headstart led to their being the first to discover and export oil; and because of their original expenditure and effort they were given privileged prospecting and mining leases. Once it had become apparent that there were commercial quantities of oil, numerous American companies began negotiating and by 1967 there were no less

1. Swiss Embassy, Pretoria, Letter dd. 19.11.68, Ref. 332.0 - IH/vg.

than six drilling in Nigeria and on the continental shelf: the Nigerian Gulf Oil Company (the first to make an offshore oil strike), the American Overseas Petroleum Company, Mobil Exploration, Tennessee Nigeria Incorporated and Phillips Petroleum Company. In 1967 a further company, the Union Oil Company of Nigeria, a subsidiary of Union Oil of California, was granted a prospecting licence. Two European companies were also active: the French company, Safrap (Nigeria) Ltd., and Agip Oil Company, an Italian state-owned subsidiary.

The civil war led to the cessation of all oil production except that of Gulf, whose wells were in the Mid-West. Not until Federal troops had taken over the oil areas of the East, and until production equipment had been reconstructed were the other oil companies able to resume operations. On 6th September, 1968 crude oil was pumped from the Bonny terminal for the first time in fourteen months.

D. Aid.

"We find it absolutely necessary to rely on outsiders for the development of the African territories ..."

- Sir Abubakar. (1)

"We will warmly welcome help from whatever quarter it is offered ..."

- Chief Okotie-Eboh(2)

There was nothing surprising about Nigerian policy as regards aid except possibly the degree of caution exercised in accepting assistance from Communist countries. Nigeria needed aid and the Government knew that the best possibilities of receiving assistance in all forms was from the West and from the UK and the US in particular. To this end it was prepared to allow the economic structure to develop in accordance with the general requirements and wishes of the West and was receptive to advice from foreign and particularly United States experts over the formation of policy and in the drafting of the Development Plan. Offers were received from Eastern countries, but apart from scholarships, which were accepted only after a certain amount of internal pressure, the Federal Government did not take advantage of financial aid in the form of loans and long-term credits, in spite of agreeing to them in principle. It was only with the coming to power of the military that such aid was

1. Anglin, Douglas G., op. cit., p. 250.

2. HRD, Vol. 1, 21 March - 7 April, 1962, p.

accepted.

I. United States of America.

"American assistance to Nigeria takes the form of both loans and grants. Loans are generally used to finance long-term capital undertakings such as construction of roads, power plants, and large building projects for educational facilities.

Grants assist in the financing of development projects in education, agriculture, industry, public administration and other fields. These projects aim to improve educational, technical and professional skills and to develop the institutions to carry on this work. U.S.A.I.D. grant funds to bring American professional advisors and specialists to work in Nigeria; train Nigerians abroad; provide equipment and supplies for demonstration or training purposes; and pay part of the costs of building and equipping new facilities, such as schools.

Each project must be something Nigerians themselves want. It must be something they are willing to support by financing a substantial share of the costs, and by providing Nigerian specialists for training and leadership. The importance of each project to Nigeria is assured by following the program established in the Development Plans of the Federal and Regional Governments. Every project is designed to achieve specific objectives that are in accordance with a work and financial plan jointly approved by the Nigerian Ministries and U.S.A.I.D.

A project is initiated only on the specific request of the Nigerian officials concerned, and must be first approved by the appropriate Regional authorities and thereafter either by the Ministry of Finance or by the Ministry of Economic Development on behalf of the Federal Government. This process ensures that projects are well-conceived and carefully planned and that the Nigerian Governments can absorb them within their normal budgetary resources after U.S. assistance is terminated.

The basic objective of American technical assistance is to help Nigerians to help themselves by making opportunities available for training and experience. This is done in two ways. First, Nigerian counterparts are assigned to work with U.S.A.I.D. specialists. This enables the Nigerian to learn while doing and to carry on once the American has gone.

Second, since some positions require more training than can be provided on the job, Nigerians are provided training abroad, with the Nigerian Government paying international transportation costs, and U.S.A.I.D. paying training and living costs abroad. This is referred to as "participant training". (1)

1. U.S. Technical and Capital Assistance in Support of Economic Development in Nigeria, Report as of January 1, 1967, U.S.A.I.D. Nigeria, p. 3.

Table XI : Statistical Summary of USAID Programme in Nigeria.  
All Prior Years through December, 1967.

|                                                              |  |                          |
|--------------------------------------------------------------|--|--------------------------|
| <u>I. Development Grant Assistance.</u>                      |  | £                        |
| Technical Assistance                                         |  | 39,805,700               |
| Other Grant Assistance                                       |  | <u>2,678,200</u>         |
| Total                                                        |  | <u>42,483,900</u>        |
| <u>II. Development Loans.</u>                                |  |                          |
| 1962 and Prior -                                             |  |                          |
| Apapa Warehouse                                              |  | 237,000                  |
| Railway Corporation                                          |  | 1,070,400                |
| 1963 -                                                       |  |                          |
| Ibadan Water Supply                                          |  | 4,321,400                |
| 1964 -                                                       |  |                          |
| Calabar-Ikom Road                                            |  | 3,071,400                |
| Niger Dam                                                    |  | 2,500,000                |
| Port Harcourt Comprehensive Secondary School                 |  | 643,000                  |
| Northern Nigeria Teacher Training Colleges                   |  | 1,357,000                |
| National Telecommunications Development Engineering Services |  | 1,143,000                |
| 1965 -                                                       |  |                          |
| Port Harcourt-Umuzeala Road                                  |  | 2,714,300                |
| Umudiike Agricultural School                                 |  | 1,000,000                |
| 1966 -                                                       |  |                          |
| Telephone Instruments                                        |  | 571,000                  |
| Export-Import Bank Loans                                     |  | <u>2,392,900</u>         |
| Total                                                        |  | <u>21,021,800</u>        |
| <u>III. Food for Peace Shipments.</u>                        |  |                          |
| 1965 and Prior                                               |  | 859,300                  |
| 1966                                                         |  | 222,100                  |
| 1967                                                         |  | <u>236,100</u>           |
| Total                                                        |  | <u>1,317,500</u>         |
| Grand Total                                                  |  | <u><u>64,823,200</u></u> |

US Government assistance to Nigeria not listed above includes the Peace Corps Volunteer programme and regional projects in which other African countries and/or other donor countries are co-operating.

from its establishment in 1954 until the end of December, 1967, total United States funds made available through the co-operative programme known as United States Aid for International Development amounted to \$64,823,200.<sup>(1)</sup> Both the Table and the policy statement give little idea of the extent to which the United States was involved in assisting Nigeria. In an attempt to illustrate this more clearly, some examples of assistance are given:

(i) American Universities, financed by USAID, which worked in Nigeria were: New York University, the University of California, Michigan State University, Colorado State University, Stanford Research Institute, Ohio University, Harvard University, the University of Wisconsin, the University of Pittsburgh and Kansas State University.

(ii) Educational projects in which USAID assisted have been the Federal Advanced Teachers' College, Lagos; Port Harcourt Comprehensive Secondary School; the University of Nigeria, Nsukka; the Technical College, Ibadan; and Modern Aids to Education, and Manual Arts Training, Eastern Nigeria.

(iii) Agricultural projects in which USAID was involved were: Samaru School of Agriculture, Umudike Agricultural Centre, Farm Institutes at Ikorodu, Ilesha and Odeda; and agricultural programmes at the University of Nigeria, the Ahmadu Bello University and the University of Ife.

(iv) Agricultural production programmes relating to agricultural research and extension work and rural water supplies, and in the fields of irrigation, livestock development, beef cattle breeding, dairying, poultry, pest and disease control, fisheries development, agricultural engineering and agricultural economics.

(v) Industrial development, including Housing and Home Finance, Indigenous Industry Development, Industrial Management and Technical Services, Industrial Planning and Project Appraisal and the Electricity Corporation of Nigeria.

(vi) Public and business administration, notably the School of Administration, University of Lagos; Zaria Institute of Administration, Ahmadu Bello University; Public Service Training and Staff Support, and Economic Development Analysis and Project

1. Ibid., Addendum, revised as of December 31, 1967, p. 5.  
See Table XI.

Planning.

(vii) Capital Projects in Engineering and Planning: for example, the Northern Nigerian Urban Water Supply, Lagos Water Supply, Port Harcourt Arterial Streets, Airport Improvement, Port Harcourt-Aba Road and Urban Rural Electrification. (1)

The number of Nigerians trained or in training in the USA under USAID's participation training programme up till December, 1967 stood at 1,320 - 572 in agriculture, 339 in education, 236 in public and business administration and 173 in industry. (2)

There were other organisations as well, some working in direct co-operation with USAID. Two of these were the African Graduate Fellowship Programme (Afgrad) and the African Scholarship Programme of American Universities (ASPAU) which during the years 1961 to 1967 brought a total of 440 Nigerian students to the United States, and which brought out statistics on, and attempted to prevent, trained Nigerians from migrating from Nigeria. (3) The Peace Corps served in Nigeria in large numbers and was appreciated. The Zikist Youth Movement and the All-Nigeria Peoples' Conference rejected it as an agent of neo-colonialism and on one occasion, one of the volunteers described on a postcard the 'primitive' conditions prevailing in Ibadan which led to a public outcry. Government policy, however, strongly supported the Peace Corps; and with all the palaver concerning the Peace Corps in Africa, it should be seen as a politically relevant decision. Mrs Azikiwe, wife of the Governor-General, said at Columbia University: when the history of 'our present anxious world is written, perhaps the establishment of the Peace Corps will be regarded as one of the finest acts of our age'. (4) In 1965 the Minister of Education, Akintide, said to Parliament, 'one of the most successful aids we have ever had in this country is the Peace Corps ... the number in the country is now almost a thousand'. (5)

1. Report of the United States Technical and Capital Assistance in Support of Economic Development in Nigeria as of January 1, 1967.
2. Ibid., Addendum.
3. Operation Retrieve: A New Approach to the Recruitment of Nigerian Graduates in the United States for Posts in Nigeria. Working Paper by Springwater, Ronald E., Regional Representative, Lagos, African-American Institute, 18 May, 1968.
4. News from Nigeria, No. 50, 3.7.63, p. 6.
5. HRD, Vol. 18(b), 21 April - 6 May, 1965, p. 685.

## II. The Giant American Foundations.

"It can't be long before Ford Foundation grants in Nigeria will amount to a million pounds. ... But the importance of the foundation in Nigeria is not just due to its money ... but the foundation's staff have a special talent, which few government people have, for finding strategic projects whose ultimate effects are far-reaching, and for finding key men to carry out these projects. Since 1959 there has been a Ford office in Lagos, headed by Dr. J. Donald Kingsley, who himself undertakes tasks like the commission on staffing and development of the public service in Northern Nigeria, a commission which, incidentally, illustrates another feature of the foundation's operations, its employment of non-Americans...

There are, I think, already five economists provided by the foundation, working in the various Nigerian governments. The foundation has provided British 'Organisations and Method' experts, a housing adviser, civil service training teachers and a manpower adviser. It sends Nigerians abroad for training, runs courses in Nigeria, and is generally ready to fill gaps or to start experiments that outside governments cannot or won't." (1)

Assistance from the Ford Foundation has been substantial, consistent and distributed in support of a wide variety of projects. Some examples of the larger grants follow. In 1960: £500,000 for a comprehensive local government training scheme in Zaria; in 1963: £821,000 for the development of a post-graduate programme at the University of Ibadan, £150,000 to the Nigerian Broadcasting Corporation for school programmes; in 1964: £117,800 to the Mid-West Government to finance training of rural development workers, £92,500 to the Ahmadu Bello University Institute of Agricultural Research; in 1965: £73,000 to the Nigerian Council of Leg. Education, £50,000 to the National Universities Commission, £135,000 to the Northern Government to help establish a credit institution to promote small-scale enterprises, £720,000 for teachers' training; in 1966: £115,000 for Ibadan post-graduate programme, £146,400 to the Federal Ministry of Education for improvement of technical education, £184,300 for an Eastern Region project on rural development, £111,200 to the Institute of Administration at the University of Ife; in 1967 and 1968: £189,000 for a Northern training programme for primary school teachers, £104,000 to the University

1. Matchet's Diary, West Africa, 10.6.61, p. 627.

of Lagos for comparative educational studies; \$92,000 for research in the behavioural sciences at Ibadan. In 1968 tenders were sent out for the establishment of the Institute of Tropical Agriculture to be situated near the University of Ibadan. Ford and Rockefeller Foundations were to be jointly responsible for the capital and recurrent costs for fourteen years, estimated at £7 million. On the basis of all figures extracted from over half-a-dozen sources, and assuming that Ford shares equally with the Rockefeller Foundation the cost of the Institute of Tropical Agriculture, its total commitment to Nigeria since 1958 can be estimated at approximately £8.5 million.

The Rockefeller Foundation also provided large amounts of financial aid concentrated on the University of Ibadan and featuring two major projects: £6.7 million for the establishment of a School of Drama, and an estimated £3.5 million for the Institute of Tropical Agriculture; and some lesser projects such as: \$38,200 for a study of paediatrics in rural areas, \$99,463 for training in psychiatry and neurological diseases, and \$52,000 for the establishment of a virology unit.

The Carnegie Foundation also assisted in the field of University education: \$31,400 and \$40,000 to Ibadan for the training of librarians, \$19,300 for the establishment of liaison between Ibadan's Institute of Education and Teachers' Colleges, and \$4,000 to help establish a workshop on African history also at Ibadan University; and in 1965 a grant of \$51,000 was made to the Ahmadu Bello University.

### III. The World Bank Group.

In March, 1961, Nigeria was admitted as a member of the International Bank for Reconstruction and Development (World Bank). The Federal Government's subscription was about \$23,800 (\$66,700) that is, 0.33% of the total subscription; and it received 97 votes, or 0.41% of the total. In the same month Nigeria became a member of the International Finance Corporation. In this case the subscription was about \$131,800 (\$369,000), that is, 0.38% of the total; and 619 votes, 0.56% of the total, were allocated to Nigeria. In November, 1961, Nigeria joined the International Development Association, which exacted a subscription of \$131,750 (\$369,000), 0.37% of the total, giving the country 1,172 votes, 0.56% of the total. (1)

1. United Nations Year Book, 1961, pp. 629, 631 and 635.

The World Bank provided the following assistance:

- (i) In September, 1953 the World Bank despatched a fifteen-man mission under Mr A. Broches of the Netherlands to appraise Nigeria's economic development prospects and recommend practical measures for realising them. A year later, a report was published and given to the Nigerian Government. <sup>(1)</sup>
- (ii) In 1958 the Bank made a loan of £10 million to help finance a five-year programme to improve the Nigerian railway system and build a new line into the north-east. The loan provided a quarter of the funds required and financed payment for imported goods - locomotives, rolling stock, rail and other equipment. <sup>(2)</sup>
- (iii) In 1962 the Bank loaned \$4,807,000 to the Nigerian Ports Authority for the extension and improvement of the Port of Lagos which covered the foreign exchange requirements. <sup>(3)</sup>
- (iv) In 1964 a loan of \$10,714,000 was made to the Electricity Corporation of Nigeria to assist in financing the construction of transmission lines and distribution facilities and which formed the basis of a nation-wide network. <sup>(4)</sup>
- (v) In 1964 the Bank loaned Nigeria over \$29 million to assist in the building of the Niger Dam at Kainji. Preliminary plans were draughted by consultants whose services were financed by a grant of \$250,000 made in 1959 by the UN Special Fund, with the World Bank acting as executing agent. <sup>(5)</sup>
- (vi) Also in 1964 the Bank paid for a study to determine priorities for the improvement and expansion of the road network in Eastern Nigeria. The Bank paid the foreign exchange costs of engaging consultants to undertake the study. <sup>(6)</sup>
- (vii) In 1965 the Bank sent another economic mission to Nigeria to review the structure and growth of the economy and in particular to study the progress of the Development Plan. The mission included transport experts, agricultural experts, a fiscal policy analyst, an electric power specialist, an educational ad-

1. International Bank of Reconstruction and Development (IBRD), Press Release No. 375, 22.9.54.
2. Ibid., No. 531, 2.5.58. Terms of loans from the World Bank Group are listed in Table XII.
3. IBRD, Press Release, No. 52/42, 10.12.62.
4. Ibid., No. 64/7, 12.3.64.
5. Ibid., No. 64/24, 7.7.64.
6. Ibid., Hold for Release, 14.12.64.

Table XII : Aid from the World Bank Group.

| International Bank for Reconstruction and Development* |                    |             |                | in thousands               |                             |
|--------------------------------------------------------|--------------------|-------------|----------------|----------------------------|-----------------------------|
| Purpose.                                               | Date of Agreement. | Maturities. | Interest rate. | Original Principal Amount. | Principal Amount Disbursed. |
| Roads                                                  | 26. 9. 65          | 1971-90     | 5½%            | 6,250.0                    | 1,390.7                     |
| Roads                                                  | 26. 9. 65          | 1971-90     | 5½%            | 5,179.6                    | 1,763.6                     |
| Port - Nigerian Ports Authority                        | 10.12.62           | 1967-83     | 5½%            | 4,807.1                    | 4,807.1                     |
| Power - Electricity Corp. of Nigeria                   | 12. 3. 64          | 1966-83     | 5½%            | 10,714.3                   | 10,570.8                    |
| Power - Niger Dam Authority                            | 7. 7. 64           | 1966-99     | 5½%            | 29,285.8                   | 26,600.0                    |
| Railways (UK Guarantor)                                | 2. 5. 58           | 1962-78     | 5½%            | 10,000.0                   | 10,000.0                    |
| Total                                                  |                    |             |                | 66,235.8                   | 55,132.2                    |

International Development Association†

|                       | Date of Agreement. | Maturities. | Service Charge Rate. | Original Principal Amount. | Principal Amount Disbursed. |
|-----------------------|--------------------|-------------|----------------------|----------------------------|-----------------------------|
| Education Project     | 1. 3. 65           | 1975-2014   | ¾%                   | 7,142.9                    | 186.8                       |
| Northern Road Project | 1. 3. 65           | 1975-2014   | ¾%                   | 5,535.7                    | 3,673.9                     |
| Total                 |                    |             |                      | 12,678.6                   | 3,860.7                     |

International Finance Corporation×

|                                      |                                      |         |
|--------------------------------------|--------------------------------------|---------|
| Arwa Textile Mills, and Expansion of | Operational Investments              | 561.0   |
| Nigerian Industrial Development Bank | Standby and Underwriting Commitments | 500.0   |
|                                      | Total Commitments                    | 1,061.0 |

\* Statement of Loans, September 30, 1968.

† Statement of Development Credits, September 30, 1968.

× Facts About the IFC, as of September 30, 1968.

viser and an adviser on municipal water supply. (1)

(viii) In 1965 two loans totalling about \$11,429,000 for road projects were approved: a loan of \$6,250,000 for two four-lane highways serving the port area of Lagos, and a loan of \$5,179,000 for the improvement of three priority roads, totalling 95 miles in length in Western Nigeria, and for equipment and services to improve road maintenance operations in that Region. (2)

(ix) In 1965 too, in co-operation with the UN Special Fund, the Bank agreed to carry out a study to determine priorities for improvement of roads in Western Nigeria and to produce a feasibility survey and prepare preliminary engineering designs for 300 miles of roads in the Region. (3)

(x) The next loan agreement was made in 1968, for \$5 million to the Niger Dam Authority for completion of the dam. The loan was for a term of thirty-one years and bore interest of 6½%, amortisation to begin in 1970. (4)

The International Development Association extended two credits totalling \$12,679,000 to Nigeria. The first, of \$7,143,000, assisted in financing a large number of projects involving the construction, expansion and equipping of secondary, technical and teacher training schools throughout the country. The other credit of \$5,536,000 helped to finance a road project in the North which included the building of three new roads totalling 224 miles in length and the improvement of another 50 miles of feeder roads. (5)

The International Finance Corporation participated in investments on three occasions:

(1) In 1964 the IFC joined with a group of Japanese cotton textile firms and two Nigerian development institutions in establishing a cotton textile factory - Arewa Textiles Ltd. The IFC provided finance in the form of capital shares valued at \$11,700,000 and loans valued at \$133,000 (total \$250,000). Of the loans, \$87,000 were in the form of a secured loan, repayable in ten equal annual instalments beginning in 1967 and \$46,000 in the form of a convertible loan, repayable in five equal annual in-

1. Ibid., 3.5.65.

2. Ibid., Press Release No. 65/47, 24.9.65.

3. Ibid., Hold for Release, 30.11.65.

4. Africa Research Bulletin - Economic, No. 10, p. 1183c.

5. International Development Association, Press Release, No. 65/3, 2.3.65. See Table XII.

stalments beginning in 1969. (1)

(ii) In 1964 the Corporation joined with leading American, European and Japanese investment institutions, and with Nigerian interests to establish the Nigerian Industrial Development Bank (NIDB). The IFC took shares to the value of £499,830, with the intention of selling to Nigerian private investors as rapidly as was consistent with good marketing practices. (2)

(iii) In 1967 Arewa Textiles Ltd. expanded, financed by the IFC and the original investors. IFC investment in this case amounted to £297,000 in loan and share capital; subscribing to shares in the amount of £71,000 and making a loan of £226,000, repayable in seven equal annual instalments beginning in 1970. (3)

#### IV. The United Nations and the International Agencies.

The United Nations, by means of its various aid programmes and in co-operation with world bodies, gave useful assistance to Nigeria. Funds were provided through its Special Fund, the Regular Program of Technical Aid, the Expanded Program of Technical Aid (EPTA) and through the United Nations Development Program (UNDP).

The Special Fund allocated assistance to the following: the training of secondary school teachers, soil and water resources survey in the Sokoto Valley, a fisheries survey in the Western Region, a Federal Civil Aviation Training Centre, a faculty of engineering at the University of Lagos, the Savanna Forestry Research Station, a study of water resources in the Chad Basin and projects for the development of natural resources in Nigeria, a study for the improvement of West Nigerian roads, a mineral survey, the Niger River Dam survey and road development in the North. Technical aid was provided in the fields of housing, building and planning, community services, social welfare and transport and under the programme for the provision of operational, executive and administrative personnel (OPEX).

In the years 1961 to 1966 Nigeria received a total amount of about \$9 million from these sources; and in the years 1962 to 1966 was supplied with 628 experts and was awarded 615 fellowships. (4)

1. International Finance Corporation (IFC), Press Release, No. 64/3, January 16, 1964. See Table XII.
2. IFC, Press Release, 64/4, 22.1.64.
3. Ibid., No. 67/1, 24.2.67.
4. United Nations Year Book, 1961 - 1966.

### Food and Agriculture Organisation.

The FAO was concerned with land settlement programmes, ground-water surveys in arid regions, projects for the production of legumes (in co-operation with the Freedom from Hunger Campaign), a survey of fisheries in the Western Region and a training-centre for forest workers. (1)

### International Atomic Energy Agency.

Nigeria became a member on 25th March, 1964 and since that date the following assistance has been provided:

- (i) Completed Projects: Expert and equipment for work with radio-isotopes in agriculture (at a cost of £2,490) and for work with radio-isotopes in medicine (£5,500).
- (ii) Active Projects: Expert in nuclear physics and electronic engineering at the University of Ibadan.
- (iii) Approved Projects: Expert and equipment for work in food irradiation biochemistry at Ibadan University (approximately £10,714).
- (iv) Fellowships: One long-term fellowship to the USSR in the use of radio-isotopes in agriculture; one long-term fellowship to Czechoslovakia in nuclear physics; two to India in electronics; two to Trieste, Italy in theoretical physics; one to England in electronics; and one to Poland in theoretical physics. (2)

### International Civil Aviation Organisation.

In the field of civil aviation under the technical assistance aspect of the UNDP, Nigeria received the following amounts: in 1962 £594, in 1963 £8,289, in 1964 £8,776, in 1965 £3,164, in 1966 £3,585 and in 1967 £3,298. Assistance comprised the services of civil aviation training advisers, the granting of fellowships and scholarships to Nigerian nationals for various subjects such as air law, personnel licensing, accident investigation, etc. In addition, the UN/ICAO Special Fund allocated to the Civil Aviation Training Centre at Zaria £610,797. By 1967 there were ten ICAO instructors and seventy-nine Nigerians employed at the centre. Courses were given in communications operations, aircraft maintenance, radio maintenance, air traffic control, pilot training and airport maintenance training. Cours-

1. Ibid.  
2. International Atomic Energy Agency, Vienna, Letter dd. 3.10.69, Ref. 1/531.

es were interrupted temporarily by the civil war but at the end of 1968 were once again fully under way. (1)

#### International Labour Organisation.

In 1960 Nigeria accepted the obligations of the ILO conventions which the United Kingdom had previously declared applicable on Nigeria's behalf. At the request or with the concurrence of the Nigerian Government, and on a number of occasions in co-operation with UN Technical Assistance and Development Programs, the ILO aided Nigeria in the following ways:

(i) In answer to a request by the Trade Union Congress in 1960 the ILO selected Mr Horbert A.T. Tulatz, Principal of the Fritz-Tarnaw-Schule, Oberursel (a trade union school operating under the auspices of the German Confederation of Labour), to advise on the planning and operation of a workers' education programme for the Nigerian trade union movement and on the preparation and dissemination of adequate and suitable study materials. (2)

(ii) In 1962, at the Federal Government's request for assistance in improving its employment service, the ILO recommended the establishment of an Employment Market Information Programme, and despatched Mr R. Jackson of the British Ministry of Labour to carry out this project. (3)

(iii) In 1963, at the instigation of the Eastern Government, the ILO appointed Mr Nor- at of Australia to assist that Government in the establishment of classes in advanced trade training in the building and related trades at the Government Trade Centre, Enugu. This was to be accomplished by advising on workshop foremen training and by preparing, organising, supervising and, where necessary, conducting practical courses. (4)

(iv) At the request of the Federal Ministry of Labour the ILO despatched Mr J.W. Haden, Librarian of the International Labour Office, to assist in the reorganisation of the Ministry's Library and in its integration with the projected National Library

1. International Civil Aviation Organisation, Montreal, Letter dd. 10.12.68.
2. International Labour Organisation, Report on Workers' Education in Nigeria, ILO, OTA/Nigeria/R.2, Geneva, 1960.
3. ILO, Report to the Government of the Federation of Nigeria on the Establishment of an Employment Market Information Programme, ILO/OTA/Nigeria/R.3, Geneva, 1962.
4. ILO, Interim Report to the Government of the Federation of Nigeria on Advanced Training in the Building Trade at the Government Trade Centre, Enugu, ILO/TAP/Nigeria/R.4, Geneva, 1963.

of Nigeria. (1)

(v) One of the recommendations of Mr A.T.Tulatz was a follow-up mission and in accordance with this, and after requests from Nigeria's Trade Unions, the ILO secured the services of Professor Charles A. Orr of Roosevelt University, Chicago, to advise on the curriculum and other plans for an eventual labour college; and further to stimulate regional and national educational efforts by conducting courses for trade unionists throughout the country. (2)

(vi) The ILO designated Mr Olle K.F. Wahlfors of Sweden to advise and assist the Western Government in the organisation and development of a co-operative organisation for existing co-operative supermarkets and consumer co-operatives in the region; and to assist in the setting up of facilities for training the commercial and technical staff of the Co-operative Supply Association Ltd. Mr Wahlfors spent over three years on the project. (3)

(vii) The Ashby Commission, in September, 1960, recommended that Nigeria should establish appropriate organisational arrangements for assessing manpower needs and for formulating programmes for effective manpower development. To assist in this the ILO appointed Mr A.C. Basu, of the Labour Bureau, Ministry of Labour, Government of India, to work with the Nigerian National Manpower Board. His purpose was to evaluate existing manpower resources and to estimate the manpower requirements of development; to assist in the development of regular statistics of employment and unemployment and in the organisation of statistical training programmes. (4)

(viii) From 1963 to 1967 the ILO, under the auspices of the UN

1. ILO, Report to the Government of the Federation of Nigeria on the Organisation of the Library of the Federal Ministry of Labour, ILO/OTA/Nigeria/R.5, Geneva, 1963.
2. ILO, Report on Workers' Education in Nigeria, ILO/OTA/Nigeria/R.7, Geneva, 1963.
3. ILO, Report to the Government of Nigeria on Consumers' Co-operative Organisation in the Western Region, ILO/TAP/Nigeria/R.9, Geneva, 1967.
4. ILO, Report to the Government of Nigeria on Programming for the Development of Manpower and Labour Statistics, ILO/TAP/Nigeria/R.10, Geneva, 1967.

Special Fund assisted in a National Training Scheme for vocational instructors and foremen, the report of which is in the process of being printed. (1)

Inter-governmental Maritime Consultative Organisation.

IMCO supplied an expert to the Government of Nigeria for the period March, 1967 to February, 1968, for the purpose of making a survey as to the feasibility and practicability of establishing a nautical training school in Nigeria. (2)

United Nations Educational, Scientific and Cultural Organisation.

UNESCO aid was generally in the form of provision of technical experts and consultants to help launch and run projects in collaboration with the Federal Government. The main function of these experts was to train local officials to take over when UNESCO aid terminated. Some financial aid was provided by UNESCO, but for large-scale, long-term projects financing was from the UN Development Programme through the Special Fund or Technical Assistance, for which projects UNESCO acted as executing agency.

Some of the principal UNESCO activities during the period 1960 to 1968 were:

- (i) Assistance to the establishment, staffing and operation of four teacher training colleges - at Ondo, Zaria and Owerri - and for higher teacher training at the University of Lagos. Assistance was also given to the Faculty of Engineering at the University of Lagos.
- (ii) Help was given to the creation and running of a teaching aids centre at the Institute of Education of the University of Ibadan.
- (iii) Since 1962 Nigeria has been aided by joint UNESCO-UNICEF projects given in the form of experts, equipment, teaching materials and vehicles to teacher training and rural and primary education projects.
- (iv) At Nigeria's request UNESCO educational planning consultants worked in co-operation with local education authorities on planning at both secondary and higher levels, and at the setting up of educational planning and administration machinery at

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1. ILO, Geneva, Letter dd. 10.1.69, Ref. TAP O-202.  
 2. Inter-governmental Maritime Consultative Organisation, London, Letter dd. 3.12.68, Ref. A6/A/Mis.PRD/la.

local levels.

(v) Under the co-operative UNESCO-World Bank programme, Nigeria at the request of its Government was visited by expert missions seeking to identify projects for external financing. Under these schemes Nigeria was one of thirteen African states to receive loans and credits from the IDA. In Nigeria's case this amounted to an interest-free loan of £7.85 million to help finance the construction, expansion and equipping of secondary, technical and teacher training schools.

(vi) A nine-man UNESCO mission, in 1961, assisted the Federal government in drawing up plans for the Federal University at Lagos.

(vii) UNESCO assisted in the development and staffing of the Institute of African Adult Education at the University of Ibadan.

(viii) In 1963 a regional centre for the training of museum technicians was founded at Jos, by the Government, with the aid and on the initiative of UNESCO. This centre has since received students from a number of other African countries, from as far away as Zambia, Malawi and Ethiopia. Nine-month courses introduced students to museum administration and documentation, and gave them good grounding in taxidermy and preservation, the mounting of exhibitions and the use of photography. Theoretical instruction was given in selected problems concerning African civilisations, history, art and ethnography. UNESCO provided lectures for the centre and fellowships for the trainees.

(ix) In 1964 UNESCO and the Economic Mission for Africa convened in Lagos an International Conference on the Organisation of Research and Training in Africa in relation to the Study, Conservation and Utilisation of Natural Resources. This was attended by ninety-one governmental and scientific leaders from twenty-nine African countries and observers from thirteen other states.

(x) More recently, UNESCO helped in the establishment and operation of an African regional radio and television training centre attached to the University of Lagos. This centre began work early in 1968 on training courses first for Nigerians and later for those working in this field in other African countries. (1)

1. United Nations Educational, Scientific and Cultural Organization, Paris, Letter dd. 8.11.68, Ref. OPI/2/145.

### United Nations Children's Fund.

During the years 1961 to 1966 the approved projects of UNICEF in Nigeria were in the following fields: mothercraft and homecrafts, health and welfare services. Disease control, nutrition, educational and vocational training and family and child welfare. In 1961 £50,357 were spent for these purposes, in 1962 £365,000, in 1963 £207,714, in 1964 £978,857, in 1965 £11,643, and in 1966 £113,929 to give a total amount of £1,727,500. (1)

### World Health Organisation.

At one time, in 1963, WHO had as many as thirty-seven projects in operation in Nigeria. (2) In the field of disease control, it established an anti-malaria centre and a smallpox centre, and carried out research into resistance to insecticides and epidemiology. It assisted in the training of post-graduate nurses and in community water supplies, public health and dental services. In 1964 an expert committee of WHO on Immunology and Parasitic Diseases met at the University Hospital, Ibadan.

### World Meteorological Organisation.

WMO assisted in the following ways:

- (i) Fellowships: In 1964-65 one was granted for study in the field of physical and dynamical meteorology; in 1965-66 one in tropical meteorology; in 1965-67 one for post-graduate training in electronics and meteorology at Massachusetts Institute of Technology; in 1966 one in agrometeorology; in 1967-68 three in dynamical and synoptic meteorology and in 1968 one in agrometeorology.
- (ii) Seminars: Financial assistance was provided for one Nigerian to attend a Technical Conference on Meteorological Communications held in Tunis in 1965; two Nigerians to attend a seminar for training of personnel, held in Cairo in 1966; and one Nigerian to attend a joint WMO/BCA Seminar on Hydrometeorological Instruments in Addis Ababa in 1967.
- (iii) Regional Meteorological Training Centre, Lagos: in June 1961 a small-scale training project was established with finan-

1. United Nations Year Book, 1961 - 1966.
2. News from Nigeria, No. 56, 24.7.63, p. 13.

cial assistance from the UN Development Programme. Two experts were appointed by WMO to implement the project, which had the objective of training Nigerians mainly as meteorological observers and forecasters. In 1964 this was expanded into a full-scale training centre taking students from all parts of Africa with the continued assistance of WMO.

(iv) Expert Assignments: Two experts on meteorological forecasting were appointed to serve in Nigeria from 1962. They helped to maintain essential forecasting services, mainly for aviation, and gave on-the-job training to Nigerian counterparts. In July, 1967 an electronics expert was despatched to Nigeria to assist in the installation and maintenance of meteorological telecommunications and radar equipment and to train local staff in these fields. (1)

#### V. United Kingdom.

Not surprisingly, in the years before independence the United Kingdom was Nigeria's primary source of assistance in all spheres. Since independence, in the field of financial aid the UK has fallen into second place behind the United States.

"May I also say that we expect to get more help from the United Kingdom...

... France helps the French-speaking independent African countries a great deal more than the United Kingdom helps her independent English-speaking countries." (2)

"No amount of harsh criticism can be too much for the United Kingdom Government for the stingy nature of its assistance." (3)

Such criticism was heard in Parliament, invariably from backbenchers who had expected too much from a country already giving aid beyond its own best interests; something which was apparently understood by Nigeria's leaders who seldom criticised Britain publicly in this regard.

To say that Britain fell into second place behind the United States is not to say that its aid became inconsequential. As can be seen from Tables XIII and XIV<sup>(4)</sup> Britain's financial

1. World Meteorological Organization, Geneva, Letter dd. 20.12.68, Ref. 30.762 D/INF.
2. Ibrahim Gusau, HRD, Vol. 15(a), 12 - 26 March, 1964, p. 339.
3. Chief A.M.A. Akinloye, HRD, Vol. 15(a), 12 - 26 March, 1964, p. 339.
4. Prepared by officials of the Ministry of Overseas Development, London, at the request of the writer.

aid remained substantial. Disbursements in the years 1960 to 1967 totalled £38,239,000 of which £4,406,000 came in grants and £33,833,000 in loans. The loans fell principally under the Export Guarantees Act, although a lesser amount went to the Commonwealth Development Corporation for investment in Nigeria. Technical assistance disbursements in the same period for the provision of experts, training in the UK, training in Nigeria, consultancies, equipment, surveys and research amounted to £7,184,000 (excluding disbursements in connection with Special List Officers). Loans of £12 million for general development purposes, agreed to just prior to independence; of £10 million for purchase of capital goods necessary for the Development Plan; of £1.5 million for the purchase of railway equipment; of £5 million to assist in the Niger Dam project; and of £4.3 million for telecommunications development; and loans to the CDC for investment in beneficial projects were certainly significant. So, too, was a grant of £5 million to help implement the recommendations of the Ashby Commission on higher education. Use of this grant was still made as late as 1968 with £625,000 going towards the building of a new science block at the University of Ife.<sup>(1)</sup> Mr Anthony Greenwood, Minister of Overseas Development, visited General Ironsi and offered a loan of £2,356,000 - £1.2 million for the expansion of the Zaria Water Scheme, £1 million to the CDC to invest in the East Nigerian Nucleus Estate and the East Nigerian Smallholders' Board of Management; and a small amount for the extension of the Federal Police College at Ikeja.<sup>(2)</sup>

It is in the field of educational assistance that Britain has played its most valuable role. In 1960 Nigeria had 1,266 scholarship holders and 4,547 private students (total 5,813) in Britain.<sup>(3)</sup> In 1961 there were 1,010 Nigerian university students in Britain, of which 831 were undergraduates and 179 post-graduates: 31 were in agriculture, 507 in arts, 11 in dentistry, 244 in medicine, 92 in science, 28 in technology and 17 in veterinary science.<sup>(4)</sup> In 1964 there were 8,630 students in Britain from Nigeria, which far exceeded the number from any other country. (India was next in line with 4,129 students) and represent-

1. Ministry of Overseas Development, Press Notice, 26.2.68.
2. Ministry of Overseas Development, 14.4.66.
3. Commonwealth Survey, No. 7, 29.3.60, p. 319.
4. Ibid., No. 10, 9.5.61, p. 465.

Table XIII : Disbursements of British Official Bilateral Aid to Nigeria since Independence.

| £ thousand.                                         | 1960   | 1961   | 1962  | 1963   | 1964   | 1965  | 1966  | 1967  |
|-----------------------------------------------------|--------|--------|-------|--------|--------|-------|-------|-------|
| Grants.                                             |        |        |       |        |        |       |       |       |
| Balances of ODSW                                    |        |        |       |        |        |       |       |       |
| a) General Development                              |        | 648    | 736   | 584    | 320    | 11    | -     | -     |
| b) University of Ibadan                             |        | -      | 66    | 17     | 51     | 22    | -     | -     |
| Higher Education Programme                          |        | -      | -     | 232    | 136    | 580   | 883   | 987   |
| Lecture Hall, Nigerian Institute                    |        | -      | -     | -      | -      | -     | 39    | -     |
| Repayment of ODSW Issues made prior to Independence |        | cr 292 | cr 18 | cr 357 | cr 319 | -     | -     | -     |
| Expenditure on Aerodromes                           |        | 14     | 10    | 4      | 2      | -     | -     | -     |
| Total                                               | -      | 370    | 794   | 480    | 240    | 613   | 992   | 987   |
| LOANS:                                              |        |        |       |        |        |       |       |       |
| General                                             | £2.0m  | £2.17  | £5.60 | £1.580 | 3,650  | 90    | -     | 1,160 |
| Development Plan                                    | £10.0m | -      | -     | -      | -      | 76    | 1,728 | 4,450 |
| Railway Equipment                                   | £1.5m  | -      | -     | -      | -      | 345   | 1,071 | 54    |
| Niger Dam                                           | £5.0m  | -      | -     | -      | -      | 93    | 718   | 909   |
| Telecommunications                                  | £1.6m  | -      | -     | -      | -      | -     | 1,382 | 132   |
| Telecommunications                                  | £2.7m  | -      | -     | -      | -      | -     | 1,021 | 865   |
| CDC Investment (Gross).                             | -      | -      | 50    | -      | -      | 250   | -     | -     |
| Dunlop Nigerian Industries                          | -      | -      | -     | -      | -      | 30    | 38    | 107   |
| East Nigerian Nucleus Estate                        | 17     | -      | -     | -      | -      | 33    | 30    | 10    |
| Ilushin Estates                                     | -      | -      | -     | -      | -      | -     | -     | -     |
| Nigeria Cement                                      | -      | -      | -     | -      | -      | 68    | -     | 137   |
| Development Finance Company                         | -      | -      | -     | -      | -      | -     | -     | 156   |
| Nigerian Housing Development Society                | 143    | 567    | 661   | -      | -      | -     | -     | -     |
| Northern Developments Limited                       | -      | -      | -     | -      | -      | 169   | 55    | 58    |
| Nigeria Hotels Limited                              | 104    | -      | -     | -      | -      | 312   | 1,139 | -     |
| Northern Nigerian Investments                       | -      | -      | -     | -      | -      | -     | -     | -     |
| Textile Printers of Nigeria                         | -      | -      | -     | -      | -      | 200   | -     | -     |
| Total                                               | 1,844  | 7,247  | 4,361 | 1,093  | 4,399  | 7,954 | 3,910 | 3,025 |
| Grand Total Financial Aid                           | 1,844  | 7,617  | 5,155 | 1,573  | 4,639  | 8,567 | 4,832 | 4,012 |

Total 1960 - 1967 : £38,739,000. (Tables XIII and XIV compiled by Ministry of Overseas Development.)

Table XIV : British Technical Assistance Disbursements to Nigeria, 1961 - 1967.

|                | £,000      |            |            |            |              |              |              |
|----------------|------------|------------|------------|------------|--------------|--------------|--------------|
|                | 1961       | 1962       | 1963       | 1964       | 1965         | 1966         | 1967         |
| Experts *      | 54         | 203        | 332        | 424        | 507          | 1,310        | 1,105        |
| UK Training    | 141        | 259        | 294        | 308        | 359          | 398          | 343          |
| Local Training | -          | 24         | -          | 20         | 22           | 10           | 14           |
| Consultancies  | -          | 63         | 8          | 1          | 30           | 13           | 16           |
| Equipment      | 5          | 49         | 17         | 13         | 6            | 5            | 6            |
| Surveys        | 52         | 7          | 122        | 164        | 149          | 239          | 164          |
| Research       | -          | -          | -          | 1          | 4            | -            | -            |
| Other          | 4          | 4          | 12         | -          | 1            | -            | -            |
| <b>Total</b>   | <b>256</b> | <b>610</b> | <b>785</b> | <b>931</b> | <b>1,078</b> | <b>1,976</b> | <b>1,648</b> |

\* Excludes disbursements in connection with Nigeria Special List officers as follows:

|                                     | 1961  | 1962 | 1963  | 1964 | 1965 | 1966  | 1967 |
|-------------------------------------|-------|------|-------|------|------|-------|------|
| HMCS Special List 'B' Pensions      | CR131 | 1048 | CR322 | 129  | 157  | CR434 | 120  |
| HMCS Special List 'A' Pensions etc. | 2     | 3    | 6     | 6    | 13   | -     | 7    |
| Special List 'B' gross loans        | 1,903 | 291  | 212   | 123  | 72   | 15    | 36   |

ed one-fifth of all Commonwealth students in Britain and about one-eighth of all overseas students. <sup>(1)</sup> In the academic year 1963 - 1964, 73 Nigerians came to Britain under the Commonwealth Teacher Training Programme and 90 Nigerians visited Britain with British Council assistance. September, 1964 saw the one-thousandth Nigerian come to Britain under British Government auspices since independence. <sup>(2)</sup> Not only did the British Government aid Nigerian education in Britain itself but it gave much assistance to Nigeria. The Commission headed by Sir Eric Ashby laid the basis of Nigerian educational planning. The British Council maintained six libraries and, by 1964, had contributed £93,000 to public libraries as well as making large presentations to the libraries of universities and training colleges. The Council maintained English language officers in each region to help train local teachers and to advise on English teaching methods; and had seventeen other officials assisting in educational matters. Under the Special Commonwealth African Assistance Programme (SCAAP) Britain provided twenty-two educational experts between 1961 and 1964. A scheme organised by the British Government enabled Nigerian students to purchase text-books at one-third their normal price. <sup>(3)</sup>

The British Government also assisted in recruiting teachers for schools and universities by providing incentives and financial support for them to go to Nigeria, and helping with their re-employment on their return to Britain. In 1962 the Inter-University Council recruited 63 staff members for Nigerian universities, and the Council for Technical Education and Training for Overseas Countries recruited 11 staff members for Nigerian technical institutions. <sup>(4)</sup> From 50 to 70 teachers came to Nigeria annually to give refresher courses to local teachers. In 1965 there were 112 volunteers who had come out under the Voluntary Service Overseas Scheme and in the same year, a scheme known as Visiting Scientists Teaching Abroad (Vista) provided the University of Ife with the equivalent of one full-time lecturer in each of the subjects mathematics, physics, botany and zoology, and two in chemistry. <sup>(5)</sup> In 1964 there were 70 graduate

1. West Africa, 31.10.64, p. 1221.

2. British Educational Assistance to Nigeria, Central Office of Information, London, August, 1964, R(SN) 5689.

3. Ibid.

4. Ibid.

5. Commonwealth Relations Office, Press Notice, 23.6.65.

volunteers serving in Nigeria under the Graduate Voluntary Service Overseas programme. (1)

Private institutions and business firms, particularly those operating in Nigeria, also gave valuable assistance. Shell-BP gave £250,000 at independence to finance a survey of technical education requirements and granted annual scholarships for technical education. The UAC, by 1951, was running nine technical training schools, and Pamol Ltd., also a subsidiary of Unilever, decided in 1961 to award two scholarships annually for eight years in agriculture. (2) In 1965 the Yorkshire Insurance Company made a loan of £100,000 to the Northern Nigerian Housing Corporation for low-cost housing (3) and a consortium of five London banks - Barclay's, Barclay's DCO, Lloyds, National Provincial and the London branch of the Bank of Montreal - formed by Charterhouse Japhet, provided financial aid for the construction of a £1 million road-bridge at Sapele. (4)

#### VI. Other Commonwealth Countries.

Of the other Commonwealth contributors, Canada was the most important. From 1964 to 1967 Canada allocated a total of about £5,833,300 in aid distributed as follows: in 1964-65 £666,660 in grants and £1 million in loans; in 1965-66 £1 million in grants and £1 million in loans; in 1966-67 £833,330 in grants and £1,333,330 in loans. For the year 1967-8 Canada had 29 teachers and 14 experts in Nigeria. In 1967 Canada offered or renewed 140 scholarships to the Government of Nigeria for Nigerian students wishing to study in Canada during the 1967-68 academic year. About 75 Nigerians were actually studying in Canada during the year, compared with 116 in 1966-67. (5) In 1963 Canada and Nigeria signed a technical assistance agreement which assigned to Canada responsibility for the operational costs, rations and quarters for Nigerian cadet officers training in Canadian defence establishments. In addition, on 25th July, 1964, a further agreement was signed for Canadian officers to assist the Nigerian

1. News from Nigeria, No. 55, 2.9.64, p. 3.
2. Commonwealth Survey, No. 5, 28.2.61, p. 219.
3. African Economic Digest, No. 21, 21.5.65, p. 206.
4. Africa Research Bulletin - Economic, No. 8, 1965, p. 354c.
5. High Commissioner for Canada, Lagos, Letter dd. 22.8.68.

army in Nigeria.

Australia's regular aid programme was mainly in the form of scholarships to study in Australia:

- (i) From its inception until December, 1968, 131 Nigerians benefited from Australian aid under the Special Commonwealth African Assistance Plan. The main areas of training were journalism, nursing, public administration, agriculture and aviation. Expenditure incurred was as follows: in 1967-68 a total of £21,494 (£20,942 on training and £552 on equipment) was spent; giving a cumulative total up till 30th June, 1968 of £211,828 (£175,707 on training, £9,628 on experts, and £26,493 on equipment).
- (ii) From the inception of the Commonwealth Co-operation in Education Scheme, Australia granted 50 training awards (4 in 1968) and 33 visitors' awards to Nigeria.
- (iii) Under the Commonwealth Scholarship and Fellowship Plan, 8 post-graduate scholarships were granted (2 in 1968) and Australia supplied 9 experts to Nigeria who undertook 10 assignments.
- (iv) One Nigerian was trained under the Australian International Awards Scheme. (1)

New Zealand gave a small amount of assistance: in the financial year 1964-65 £9,000, and by July, 1965 a total of 15 scholarships. (2)

Under SCAAP India provided engineers and teachers, and in 1963 20 Nigerian army officers attended a year-long course at the Indian Military Academy. Pakistan, under SCAAP, offered 18 training fellowships to Northern Nigeria and assisted in training Nigerian naval cadets. Cyprus and Ghana also awarded a few scholarships.

## VII. Western Europe.

### a. West Germany.

According to a report published in Hamburg by the Africa Society, West Germany had by the beginning of 1966 supplied Nigeria with capital goods worth about £50 million. About £80 million had been pledged in capital aid, of which £64 million

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- /Letter.
1. Department of External Affairs of Australia, Canberra, dd. 9.12.68, Ref. 551/7/1.
  2. Williams, Peter, Aid in the Commonwealth. The Overseas Development Institute Ltd., 1965, p. 38.

had already been tied to projects.<sup>(1)</sup> In 1963 the Nigerian Minister of Finance had negotiated a loan agreement with the Kreditanstalt fuer Wiederaufbau Frankfurtmain for the financing of a \$3 million paper mill;<sup>(2)</sup> in 1964 he had concluded arrangements with the German Government for a loan of \$5.5 million for the construction of a second bridge from Lagos to the mainland and for the construction of ten cottage hospitals costing \$1 million. In the same year a German industrial bank agreed to lend \$3.5 million to the Eastern Government for the construction of a cement works at Calabar. In 1966 the West German Government financed a salt industry in Nigeria; a German firm agreed to make a loan of \$8 million for the development of a shopping centre in Lagos; and a group of German financiers loaned Nigeria \$5 million for the building of four cargo ships by a shipbuilding company in Germany.

Under the terms of a formal agreement the German Government undertook to train the bulk of the Nigerian Air Force recruits. In 1963 90 Nigerians were selected and sent to West Germany for training as pilots and ground crew, German Nord Atlas Aircraft's based at Ikeja Airport were used for the training of 57 Nigerian technicians and 8 German Air Force officers came to Nigeria to assist in the establishment of its Air Force.<sup>(3)</sup> Under an agreement covering the period 1963-1967 Germany accepted responsibility for supplying Nigeria with 56 aircraft and for training 1,100 Nigerian airmen including 91 pilots.<sup>(4)</sup>

In the field of education, also, German assistance was valuable. Between 1960 and 1963 a total of 1,000 scholarships were awarded to Nigerians;<sup>(5)</sup> in December, 1961 approximately \$180,000 was given to establish a technical institute for the training of mechanical and electrical engineers and the award of 169 technical scholarships was announced;<sup>(6)</sup> and in 1966 \$6,000 worth of x-ray equipment was presented to the University Hospital of Ibadan and \$31,000 given to the Nigerian Institute of International Affairs.<sup>(7)</sup>

1. African Economic Digest, No. 6, 11.2.66, p. 576.
2. News from Nigeria, No. 63, 21.8.63, p. 7.
3. Ibid., No. 42, 5.6.63, p. 1.
4. Africa Research Bulletin - Political, No. 10, 1965, p. 398b.
5. News from Nigeria, No. 14, 21.8.65, p. 4.
6. African World, May, 1962, p. 20.
7. News from Nigeria, No. 20, 20.1.65, p. 6.

b. The Netherlands.

In 1963 the Dutch Recovery Bank granted a £2 million long-term credit guaranteed by the Netherlands Government to finance the supply of capital goods for the Development Plan. In that year the total of Dutch loans to Nigeria reached £4 million. In co-operation with private foundations, projects were financed to the extent of £120,000 in 1965, £180,000 in 1966 and £180,000 in 1967. <sup>(1)</sup>

The Netherlands gave considerable assistance to University education. Under a programme agreed to in 1962 7 teachers and one instructor were supplied annually to the University of Nsukka. In 1965 £270,000 was given to this university for three years for the running of a technical faculty to which 8 teachers and 2 instructors were to be sent during the first year, and an increased number for the following two years. Scholarships for the course and laboratory equipment were also given. <sup>(2)</sup> In the same year £200,000 was donated for the development of a veterinary science faculty at the Ahmadu Bello University, and contributions were made to the libraries of Ife, Enugu, Lagos, Ahmadu Bello and Nsukka Universities.

The Netherlands Government assigned agricultural and water power experts and transport economists to assist in their fields. In the years 1964 and 1965 33 such experts implemented approximately 15 separate projects of technical assistance, and at the same time 47 Nigerians attended related courses under a Dutch Fellowship Programme. <sup>(3)</sup> In addition, three-quarters of the survey costs of improving the navigability of the Niger River were paid. <sup>(4)</sup>

Scholarships to Holland averaged about 20 a year: in 1966 14 Nigerians studied there and in 1967 25. <sup>(5)</sup>

Aid was also given to the Nigerian Navy: having loaned a frigate, the Queen Wilhelmina, for two years to assist in training Nigerian personnel, the Netherlands then donated it as a gift to the Navy.

1. Netherlands Embassy, Pretoria, Letter dd. 19.9.68, Ref. vB. No. 5546.
2. West Africa, 30.1.65, p. 134.
3. Ibid., 4.12.65, p.
4. Africa Research Bulletin - Economic, No. 4, 1965, p. 495a.
5. Netherlands Embassy, Letter, op. cit.

c. Others.

Italy made a large contribution to Nigeria's development by loaning £9 million for the building of the Niger Dam, made available through the Italian Institute for Loans to Public Utilities; and an Italian business firm offered a loan of £10 million for the establishment of industrial projects. Within the framework of Technical Assistance, a team of five expert geologists were sent to Nigeria in October, 1964 to serve for a three year period. The team which was attached to the Nigeria Geological Survey Division, part of the Ministry of Mines and Power, carried out surveys and evaluations of iron ore, marble, nickel, gold, feldspar, glass sand, clay for brickmaking, kaolin and phosphate. A programme for professional technical training was initiated by INCAR (Nigeria) Ltd., a commercial enterprise of FIAT (Turin) (Italy), financed by the giant Italian bank, Mediobanca, and FIAT itself.<sup>(1)</sup> Belgium assisted financially and technically within the framework of international organisations. In 1965-66 35 scholarships were provided - 3 high school, 30 undergraduate and 2 post-graduate - and in 1968 2 social workers were sent out.<sup>(2)</sup> Denmark granted £25,000 to the Western Government to build a training centre for women community workers<sup>(3)</sup> and granted an interest free loan of over £1 million repayable over 15 years.<sup>(4)</sup> The Finnish Government assisted financially in co-operation with UN projects and awarded 2 to 3 scholarships annually to Nigerians for post-graduate studies in Finland.<sup>(5)</sup> French direct aid to Nigeria was mainly in the form of scholarships and there was no direct monetary aid. In 1968 70 scholastic awards were made to Nigerian students; and in that year the number of Nigerians studying in France was estimated to be 200.<sup>(6)</sup> Ireland allocated no scholarships specifically for Nigerians but in the academic year 1965-66 there were no less than 127 Nigerian students in Ireland, of whom 42 were at the College of Surgeons.<sup>(7)</sup> Norwegian aid to Nigeria was of a small order, restricted to agriculture and private aid to mis-

1. Italians in Nigeria, op. cit.

2. Embassy of Belgium, Pretoria, Letter dd. 6.8.68, Ref. D. O.655 Nr. 1475.

3. Africa Report, October, 1965, p. 50.

4. African Economic Digest, No. 46, 25.11.66, p. 975.

5. Finnish Legation, Pretoria, Letter dd. 11.10.68, Ref. No. 689.

6. Embassy of Nigeria, Paris, Letter, op. cit.

7. Consulate of Ireland, Johannesburg, Letter dd. 29.10.68.

sionary stations. A few Nigerians received scholarships from the Norwegian Agency for International Development.<sup>(1)</sup> Switzerland, within the framework of Swiss Technical Assistance to Underdeveloped Countries, granted several scholarships to Nigerians: from January, 1961 to August, 1968 34 Nigerians spent a total of 203 months studying mainly in the fields of international law, forestry and telecommunications. Under the auspices of the Federal Department of the Interior 14 Nigerians spent a total of 441 months studying at Swiss universities, almost exclusively in the medical faculties.<sup>(2)</sup> The Swiss Transport Company undertook to train Nigerians in the arts of aircraft catering;<sup>(3)</sup> and the Swiss Government made available to Nigeria a credit guarantee of £1.7 million.<sup>(4)</sup>

#### VIII. Eastern Europe.

"Before the Civil War, Nigerian Government was not very eager to cooperate with Yugoslavia, since she is a socialist country, even though Yugoslavia was not in the Eastern Bloc. After January 1966 the attitude towards Yugoslavia has been greatly changed, but still there is not much activities between the two countries."<sup>(5)</sup>

This implies that it was because of its socialist system that Nigeria did not co-operate more closely with Yugoslavia and with the rest of Eastern Europe. But this was only one consideration. Undoubtedly, also, Nigeria feared that acceptance of Eastern aid might prove an economically disadvantageous reaction from the West, that such aid would inevitably be followed by the arrival of a large army of advisers and technicians. To Nigeria's credit the temptation to play East off against West was resisted, although feeling that some losses had been suffered as a result:

"There is a general belief gaining ground that those countries who more or less try to blackmail prospective lenders by playing one power bloc against the other find it easier to get substantial external aid than those countries, such as Nigeria, who are committed to stable financial policies and will not participate in this business of blackmail. It is my sincere hope that Nigeria will not be penalised for refusing to take part in this 'brinkmanship'."

1. Consulate-General of Norway, Cape Town, Letter dd. 7.10.68, Ref. RLB/lw.
2. Embassy of Switzerland, Pretoria, Letter dd. 25.9.68, Ref. 332.0 - IH/ts.
3. News from Nigeria, No. 21, 16.3.63, p. 9.
4. HRD, Vol. 15(a), 12 - 26 March, 1964, p. 387.
5. Embassy of Yugoslavia, Lagos, Letter dd. 20.2.69, Ref. 151/69.

- Chief Okotie-Eboh to visiting World Bank Mission. (1)

Whatever the reasons, it was not until the start of 1967 that Nigeria took the policy decision to accept large-scale financial aid from Eastern Europe. (2) From the time of independence until 1967 Nigeria's attitude towards such assistance had changed slowly from one of rejection to one of cautious acceptance. At first, students who wished to study in Communist countries were refused visas, resulting in many leaving the country by illegal means which left the Nigerian authorities with little idea of how many of their countrymen were studying in those countries. Thus, for example, only after 14 Nigerian students had caused a rumpus about ill-treatment in Bulgaria did the Federal Government, quite fortuitously, learn that there were any Nigerian students there at all. (3) The Morning Post reported that in 1965 60 members of the Nigerian Youth Congress left illegally for ideological training in the USSR and Eastern Europe. (4) Gradually offers of scholarships from these Governments came to be regarded as respectable, but were accepted and awarded only after careful scrutiny of the terms of the offers and of the candidates, resulting in much delay. Thus in June, 1965 the Czech Ambassador in Lagos complained that of 8 scholarships offered by his country in 1964 and 1965 only one had been taken up, leading to accusations in the press that the Federal Government was still prejudiced against scholarships from Communist countries. The Nigerian Government, further, did not accept offers which did not come through official Government channels. Thus, for example, when the Nigerian-Polish Friendship and Cultural Association offered scholarships to Poland by means of a newspaper advertisement, the Government dissociated itself

1. Federal Ministry of Information, Press Release, 12.8.61, in Anglin, Douglas G., op. cit., p. 287.
2. "Nigeria has decided for the first time to accept loans from the Communist countries; it was announced by the Permanent Secretary to the Ministry of Finance, Mr. Abdul Atta. He said the USSR had offered £15 million, Poland £10 million, Czechoslovakia £5 million and Yugoslavia £3.6 million." West Africa, 21.1.67, p. 86.
3. HRD, Vol. 11(a), April, 1963, p. 290.
4. Communist Activities in Africa, No. 58, November, 1965, p. 9.

from the offer; <sup>(1)</sup> and similarly, when Mrs Fumilayo Ransome-Kuti (President of the Federation of Nigerian Womens' Organisations and Vice-President of the Womens' International Democratic Federation) called for applications to the Moscow Friendship University, the Federal Ministry of Education warned the public that the scheme did not have its approval. <sup>(2)</sup>

Nigeria's attitude towards large-scale financial aid moved through similar stages, although acceptance in this case came even more slowly. Despite statements to the effect that aid would be accepted from any source, and despite some potentially useful offers and the Federal Government's agreement to them in principle, it was not until General Gowon had been in control for some six months that such aid was finally accepted.

Final figures of the number of students studying in Eastern Europe are unavailable. In 1963 108 students registered with the Nigerian Embassy in Moscow <sup>(3)</sup> but this was clearly far short of the full quota, for in 1965 there were 141 Nigerian students at the Patrice Lumumba University alone. <sup>(4)</sup> In 1966 a Soviet Embassy spokesman stated in Lagos that the number of Nigerians studying in Russia was over 400. <sup>(5)</sup> In the years 1962 to 1965 the Soviet Union made available annually 45 to 50 scholarships and in 1966 increased this number, the Nigerian Trade Union Congress alone being granted 80.

The Soviet Government also concluded a technical assistance agreement under which agricultural, geological and meteorological teams were sent to carry out survey work in Nigeria. It was not until 1965, however, that more extensive assistance was offered, and then in the medical sphere, particularly in the Eastern Region. Professor W.A. Khmelev, Vice-Principal of the Medical School of Moscow University, was despatched to prepare the ground for co-operation and by early 1966 the Soviet Union had agreed to a number of projects including a £5 million teaching hospital for Enugu and two specialist hospitals for Port Harcourt and Enugu. <sup>(6)</sup> In 1965-66 a sixteen-man scientific and

1. Ibid., No. 50, March, 1965, p. 10.
2. Communism and Africa, No. 63, April, 1966, p. 6.
3. HRD, Vol. 12, 31 July - 9 August, 1963, p. 223.
4. New Commonwealth, November, 1965, p. 553.
5. Africa Report, November, 1966, p. 40.
6. Africa Research Bulletin - Economic, No. 3, 1966, p. 498b.

research team led by Professor B.A. Lapin spent four months at Ibadan University Hospital conducting research into virus diseases. The most important move, however, was the arrival of Soviet experts early in 1967 for discussion of a projected \$50 million iron and steel complex.

Czechoslovakia provided Nigeria with scholarships (4 or 5 a year) and also assisted, for example, by bringing Nigerian doctors to Czechoslovakia to study anti-tuberculosis measures<sup>(1)</sup> and by granting one-year post-graduate scholarships for the study of biology.<sup>(2)</sup> In 1962 medium-term credits were offered for the establishment of industries;<sup>(3)</sup> and on 17th September, 1964 an agreement was signed in Brno to provide scientific and technical co-operation; and on 14th November, 1965 a loan agreement provided \$5 million, intended to finance a sugar industry, a tannery, a shoe factory, a motor assembly plant and an oil refinery, the machinery for which was to come from Czechoslovakia.<sup>(4)</sup>

Poland trained 60 Nigerians as deck officers in 1964,<sup>(5)</sup> offered 20 scholarships in 1965 in building, engineering, ore and coal, mining, geological drilling and pulp processing,<sup>(6)</sup> and in 1966 it was announced that there were 94 Nigerians studying in Poland and that 100 had returned home with Polish diplomas.<sup>(7)</sup> In 1963 it was reported that Poland would provide Nigeria with a \$15 million loan<sup>(8)</sup> and in 1965 that Poland was drawing up a \$10 million loan agreement, which was later accepted.

Bulgaria offered scholarships (13 by 1962)<sup>(9)</sup> and an unknown number of Nigerians studied there. 11 Nigerians were reported to be studying oil technology, engineering and medicine in Rumania in 1964,<sup>(10)</sup> and East Germany's assistance was concentrated on Eastern Nigerian information services: the Deputy Director of the East German Broadcasting Corporation was sent to

1. Communism and Africa, No. 68, September, 1966, p. 9.
2. Ibid., No. 69, October, 1966, p. 4.
3. HRD, Vol. 1, 21 March - 7 April, 1962, p. 284.
4. African Economic Digest, No. 9, 3.12.65, p. 486.
5. Africa Research Bulletin - Economic, No. 5, 1964, p. 80a.
6. Communist Activities in Africa, No. 49, February, 1965, p. 9.
7. Communism and Africa, No. 70, November, 1966, p. 4.
8. West Africa, 6.7.63, p. 763.
9. HRD, Vol. 1, 21 March - 7 April, 1962, p. 577.
10. Communist Activities in Africa, No. 46, November, 1964, Appendix 2.

advise the East Nigerian Broadcasting Corporation, <sup>(1)</sup> and scholarships were granted to 4 Information Service officials to study in East Germany for one year. <sup>(2)</sup>

The Yugoslav and Nigerian Governments signed a credit agreement of £3.6 million to cover Yugoslav exports to Nigeria, but, although the agreement was signed in 1963, it had not, by February, 1969, been made use of. Yugoslavia also offered approximately 10 scholarships a year to Nigeria and in 1969 there were 33 Nigerian students studying with scholarships there, as well as a number of others who were there at their own expense. <sup>(3)</sup>

#### IX. Other Countries.

The Japanese loan of £10 million, the purpose of which was to help rectify the trade imbalance, and which was finally agreed upon on 23rd November, 1966, has been discussed. In addition, Japan assisted in a number of smaller ways: in 1961 with 15 scholarships for advanced training in technology; <sup>(4)</sup> in 1964 in establishing a Department of Electronics at the Kaduna polytechnic; <sup>(5)</sup> and in 1965 by assigning experts to conduct surveys on the establishment of a fishing port at Lagos and on Nigeria's marketing and distributive system. <sup>(6)</sup> Japan also subsidised the participation of Nigerians in group training courses in rice cultivation and extension work, in coastal fisheries, in survey and mapping <sup>(7)</sup> and in port and harbour engineering. <sup>(8)</sup>

Israel granted Nigeria one large-scale development loan of £3 million at an interest rate of  $\frac{1}{2}\%$  above the United Kingdom bank rate. Part of this was re-lent to the Eastern Region and part retained by the Federal Government for capital development projects in which Israeli goods and equipment would be used. <sup>(9)</sup> Generally, however, Israel preferred to lend money to Israeli companies, such as Solel Boneh and Vered, to invest in projects in partnership with Nigerian companies. An example of this was the £3.5 million agreement signed between the Mid-

1. Ibid., No. 45, October, 1964, Appendix 1.
2. Ibid., No. 59, December, 1965, p. 6.
3. Embassy of Yugoslavia, Lagos, Letter, op. cit.
4. West Africa, 22.7.61, p. 806.
5. News from Nigeria, No. 3, 18.1.64, p. 14.
6. African Economic Digest, No. 41, 8.10.65, p. 405.
7. News from Nigeria, No. 8, 21.5.66, p. 6.
8. Nigeria Weekly News Review, 7.9.66, p. 2.
9. HRD, Vol. 1, 21 March - 7 April, 1962, p. 338.

West Government and the Israeli firm, Water Resources Development International Limited, for the provision of pipe-borne water for more than 60 towns in the region, credit being provided by the firm. (1) Experts were sent to guide and assist in, inter alia, development, fisheries development and water supplies. In 1958 to 1968 450 Nigerians studied in Israel and in 1968 there were about 40 trainees studying medicine, engineering agriculture and adult education. (2) Nigerians attended seminars on functional literacy and community development and courses for women leaders in developing countries were held in Israel. (3)

In 1964 the Housing Ministry of the United Arab Republic began implementing a Nigeria-UAR agreement on housing which provided for UAR aid of about £2 million, (4) and it was reported that discussion of a loan of £3 million for building projects and water development had reached a final phase. (5) From independence to March, 1963 the UAR provided Nigeria with 48 scholarships. (6)

In South America the only countries to have assisted were the Argentine, which awarded 2 post-graduate scholarships to Nigerian doctors for the study of plastic surgery, (7) and the Brazilian Government which offered a small number of scholarships. (8)

Ethiopia assisted by giving 60 Nigerian Air Force cadets a three-year training course at the Ethiopian Military Academy; (9) Kuwait's Emir and Acting Prime Minister each personally contributed £150,000 to the building of a secondary school at Kaduna; (10) and by 1966 Iraq had awarded 36 scholarships to Nigeria. (11) Other countries which gave scholarships or in which

1. African Economic Digest, No. 24, 11.6.65, p. 236.
2. Israeli Foreign Office, Jerusalem, Letter, translated by Mr. M. Padan of the Israeli Consulate, Johannesburg.
3. Jerusalem Post, Ten Years of International Co-operation, Special Supplement, 14.8.68.
4. Africa Research Bulletin - Economic, No. 3, 1964, p. 33c.
5. Ibid., No. 9, 1964, p. 146b.
6. HRD, Vol. 11(a), March, 1963, p. 577.
7. News from Nigeria, No. 16(a), 18.9.65, p. 8.
8. Brazilian Legation, Pretoria, Letter dd. 12.9.68.
9. Africa Research Bulletin - Political, No. 5, 1965, p. 289c.
10. African Economic Digest, No. 28, 9.7.65, p. 275.
11. News from Nigeria, No. 7, 7.5.66, p. 15.

Nigerians studied were Greece, Burma, Syria, the Lebanon, the Philippines, Saudi Arabia (scholarships for advanced Islamic studies), Uganda, Senegal, Mauritania (scholarships given to the Northern Government), Sierra Leone, Ghana, Libya and the Sudan (scholarships for advanced training in the teaching of Islamic studies).<sup>(1)</sup>

It is clear that the West - the United Kingdom and the Commonwealth, Western Europe, the United States of America and the Western-backed International Financial Agencies - dominated the totality of Nigeria's economic relations: trade, aid and investment. Had it not been for the outbreak of the civil war, Nigeria's pattern of economic relations would very likely have remained constant and contacts with Eastern Europe would have increased only gradually. Russia's decision to make a positive and substantial contribution to the Federal cause is likely to result in a major increase of influence, both economic and political. Nevertheless, once the normal processes of supply and demand have reasserted themselves, the fundamental pre-war economic patterns should be re-established; except that Russia's position, from virtual irrelevance, should attain an importance equivalent to that of a major country of the European Economic Community, such as the Netherlands.

## B. Nigeria and the European Economic Community.

### I. Introduction.

"The negotiations were a unique experience both to the EEC Commission and to the Nigerian delegation. The former, whose A. ... experience had been exclusively with the fra... states, was facing for the first time an English-speaking African team. On our side, we had to make a delicate balancing of interests: Nigeria's trade with Britain and with the Community; her membership of the Commonwealth, the Organisation of African Unity and her proposed association with the Community; the expansion of her trade and the trade interests of the associated states. Besides, she had her own internal problems: federal and regional interests were not always identical." (2)

1. HRD, Vol. 11(a), March, 1963, p. 577; HRD, Vol. 18(b), 21 April - 6 May, 1965, p. 870; Nigeria Weekly News Review, Vol. 1, No. 11, 30.9.66, p. 6.
2. Okigbo, P.N.C., op. cit., Preface p. viii.

Nigeria's relations with the European Economic Community are dealt with in some detail, for the ten-year history of these relations provides a good insight into the political and economic thinking of the nation's leaders, involves more questions of policy, and touches upon a greater number and variety of issues than any one other particular venture in the field of economic relations. The major problem was that of avoiding politically unsatisfactory involvements in Western Europe, while at the same time trying to protect vital markets in the area against the threat of tariff barriers not applied to some of Nigeria's major competitors - a classic example of the clash of political principle and economic necessity. But there were many other issues which in various ways became involved: British and Commonwealth preferences, pan-Africanism, an African Common Market, neo-colonialism, non-alignment, de Gaulle and France, reciprocity, GATT and UNCTAD.

Nigeria was breaking new ground. For the first time an African state outside of the members of the Yaounde Convention was attempting to come to terms with the EEC, and the progress was watched closely by the rest of Africa, particularly by the East African states of Tanzania, Uganda and Kenya. The story is worth telling for it abounds with misunderstandings, reversals, about-faces and ironies.

#### Initial Fears.

The Treaty of Rome came into effect on 1st January, 1958 and under Part IV of the Treaty, in accordance with the Yaounde Convention, eighteen ex-French and Belgian territories of Africa became associate members. The treaty was noted in Nigeria with concern and disfavour:

"... In brief this means that in the future ... some Nigerian produce may be more difficult to sell. For instance, Nigeria cocoa may have to pay an import duty of 9 per cent in those countries, whereas the French West African cocoa will enter free of duty." - Minister of Commerce and Industry, 1958. (1)

Similar fears were expressed by the Minister of Finance, Chief

1. K.O. Mbadiwe, HRD, Vol. 1, 18 February - 5 March, 1958, p. 303.

Okotie-Eboh:

"... We have said on many occasions ... that we welcome any proposal designed to increase trade and prosperity throughout the world. But we remain unalterably opposed to the creation of a protectionist bloc which would cover such a wide field of world trade. In company with Ghana we have stressed one of our main fears that our exports to the Common Market, and particularly exports of cocoa, will be at a grave disadvantage compared with similar exports from our neighbouring territories in West Africa." (1)

"... Our economy ... is based on the production of a wide range of raw materials. It is vital for our economic well-being that we should enjoy ready access to the markets of the industrialised countries for our exports of those materials. I am sure the House will appreciate why the Government should be so concerned about the likely impact of the Common Market arrangements upon our external trade, for in 1958 nearly one-third of our exports went to the countries which form the European Economic Community. Rightly, we fear that we may have to face increasing discrimination in these important continental markets." (2)

Initially, then, Nigeria's main reason for rejecting the Treaty of Rome was that it feared the protective barriers which gave economic advantage to the francophone territories at Nigeria's expense. Secondly, Nigeria supported the principles of the General Agreement on Tariffs and Trade and the establishment of free trade areas, the aims of which were to break down barriers, particularly those of the developed countries, and so promote economic expansion on a world-wide basis; and opposed protectionist arrangements like the EEC. Although there was some awareness of the political implications of the Community, these had not as yet become a major issue.

In 1961 Nigeria had broken off diplomatic relations with France over the French nuclear tests in the Sahara, and this was to have an adverse effect on the French attitude towards Nigerian attempts to negotiate with the EEC. In July, 1961 a journalist asked Sir Abubakar whether Nigerian dislike of the Common Market reflected in any way a dislike of France. The Prime Minister assured him that this was not so.

1. HRD, Vol. 1, 5 - 18 February, 1959, p. 62.
2. Ibid., Vol. 1, 30 March - 2 May, 1960, p. 83.

### III. Britain Attempts to Join - Nigeria Rejects Association.

Despite these fears, however, it was not until Britain began to make a concerted effort to join the Community that Nigeria's leaders had to come to terms with the problem. While Britain remained outside no insurmountable problems presented themselves, but were it to succeed in joining, the picture would alter radically and the problem become immeasurably more complex. Nigeria was faced with the question whether it wished to become an associate member of the Common Market.

The economic advantages of association were clear. They would give the opportunity of selling throughout the Community on the same privileged terms as the Yaounde States had been given, as well as gaining access to EEC overseas development funds. Further, if Britain were to join, Nigeria would lose its principal market and in seeking to find substitutes would find itself excluded from those markets which followed Britain in importance - those of the Six. Nevertheless Nigeria rejected association, for political reasons. Firstly, Nigeria was not prepared to subject its newly acquired sovereignty to an arrangement which smacked of 'neo-colonialism':

"... The associate status ... is inconsistent with the status of a sovereign nation, for it bears the stamp of the colonial link between the 'Six' and their colonial possessions." (1)

"... Nigeria cannot, and will not, contemplate any form of agreement or association with the Community which in any way savours of a colonial or neo-colonial relationship and will insist that our vital interests be fully protected in a manner commensurate with our national sovereignty." - Minister of Finance. (2)

Secondly, Nigeria did not wish to become too closely tied to Western Europe. It was believed that by joining, the destiny of the EEC would become Nigeria's own destiny:

"We are unable ... to conceive of a Community such as that which Western Europe envisages in which it will be possible to separate political and military from economic implications. As I pointed out earlier, it is upon the economic foundation of the Community that a political union is to be con-

1. Nigeria Trade Journal, No. 3, 1962, p. 157.  
2. HRD, Vol. 1, 21 March - 7 April, 1962, p. 280.

structed." - The Prime Minister to Parliament, 1962. (1)

supporting the motion in Parliament that 'this House views with great concern the proposed entry of Great Britain into the European Common Market', Mallam Ibrahim Gusau went further, arguing that 'the European Economic Community is purely based on a political and military alliance of the North Atlantic Treaty Organisation. No more, no less'.<sup>(2)</sup> Thirdly, association would dilute the declared Nigerian policy of non-alignment: '... alignment in whatever form with a Western economic and political bloc is incompatible with an independent and neutral foreign policy to which the Nigerian Government is committed'.<sup>(3)</sup> And fourthly, it would have an adverse effect on Nigeria's economic and political relations with Africa, and on progress towards African unity.

"... Africa is on the threshold of a new era. Co-operation among African states in whatever form it is considered feasible for a start is the burning desire of the Nigerian Government. It is perhaps difficult to reconcile pan-Africanism with alignment with a European political and economic bloc."<sup>(4)</sup>

"The Government also believe that if Nigeria were to seek and obtain associate status, she would not be able to make her full contribution towards promoting African unity. We were unable to accept ... that association would remove the barriers which now divide African countries. We could not see how, in order to seek unity in Africa we had to go to Europe ..."<sup>(5)</sup>

Finally, Sir Abubakar disliked any kind of bloc and had no wish for Nigeria to be allied to one. He told a press conference that the growth of such organisations as the EEC would definitely weaken the effectiveness of the UN. He explained:

"The E.E.C. means another bloc within the U.N. which will definitely affect the effectiveness of the U.N. in a negative way because the group will tend first to look towards their own affiliations when problems arise."<sup>(6)</sup>

It was thus that at the Commonwealth Prime Ministers'

1. Balewa, Sir Abubakar Tafawa, op. cit., p. 147.
2. HRD, 15 August - 5 November, 1962, pp. 139 and 151.
3. Nigerian Trade Journal, NO. 3, 1962, p. 157.
4. Ibid.
5. Balewa, Sir Abubakar Tafawa, op. cit., p. 147.
6. West Africa, 5.5.1962, p. 497.

Conference in September, 1962 that Sir Abubakar refused the offer of association, and in October he stated that 'Nigeria will in no circumstances seek association' with the EEC. However he went on to say that Nigeria would attempt to obtain 'a guarantee of access to its market and to a reasonable share in the expansion of that market for those commodities that would be particularly affected by import tariffs and quotas'.<sup>(1)</sup>

#### IV. Re-evaluation - Negotiations Begin.

There are various views on the volte-face which now took place in Nigeria's attitude towards the EEC. To Stanley Diamond it is not an about-face at all: all that had happened (as with the abbreviation of the Defence Pact) was that the NPC had overtly responded to the popular pressures from the south and taken a strong public stand, while privately it was about to begin negotiations for agreements with the six EEC countries which in effect would be difficult to distinguish from association.<sup>(2)</sup> Claude Phillips, on the other hand, believes that at this stage Nigeria was sincere, and holds the opinion that despite the difficulties of such a move Nigeria was going to shift the emphasis of its economic policies from Europe to Africa.<sup>(3)</sup> Another view was that the political dangers were now seen to be of less import and that Nigeria began to realise that formal commercial contact with the Community would not necessarily undermine its sovereignty; and the notion 'that association was simply an extension of the para-political objectives of the founders of the Community' lost its poignancy. Greece, Turkey, Iran, Austria, Sweden, Switzerland, Spain, Portugal and Cyprus had either come to an agreement or were seeking an agreement with the EEC.

"Since these were all European nations, some committed neutrals, it began to emerge that the concept of association was sufficiently elastic to permit a relationship that was neither neo-colonialist nor subordinate. In fact, the posture struck by Mali with her short-lived union with Ghana and Guinea, the role of some of the associated states in the Organization of African Unity, and the difference in political leanings between, say, Congo (Brazzaville) and Senegal demonstrated

1. Commonwealth survey, 9.11.62, p. 816.
2. Diamond, Stanley, op. cit., p. 21.
3. Phillips, Claude S. Jr., op. cit., p. 118.

**Table XV** : Exports to the United Kingdom, the European Economic Community and the Rest of the World.

[illegible]

Imports from the United Kingdom, the European Economic Community and the Rest of the World.

[illegible]

that association did not necessarily impose on the associates a particular line of action in political affairs.

This led to a revision of attitudes ...<sup>1</sup> (1)

Although there is truth in these views, the main factor which undoubtedly caused the Nigerian Government to rethink its position was clearly the economic one - in 1963 37% of the country's exports were to the EEC. This was almost equal to exports to Britain which had been steadily declining. It was still necessary for Nigerian exports to the Common Market to be safeguarded.

The Six, as a group, was the largest single importer of Nigerian cocoa and groundnuts, and a significant importer of Nigerian groundnut- and palm-oil, as well as logs and sawn timber. The external tariffs on these products were: cocoa 5.4%, groundnut-oil 10% (refined 15%) palm-oil 9% (refined 14%), sawn timber 10%, and plywood 13%. The cocoa tariff, at the insistence of the Netherlands and Germany, had been decreased from 9% to 5.4%. It should be noted that on refined products the tariffs were comparatively high and would serve to retard Nigeria's aim of processing its own primary products.

"The share of the United Kingdom declined for all items [cocoa, palm kernels, palm-oil, groundnuts, groundnut-oil]: for cocoa from 52 per cent in 1958 to 23 per cent in 1964, for palm kernels from 55 to 40 per cent, for palm oil from 87 to 47 per cent, for groundnuts from 36 to 19 per cent and for groundnut oil from 69 to 44 per cent."<sup>(2)</sup>

Thus it was that after the Commonwealth Prime Ministers' Conference the Federal Government began to re-evaluate the need for accommodation with the Community, and by April, 1963, Prime Minister Balewa was able to announce that an ambassador to the EEC had been appointed. In the words of the Minister of Finance:

"At the same time [as finding any neo-colonialist arrangement unacceptable] we cannot with equanimity contemplate any trading arrangement which would discriminate against Nigeria's growing exports to the Community... We intend, therefore, at once to enter into direct negotiations with the Community for a purely commercial agreement designed to safeguard our expanding trade, and have already appointed a well-known Nigerian economist as an Ambassador to

1. Okigbo, P.N.C., op. cit., p. 116.

2. Ibid., p. 97.

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