THE RELATIVE IMPACT OF ECONOMIC
AND NON-ECONOMIC FACTORS
ON NIGERIA'S FOREIGN POLICY 1960 - 66

BY

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ABSTRACT

This thesis is a case study of Federal Nigeria's foreign policy for the period 1960-66. Concerned with the major factors which determined that policy, it explores the following questions: Which of the two sets of omnibus factors - the economic and the non-economic - had greater relative significance in fashioning Nigeria's relationship with the outside world? What was the nature and strength of the main non-economic forces? How, why and where did they propel Lagos' external policy? Was the foreign policy of Nigeria's First Republic\(^1\) actually a true "reflection ... [of] ... that pattern of peaceful change, accommodation and compromise that has characterised Nigerian political evolution since the end of the second world war"\(^2\) as many Western observers were inclined to believe prior to the military overthrow of the civilian government in January 1966?

The thesis involves firstly a delineation of the Nigerian government's transactions with other states, followed by an analysis of the main operative economic and non-economic factors which moulded the government's policy. Chapter 1 sets the stage by highlighting the degree to which Nigerian economic performance relied on Foreign Trade.

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1. Nigeria did not convert to a Republican constitution until exactly three years after independence i.e. on October 1, 1963. The term "First Republic" is however adopted here, in consonance with popular usage, to refer to the whole period of post-independence civilian administration - October 1960 to January 1966.

Foreign Aid and Foreign Private Investments, Chapters 2-8 constitute the main body of the study, and Chapter 9 concludes the exercise. It is argued that although economic considerations were significant, non-economic factors had greater relative determining influence. Nigeria's colonial history, the ideological preferences of the elites, and the dominant position of the Muslim North in the Federal Government propelled the country towards a conservative foreign policy posture in the immediate post-independence period. However, the basically unstable domestic political situation was a paramount concern throughout and this counselled a cautious policy in marked contrast to the government's ambitions for leadership in Africa. Eventually these contradictory impulses progressively induced policy modifications.
ACKNOWLEDGEMENTS

I am profoundly grateful to my father, the late Chief Mukoro Mowoe; the late Chief S. J. Mariere, LL.D. GCON; my mother, Her Royal Highness Mrs. Grace I. Mowoe; Mr. Don D. Mowoe PhD (Lond.) and Mrs. Evarista Mowoe; whose encouragement and support made the writing of this thesis possible.

My sincere thanks are also due to Professor Otto Pick, my supervisor, for his help and advice; Mr. Homi Katrak; Mr. Fred Mowoe; Mr. Joshua Ojo; Miss Hilda Mowoe of the Federal Ministry of Information, Lagos; Mr. Victor Mowoe of Lagos University; Sir James Robertson, Nigeria's Governor General at Independence; Rt. Hon. Duncan Sandys; Mr. Adekuoye of the Nigerian High Commission in London and various Nigerian Government officials; all of whom were helpful in diverse ways.
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<tr>
<td>ACM</td>
<td>African Common Market</td>
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<tr>
<td>AER</td>
<td>American Economic Review</td>
</tr>
<tr>
<td>AG</td>
<td>Action Group</td>
</tr>
<tr>
<td>AOT</td>
<td>Overseas Territories (or States) Associated with the European Economic Community</td>
</tr>
<tr>
<td>CET</td>
<td>Common External Tariff of the EEC</td>
</tr>
<tr>
<td>ECA</td>
<td>United Nation's Economic Commission For Africa</td>
</tr>
<tr>
<td>FLN</td>
<td>Front de Liberation Nationale (Algeria's Nationalist Party)</td>
</tr>
<tr>
<td>GATT</td>
<td>General Agreements on Tariffs and Trade Gains-Domestic Product</td>
</tr>
<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
</tr>
<tr>
<td>GPRA</td>
<td>Provisional Government of the Algerian Republic</td>
</tr>
<tr>
<td>HRD</td>
<td>Nigeria's House of Representatives Debates</td>
</tr>
<tr>
<td>ILO</td>
<td>International Labour Organisation</td>
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<tr>
<td>NATO</td>
<td>North Atlantic Treaty Organisation</td>
</tr>
<tr>
<td>NCNC</td>
<td>National Convention of Nigerian Citizens (formerly the National Council of Nigeria and the Cameroons)</td>
</tr>
<tr>
<td>NJESS</td>
<td>Nigerian Journal of Economic and Social Studies</td>
</tr>
<tr>
<td>NPC</td>
<td>Northern People’s Congress</td>
</tr>
<tr>
<td>OAU</td>
<td>Organisation of African Unity</td>
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<td>USAID</td>
<td>United States' Agency for International Development</td>
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INTRODUCTION

The 1960's witnessed a rise in the number of African territories which attained political independence. While in 1958, apart from South Africa, there existed only eight 'independent and sovereign' states in the continent of Africa, by mid-1963, the number had increased to thirty-two. These states had one basic characteristic in common: each had an underdeveloped economy heavily reliant on foreign factors for advancement. Generally, their pre-independence patterns of international trade tended to survive and the new states' principal - sometimes even exclusive - customers and suppliers continued to be their old colonial overlords and their associates. The receipt of foreign aid and foreign private investments also came overwhelmingly from these powers. This state of affairs has given rise to the contention that economic determinism should be or is the first principle of foreign policy of these politically independent but effectively economically dependent states.

Two schools of thought exist in relation to this view. One is epitomised in the statement by Chief H.O. Davies, a prominent Nigerian lawyer, that "it is necessary [for developing states] to set out national economic objectives and then to reconcile foreign policy to them." It conceives of political independence as incomplete unless it is buttressed by a healthy economy. To hasten the attainment of 'complete' independence therefore, the new states should accord economic advantage priority treatment in their foreign policies. The second school of thought or what might be referred to as the 'communist school' is

convinced that the heavy dependence of the new states on the economic goodwill of the old colonial powers reduces their Governments to the status of puppets who, in their foreign policies, are compelled to dance to the tunes called by their economic benefactors.²

The interests and objectives which governments seek to forward through international intercourse are legion. Can it validly be claimed that of all the manifold motives behind Nigerian foreign policy, that of economic advantage assumed a position of primacy in 1960-66? It is this and allied questions listed in the Abstract that are examined in this thesis.

A study of this nature has to contend with a variety of serious problems. The first is definitional. Conscious of the close inter-relationship between things economic and things supposedly non-economic, where does one draw the line between either group of factors? For the purpose of this study, economic factors are defined as considerations relating to External Trade, Foreign Aid (that is, grants, loans and credits on public accounts and technical assistance in the form of personnel and equipments flowing from the Governments of relatively rich countries to their counterparts in economically less advanced ones) and Foreign Private Investments whose main impacts in an economy are traceable to such macroeconomic variables as national income and employment.

The second problem is allocational. How does one assign relative importance to two sets of factors whose effects overlap so frequently? Take the relationship between economic growth and domestic stability for instance. In the absence of an expanding economy the National Income, among other things, is relatively small. Consequently,

competition among political parties representing various interest groupings for control of the government in order to have an effective voice in the deployment of the country's meagre resources is intense. Each tends to perceive the situation as a typical zero sum game and is prepared to resort to any means constitutional or otherwise, to ensure that it does not emerge as the loser. For the ordinary citizen, the government's inability to cater for his basic needs - employment, medical care etc. - erodes his allegiance to it. Perpetual tension results and instability tends to be rife. Economic growth cannot of course guarantee domestic stability. Growth generates a variety of tensions such as the great divide between the relatively better off and those not so well off; the breakup of traditional societies; the problems of increasing urbanisation, inflation etc. which are potentially destabilising. However, in an era in which the desire for rising living standards is commonplace, economic growth is at least a necessary but not a sufficient condition of domestic stability. On the other hand, there can be no growth without investment and \textit{ceteris paribus}, little productive investment would be forthcoming unless the investor (particularly private investor) is assured of reasonable internal stability to safeguard his physical assets and the profitability prospects for his investments. Now, if a Government adopts a policy geared towards attracting foreign investments, what would be its main motivation: economic growth (economic motive) or domestic stability (non-economic motive)? A simple solution is the application of the test of "primary impact" that is, the interest which would benefit in the first instance as a result of the policy, is regarded as pre-eminent. This solution with its inevitable suggestions of arbitrariness, is adopted in this thesis.

A third problem relates to the obligations deriving from foreign aid receipts. The Nigerian Prime Minister Alhaji Sir Abubakar Tafawa
Balewa is on record as saying "I do not believe that any kind of aid, no matter from where it comes, is without strings attached to it." Thus, a Government might be induced to embrace a policy on non-economic matters as a result of obligations incurred in the quest for foreign aid. To pinpoint the extent to which this was the case, an unfettered access to relevant Government files is a sine qua non. While some Nigerian Government papers were made available to the writer, such 'unfettered access' was ruled out because ".. the appropriate authorities in Nigeria, after due consideration [of the writer's repeated requests for general access to relevant Government papers have decided] it would not be possible to waive the provisions of the Official Secrets Act, 1963".

Fourthly, a complex mix of imponderables - subjective, psychological and sentimental considerations feature in foreign policy decision-making. Zartman has pointed out that "in Africa, in the first decade of independence, foreign policy is highly personalised and controlled by the Prime Minister or President." To assess the motivations behind Nigeria's foreign policy in their truest perspectives, interviews with Alhaji Balewa and Sir Ahmadu Bello would have been essential. Although foreign policy was constitutionally an exclusive preserve of the Federal Government, Sir Ahmadu, Premier of the Northern Region, was the National President of the Northern Peoples Congress -

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4. This was the explanation advanced by the Nigerian High Commission in London in a letter Ref. No. I/CON/07/13 of 15 March 1971 as a concluding response to the writer's efforts spread over a whole year, to gain general access to pertinent government files.

senior partners in the Federal Coalition Government of Nigeria and therefore had a say in overall Federal Government policy. Often referring in public to Sir Abubakar as his 'lieutenant', Sir Ahmadu was politically the most powerful man in Nigeria. Such interviews unfortunately were impracticable.

This thesis attempts to break ground. A few studies of Nigeria's foreign policy have of course been published. The chapter by Professor Coleman and the book by Claude S. Phillips Jr. are perhaps the best of these, but neither of them subjects economic factors to a detailed analysis or treats economic and non-economic forces on a comparative basis. Besides, Coleman covered only the first twenty-four months and Phillips only the first thirty-six months after the Federation became independent. Neither can therefore be regarded as portraying a comprehensive analytical assessment of the foreign policy of Nigeria's First Republic, as this study attempts to do.

7. C.S. Phillips Jr. - The Development of Nigerian Foreign Policy (Michigan 1964)
CHAPTER I

THE RELIANCE ON FOREIGN TRADE, FOREIGN PRIVATE INVESTMENTS AND ECONOMIC AID FOR ECONOMIC DEVELOPMENT IN NIGERIA

The importance of external trade, Private Investments and Foreign Aid in Nigeria’s economic development is partly reflected in their respective roles as resource suppliers to the Government. In Nigeria, the government occupies a pivotal position in the development process. It provides requisite infrastructure—roads, bridges, telecommunications; undertakes Social Investments—housing, hospitals, education—relevant to developmental needs, and sponsors researches in various fields to enhance national output. Apart from operating several incentive schemes to induce investments in industry, it participates actively in manufacturing. In 1965, 27% of total paid up Capital in manufacturing was Government owned.

The Government’s position as the prime mover in the development sphere is underlined by the fact that under Nigerian National Development Plan 1962-68, total gross Public Capital formation was estimated at £N793.8 million, that is about 67% of the aggregate gross Fixed Investments of £N1183.3 million, during the Plan period. This National Plan was the first of a series of three or four expected to launch the Nigerian economy into self-sustaining growth.

1. Government in this Chapter refers to the four (and after July 1963, five) governments comprising the Federation of Nigeria viz. The Federal and the Regional Governments.

2. Calculated from data published in the Federal Office of Statistics "Industrial Survey, Nigeria 1964-65" (Lagos) 1966. The Survey excluded loans and Supplier Credits in its definition of Capital. Since the Government frequently resorted to Supplier Credits in financing industrial projects as shown later, its total stake in the manufacturing sector was underestimated.

3. Federal Ministry of Economic Development "Federation of Nigeria, National Development Plan 1962-1968" (Subsequently referred to as the "National Plan") (Lagos 1962) P.36. See Appendix Table (A.T.)

4. Ibid P.23
FOREIGN TRADE

Government Revenue

External trade went some way towards alleviating the revenue problems of the Government as indicated in the following table and graph.
TABLE 1
Nigeria: Receipts from Foreign Trade in Aggregate Government Revenue 1960-66
(£N Millions)

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>(a)</td>
<td>Total Government Revenue</td>
<td>131</td>
<td>137</td>
<td>149</td>
<td>154</td>
<td>169</td>
<td>192</td>
</tr>
<tr>
<td>(b)</td>
<td>Total Gov't Tax Revenue</td>
<td>94</td>
<td>103</td>
<td>106</td>
<td>113</td>
<td>129</td>
<td>144</td>
</tr>
<tr>
<td>(c)</td>
<td>Import Duty</td>
<td>50</td>
<td>60</td>
<td>59</td>
<td>61</td>
<td>76</td>
<td>85</td>
</tr>
<tr>
<td>(d)</td>
<td>Export Tax</td>
<td>15</td>
<td>13</td>
<td>12</td>
<td>14</td>
<td>15</td>
<td>16</td>
</tr>
<tr>
<td>(e)</td>
<td>Total Revenue from Foreign trade (c + d)</td>
<td>65</td>
<td>73</td>
<td>71</td>
<td>75</td>
<td>91</td>
<td>101</td>
</tr>
<tr>
<td>(f)</td>
<td>Foreign trade Revenue as % of total Government Revenue</td>
<td>49.6</td>
<td>53.2</td>
<td>47.6</td>
<td>48.6</td>
<td>53.8</td>
<td>52.6</td>
</tr>
<tr>
<td>(g)</td>
<td>Foreign trade Revenue as % of total Tax Revenue</td>
<td>69.1</td>
<td>70.8</td>
<td>66.9</td>
<td>66.3</td>
<td>70.5</td>
<td>70.1</td>
</tr>
</tbody>
</table>

Fig. 1

NIGERIA: REVENUE FROM FOREIGN TRADE IN
AGGREGATE GOVERNMENT REVENUE 1960-66

(£ in Million)

Source: Based on Table 1.
It appears from the table that the foreign trade sector furnished between 39.8% and 53.8% of total government revenue in the 1960-66 period. In terms of total tax revenue, foreign trade's contribution was even higher - ranging between 54.4% and 70.8%. This was to be expected. In view of the low per capita income, personal income tax yields were inevitably small. The situation was aggravated by deficient tax assessment, collection and general administration systems. For instance, the amount of tax paid by individuals often depended on whether or not they were members or supporters of the governing political parties. Besides, company tax returns were generally low not only due to the relative dearth of the number of taxable establishments but also because many firms were still enjoying tax holidays under various Government schemes.

In contrast, levies on foreign trade were relatively easily assessable and collectable. Imports entered the country through a few ports only while publicly-run marketing Boards monopolised exportation of most agricultural products on which export, sales and purchase taxes were imposed. The significance of external trade in the revenue yielding context was manifest when late in 1966, the Federal Government decided "to liberalise the tariff policy in order to raise the level of imports and consequently revenue from customs duties".

6. For instance, Shell-B.P., the most important company in Nigeria's Petroleum industry, which commenced oil exploration in Nigeria in 1937, and exportation of crude oil twenty years later, did not pay tax on profits until 1964. Even then, it still had substantial unclaimed capital allowances to be written against future profits. Shell-B.P. "The Nigerian Story", March 1965. P. 38
Profits from foreign trade also contributed indirectly to the Government’s treasury by swelling personal incomes thereby enlarging taxable capacities. The shortcomings of the taxation systems meant that Governments take from this source was not particularly high. A more important link between trade and government finance was provided by Marketing Boards.

MARKETING BOARDS

These are statutory monopolies engaged in the marketing of Nigeria’s main primary exports. World War 2 creations to ensure orderly supply of raw materials to the U.K., they subsequently developed ostensibly into Buffer Fund Agencies for the stabilisation of producer incomes. They operate by maintaining a spread between export prices and producer prices. Surpluses accumulated when export prices are buoyant should, in theory, be used for subsidising producer prices in lean years. In practice, the producer subsidising role has been subordinated to one of mobilising valuable funds for public investment. In the 1947-54 export boom period, the Boards ran up hefty surpluses to the tune of about £N120 million. The subsequent slackening of world prices for agricultural exports reduced the rate of surplus accumulation without extinguishing it.

In 1955, a World Bank Mission to Nigeria recommended that apart from liquid reserves of £N25 million, the Marketing Boards should lend their surpluses on a long term basis, to the Government for development purposes. The recommendation was accepted and henceforth the Boards virtually became fiscal arms of the Government. In the Western Region for instance, its

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1955–60 Development Plan expected £N20 million or some 66% of the total capital fund to come from the Regional Marketing Boards' accumulated reserves. Under the National Plan, the Boards were expected to contribute a total of £N39.1 millions towards overall government capital programme in the Federation. This represented 13.7% of total public capital investments to be financed from domestic sources. The proportion was as high as 40% in the Western Region.

DIRECT INVESTMENTS

Foreign trade has also stimulated direct investments in Nigeria. During the Colonial era, many of the roads, railway and communication channels constructed were aimed at facilitating the easy flow of import and export trade. This process has continued after independence with the construction of feeder roads to link rich agricultural areas with railroads and ports to ease the movement of export produce. Railway constructions like the 400 miles Borné extension completed in 1964 have been a boon to exports.

These improvements in transport and communications have gradually enhanced development by widening and integrating the domestic market for goods and services while rendering the working population relatively more mobile. Besides, these investments in transport etc., like investments financed out of export profits, have been productive of multiplier effects on national


10. See A.T.2.
income. Extensive leakages into imports and savings have, however, greatly reduced the magnitude of the operative multiplicands.

Foreign trade served simultaneously as a source of a fair proportion of the capital goods required in domestic capital formation and of the foreign exchange required to pay for these goods as shown in tables 2 and 3.

**TABLE 2**

<table>
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<tr>
<td>Gross Capital Formation (at Current Prices)</td>
</tr>
<tr>
<td>Capital Goods Import</td>
</tr>
<tr>
<td>Capital Goods Imports as a proportion of Gross Capital formation</td>
</tr>
</tbody>
</table>


It would appear from the table that the import quotient of capital formation declined over the period. However, capital formation in Buildings and Civil Engineering which have relatively high domestic contents accounted for about 30% and 21% respectively of the total in 1960-66.

11. The accuracy of Capital formation estimates in Nigeria, as in all economically developing states, is highly suspect. Official Nigerian estimates exclude such items as mud houses and expenditure on personal investments (eg. in agriculture) whose valuation cannot be based on any objective data. Government and the foreign sectors which keep adequate records are almost inevitably accorded more than proportionate significance. The resulting aggregate figure should be regarded as indicating only approximate magnitudes.

Consequently, in terms of directly productive investments, the significance of imported capital goods was much higher than the percentage in the table.

Imports have also provided essential raw materials and intermediate goods needed in manufacturing, transport, mining and constructional activities. In 1966, raw material imports constituted 27.7% of total Nigerian imports.\(^{13}\)

On the other hand, exports have been the chief source of foreign exchange for paying Nigeria’s imports. The extent to which export earnings have covered commodity import costs is demonstrated in the following Table.

<table>
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<tr>
<td>(N Million)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commodity Imports</td>
<td>215</td>
<td>222</td>
<td>203</td>
<td>207</td>
<td>242</td>
<td>262</td>
<td>238</td>
</tr>
<tr>
<td>Commodity Exports</td>
<td>165</td>
<td>174</td>
<td>169</td>
<td>189</td>
<td>183</td>
<td>200</td>
<td>191</td>
</tr>
<tr>
<td>Exports as a % of Imports</td>
<td>76%</td>
<td>78%</td>
<td>83%</td>
<td>91%</td>
<td>77%</td>
<td>76%</td>
<td>81%</td>
</tr>
</tbody>
</table>


Note: Until 1964, no separate figures were given for imports and exports of the Petroleum Sector. In the Table figures up to 1963 include, and those from 1964 exclude, the Petroleum Sector.

It can be seen that the proportion was as high as 91% in 1963 and never fell below 76%. The overall significance of external trade to the Nigerian economy was undenied by a government report which emphasised that "the implementation of our development programme largely depends on our ability to finance the import of the required investment goods and essential consumer goods. This calls for an expansion of our exports in order to acquire the necessary foreign exchange".\(^{14}\)

\(^{13}\): Calculated from statistics published in Central Bank of Nigeria "Annual Reports" by cit 1967. See A.T.S., for yearly percentages.

FOREIGN PRIVATE INVESTMENTS

Capital Formation

Privately owned funds from abroad were supplemental to domestic resources in the creation of gross additions to the Nigeria's capital stock.

<table>
<thead>
<tr>
<th>Year</th>
<th>Net inflow of Foreign Private Capital (a)</th>
<th>Total Gross Capital Formation (b)</th>
<th>Private Sector Gross Capital Formation (c)</th>
<th>(1) as % of (2)</th>
<th>(1) as % of (3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1961</td>
<td>27.3</td>
<td>152.5</td>
<td>92.2</td>
<td>17.9 %</td>
<td>29.6 %</td>
</tr>
<tr>
<td>1962</td>
<td>17.7</td>
<td>159.8</td>
<td>95.2</td>
<td>11.1 %</td>
<td>14.4 %</td>
</tr>
<tr>
<td>1963</td>
<td>37.9</td>
<td>117.0</td>
<td>113.6</td>
<td>15.7 %</td>
<td>33.3 %</td>
</tr>
<tr>
<td>1964</td>
<td>63.0</td>
<td>195.0</td>
<td>127.0</td>
<td>32.3 %</td>
<td>41.8 %</td>
</tr>
<tr>
<td>1965</td>
<td>55.2</td>
<td>234.1</td>
<td>150.3</td>
<td>23.6 %</td>
<td>36.1 %</td>
</tr>
<tr>
<td>1966</td>
<td>49.4</td>
<td>242.6</td>
<td>151.7</td>
<td>20.3 %</td>
<td>32.4 %</td>
</tr>
</tbody>
</table>

Note: Continued on page 17.
NOTES: (Continued from Page 16.)

(a) Includes ploughed back profits. Not all net inflow of private capital/necessarly expended on capital formation. Only direct long term capital inflow can reasonably be assumed to have been so utilised. Unfortunately, official Nigerian statistics do not satisfactorily distinguish between short term and long term capital inflows from abroad. The figures are therefore to be regarded as rough guides only.

(b) At current prices

c) Private Sector Capital formation figures are an underestimate as they exclude provisions for Companies which had not come under the assessment procedure for Company taxation. These would generally be small companies but their number would be large enough to falsify the estimates significantly.


It would appear from the table that foreign private capital as a proportion of aggregate Gross Capital formation was not insignificant. It ranged between 11.2% and 32.8%. In terms of private sector gross capital formation, foreign investments accounted for between 14.4% and 41.8%.

Foreign private investments relatively clustered around two activities: Mining and Quarrying; and Manufacturing and Processing. Coincidentally, these were two of the fastest growing sectors in the Nigerian economy. Crude petroleum production and export was mainly foreign financed. Its output rose from £N2.8 million in 1959/60 to £N101 million in 1966/67. Industrial

See A.T.4

output rose at an annual rate of about 15% in the same period. In terms of GDP, Manufacturing however comprised only 3% in 1959/60 and 4.3% in 1966/67. Similar figures for Mining were 7% and 7.2% respectively.\(^\text{17}\)

Enterprises in mining were highly capital and skill intensive. They involved the commitment of huge amounts of capital at high risk while the gestation periods were often very long.\(^\text{18}\) In Manufacturing, foreign enterprises dominated the Food, Beverages and Tobacco Sectors; and the Chemical and Chemical Products Sectors.\(^\text{19}\) These Sectors were also relatively Capital and Skill intensive. By importing Capital and Skilled personnel, foreign owned enterprises made a significant contributions towards ameliorating the technological, skill and capital bottlenecks to economic development in Nigeria.

Direct foreign investments had the usual multiplier effects whose magnitude was limited by leakages into imports and savings. Investment in any one industry also tended to stimulate investments in secondary industries to meet its input demands and/or to utilise its outputs in further production processes. Foreign investments thus tended to impart dynamic developmental impulses whose magnitudes varied with the nature of the

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19. 75% of total paid-up capital in the former and 92% in the latter were foreign owned. Federal Office of Stats: "Industrial Survey 1962" (Lagos).
industries to which the investments were directed. The strength of these backward and forward linkage effects in various sectors is depicted in A.T.5.

The net additions of foreign investments in manufacturing to value added in Nigeria however tended to be negative in the 1960-66 period. This was mainly due to relatively large payments in the form of profits and dividends accruing to foreign factors on one hand, and to relatively high infant industry tariff protection accorded manufacturing industry.

EMPLOYMENT EFFECTS

Direct foreign investments did not make very appreciable impact on the escalating urban unemployment problem in Nigeria. According to the 1965 Nigerian manpower survey, the two key foreign investment Sectors - Mining and Manufacturing accounted for 7.05% and 11.42% respectively of the 569,330 workers in establishments employing 10 or more persons covered by the survey. This was in fact a reflection of the relative capital intensity of the sectors.

Indirectly, however, foreign owned enterprises imparted a stimulating influence on the growth of service and labour intensive sectors. Besides, to meet their requirements of skilled personnel, large foreign owned firms like the United Africa Company, have set up their own training centres. In addition, they award scholarships to Nigerians to study at local or overseas institutions. The outcome has been a gradual increase in the availability of skilled Nigerians.

20. According to the I.L.O. Year Book on Labour Statistics 1968, the number of registered unemployed persons in Nigeria in 1965 was 20,940 compared to 6,868 in 1960. This however is a gross underestimate since it is widely accepted that less than 1 in 10 unemployed registered in Nigeria.

GOVERNMENT REVENUE

Foreign owned enterprises made sizeable contributions to public finance. Government revenue from Company direct taxation rose from £N4.7 million in 1960 to £N8.4 million in 1966 - a rise of 70.8%. A large proportion of the receipts from manufacturing industry and large firms in the trading sector was from foreign-owned establishments. The significance of the largely foreign-financed petroleum industry in Government finance has risen phenomenally. In 1958-59, Government revenue from the industry was £N0.8 millions or 0.7% of total Government revenue. By 1965/6, it had jumped to £N14.6 millions or 9.1%. This was easily the fastest growing source of revenue to the Government.

Revenue from Excise duties increased from £N5.6 millions in 1960 to £N33.7 millions in 1966, an annual increase of 8%. Most of the duty receipts derived from sale of Tobacco, Beer, Motor Spirits, Diesel oil, and other domestic manufactureres in whose production foreign investments featured prominently.

BALANCE OF PAYMENTS

Part of the role played by foreign investments in the Federation's balance of payments is depicted in the following table.

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### Table 5

**Nigeria: Balance of Payments 1960-65**

(£N Millions)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade Balance</td>
<td>-68.7</td>
<td>-64.2</td>
<td>-44.8</td>
<td>-34.8</td>
<td>-60.9</td>
<td>-41.7</td>
<td></td>
</tr>
<tr>
<td>Long term Capital inflow (a)</td>
<td>+19.0</td>
<td>+27.3</td>
<td>+17.7</td>
<td>+37.9</td>
<td>+43.3</td>
<td>+49.0</td>
<td></td>
</tr>
<tr>
<td>Sub Total</td>
<td>-47.9</td>
<td>-36.9</td>
<td>-27.1</td>
<td>+3.1</td>
<td>-17.6</td>
<td>+7.3</td>
<td></td>
</tr>
<tr>
<td>Direct Investments Income (b)</td>
<td>-8.1</td>
<td>-6.8</td>
<td>-10.9</td>
<td>-17.2</td>
<td>-19.1</td>
<td>-25.1</td>
<td></td>
</tr>
<tr>
<td>Net transfer and other Payments</td>
<td>+2.5</td>
<td>-1.8</td>
<td>+1.4</td>
<td>-2.5</td>
<td>-1.0</td>
<td>-4.7</td>
<td></td>
</tr>
<tr>
<td>Errors and Omissions</td>
<td>+2.5</td>
<td>+20.8</td>
<td>+4.2</td>
<td>-10.3</td>
<td>+9.6</td>
<td>-10.9</td>
<td></td>
</tr>
<tr>
<td>Grand Total</td>
<td>-52.8</td>
<td>-24.4</td>
<td>-32.4</td>
<td>-26.9</td>
<td>-28.1</td>
<td>-33.4</td>
<td></td>
</tr>
<tr>
<td>Commercial Banks</td>
<td>+14.7</td>
<td>-8.6</td>
<td>+7.3</td>
<td>-1.6</td>
<td>+19.5</td>
<td>-9.8</td>
<td></td>
</tr>
<tr>
<td>Official</td>
<td>+38.1</td>
<td>+33.0</td>
<td>+25.1</td>
<td>+28.5</td>
<td>+8.6</td>
<td>+43.2</td>
<td></td>
</tr>
<tr>
<td>Long term Capital inflow as proportion of trade Balance</td>
<td>27.3%</td>
<td>42.3%</td>
<td>39.3%</td>
<td>108.9%</td>
<td>71.1%</td>
<td>117.3%</td>
<td></td>
</tr>
</tbody>
</table>

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**Notes**

(a) Figures for long term Capital inflow include reinvested profits and so tend to give a misleading picture. However, since profits earned can either be retained or repatriated, and repatriated profits are a debit item on the Balance of Payments, such retentions can justifiably be regarded as a credit item.

(b) Figures for direct investment income which should show only repatriated profits include that portion of total profits that was re-invested. There was thus an overlap between long term capital figures and those for direct investment income.

**Source:** Annual Abstract of Stats 1965 and Digest of Statistics 1965.

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As the table shows, inflow of long term Capital funds ranged from 27.3% in 1960 to 117.3% in 1966 of the deficit on trade account. They thus greatly reduced the outflow of official reserves necessary to finance the payments deficits.
Direct Investment Income represent the price in terms of foreign currency the country had to pay for the benefits derived from foreign private investments. Despite the distinctly upward trend, the net balance of payments impact of direct long term investments in Nigeria during the 1960-65 period, was positive.

FOREIGN CURRENCY EARNINGS

Nigeria earned a significant proportion of its foreign exchange from the export of Crude Petroleum, Tin, Cassette, Columbite, Plywood and other processed agricultural products, all of which were in various degrees, foreign-financed. The most important was crude petroleum whose net foreign exchange earnings rose from £N14.3 million in 1963 to £N43.4 million in 1966. These amounted to 8.6% and 23.3% respectively of Nigeria's total merchandise exports (excluding Crude Oil) in both years.

Foreign Capital was also important in financing various import replacement manufacturing, like Tobacco, whose importation dwindled thereby saving foreign exchange. The Petroleum refinery opened in late 1965 which reduced imports of Oil products from £N17 million in 1965 to £N3.5 million in 1966, was 40% foreign-owned.

Many import substitution production however had negative foreign exchange effects because of their relatively heavy dependence on imported Capital goods, raw materials and Services. The position was likely to be transformed in the longer term as the industrial base expanded and the employment of foreign factors in Nigerian manufacture correspondingly lessened.

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25. Net foreign exchange earnings is total export sales less cost of materials and Services acquired abroad and dividends, interest and profits remitted overseas.

It is not without significance that under the 1962-66 National Plan, out of an estimated total private Capital formation of £389.5 millions, £200 millions was expected to come from foreign sources "to sustain the required growth rate of the economy] and to finance the required import surplus". 27.

FOREIGN AID

Nigeria's reliance on foreign aid derived from the inadequacy of Government receipts from other sources of finance for its investment programme. The Government's Chief Sources of Investment finance were Recurrent budget Surpluses; domestic borrowing, accumulated reserves and foreign aid.

RECURRENT BUDGET SURPLUSES

During 1960-66, the level of recurrent budget surpluses is shown in the third column of the following table.

27. "Nation Development Plan" op cit p.38
## TABLE 6

Nigeria: Level of Recurrent Budget Surpluses 1960-66

(£N Millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Government Revenue</th>
<th>Recurrent Expenditure</th>
<th>Surplus</th>
</tr>
</thead>
<tbody>
<tr>
<td>1960</td>
<td>139.8</td>
<td>99</td>
<td>40</td>
</tr>
<tr>
<td>1961</td>
<td>137</td>
<td>106</td>
<td>31</td>
</tr>
<tr>
<td>1962</td>
<td>149</td>
<td>121</td>
<td>28</td>
</tr>
<tr>
<td>1963</td>
<td>154</td>
<td>124</td>
<td>30</td>
</tr>
<tr>
<td>1964</td>
<td>169</td>
<td>143</td>
<td>26</td>
</tr>
<tr>
<td>1965</td>
<td>192</td>
<td>162</td>
<td>30</td>
</tr>
<tr>
<td>1966</td>
<td>183</td>
<td>175</td>
<td>8</td>
</tr>
</tbody>
</table>

Source: "Economic and Financial Review" op cit June 1969

It can be seen that there was a downward trend. The most striking feature is the rate at which recurrent expenditure increased relative to revenue. Between 1960-1966, the former rose from £N99 million to £N175 million or 76.7%; while the latter went up from £N139 million to £N183 million or 31.6%.

**DOMESTIC BORROWING**

Internal loans were a useful supplement to the Government's Capital Fund. Under the National Plan, £N75.7 million was expected from this source - £N40 million of which was to be in the form of Central Bank holdings of various Government Securities. By 1964, £N41 million had been raised in
internal loans with the Central Bank holding about £N19 million of government development bonds after disposing of £N8 million worth. The Central Bank's holding of such a large amount of government bonds restricted its ability to contribute to government development finance without damaging monetary stability. Moreover, to the extent that private individuals and bodies subscribed to government loans, the already capital deficient private sector was deprived of funds.

**Foreign Reserves**

Drawing down of foreign reserves accumulated during the export boom periods particularly 1947-54, was a boon to development as long as the reserves lasted. By 1962 however, they were largely drawn down. With depressed prices for commodity exports in the late 50's and 60's it was possible to replenish the depleted reserves.

**Foreign Aid**

A consequence of the government's inability to raise adequate capital funds from the above sources was the heightened demand for foreign aid. The extent of this need is underlined by the fact that under the National Plan, out of a planned total government capital investment of £N644.4 million, £N327.1 million or about 50% was expected to consist of foreign aid.

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30. That is total government capital formation of £N693.4 million less £N149.4 million to be financed out of Recurrent Expenditures.

The urgency is underpinned by the Government's extensive resort to Contractor Finance and Supplier Credits "because of the delays and difficulties in arranging orthodox or conventional finance", although it was fully aware that these essentially short term, high interest loans had damaging budgetary and balance of payments consequences which could "seriously prejudice" the future development of the Nigerian economy.

Apart from development finance, foreign aid was simultaneously a source of urgently needed technical assistance. Between 1962 and 1966, Nigeria received technical assistance valued at £22 million.

Thus, to develop economically, Nigeria relied relatively heavily on external trade, inflow of private investments from abroad and on economic aid. And the Federal Government was strongly committed to a policy of rapid economic development. In his speech from the throne in the Federal Parliament in March 1961, the Governor General reiterated the opinion of his Ministers that "... our political independence will have no meaning unless it is firmly based on a vigorous expanding economy which will ensure steadily rising living standards to all our people. Therefore my Government will continue to attach first priority to the task of increasing the pace of economic development of this Country".

32. National Plan Progress Report op cit. p. 18
33. For details of Contractor financed loans received by Nigeria in 1960-66 including the loans, see A.T.7
35. For the monetary value and sources of technical assistance received by Nigeria 1962-6 See A.T.8
36. Nigeria House of Representative Debates (Lagos) 29th March 1961 Col. 598
CHAPTER 2
NIGERIA'S AFRICA POLICY

In the sphere of external relations, the Nigerian Federal Government focused much of its attention on the Continent of Africa. The Prime Minister, Sir Abubakar Tafawa Balewa insisted in 1962: "We belong to Africa and Africa must claim first attention in our external affairs". This was perhaps inevitable. Not only is Nigeria geographically located in the Continent which up to the middle 1960's was being swept by the consuming passions of nationalism; every sixth African is a Nigerian. The central theme of the Government's policy towards Africa related to its approach to Pan Africanism.

PAN AFRICANISM

Pan Africanism — the concept of African unity, dates back to 1900 when the first Pan African Congress sponsored by H.S. Williams, a Trinidadian Lawyer, was held in London. Born of hundreds of years of Slavery succeeded by Colonial subjugation, poverty and technological backwardness which had given rise to the stereotype of African racial inferiority, Pan Africanism aimed at restoring dignity to the African. In the early stages, it found expression in the slogan "Africa for the Africans" — a desire to rid Africa of what was regarded as the humiliating yoke of Colonialism.


2. At first, the Pan African movement dominated by the Du Bois' and the Marcus Garvey's who, though of African stock, had never set foot on African soil, made relatively modest demands. The manifesto of the 4th Pan African Congress held in London in 1923 declared "---We ask in all the world that black folks be treated as men. We can see no other road to peace and progress---" (Reproduced in Colin Legum - Pan Africanism. A short political guide (London 1965) Pp.29-30)

(continued on Page 28)
In the 1960's as alien rule receded in Africa, Colonialism, though still a pressing and highly emotive issue, was superseded by the need to preserve and consolidate the newly won independence of African States and to improve their economies. To achieve these objectives, there was a general perception of strength in unity. President Nyerere of Tanzania reflected popular African thinking when he argued that "for the sake of all African States large or small, African unity must come and it must be real unity. Our goal must be the United States of Africa. Only this can really give Africa the future her people deserve after centuries of economic uncertainty and social oppression. Only through unity can we be sure that Africa really governs Africa -- that African resources will be used for the benefit of Africa".  

Pan Africanism in the later stages thus embraced the idea of a United States of Africa or a political integration of all independent African States. While the goal of a political union was widely accepted on the Continent, there were two schools of thought as to how this goal could best be achieved. The two poles were represented by the standpoints of Accra and Lagos respectively.

2. (continued from page 27)

By the early 1940's a new era dawned with the active participation of Africa-born Nationalists - the Azikiwes, the Jomo Kenyattas, the Nkrumahs, and a change of mood was evident. The 6th Pan African Congress held in Manchester in 1945 demanded "for black Africa autonomy and independence so far and no further than it is possible in this one world of groups and peoples to rule themselves subject to inevitable world unity and federations." (Ibid p.32)

THE ACCRA APPROACH (OR CONTINENTAL FEDERALISM)

This approach whose foremost protagonist was President Nkrumah of Ghana strongly advocated the immediate union of African States in the form of a Federation. The union was constitutionally to comprise an Upper House with two representatives from each State, and a Lower House with representation proportional to the population of each member State. These central bodies would formulate Common policies relating to Defence, Economic Planning, Foreign Policy and Diplomacy to apply to the Federation as a whole. It would be essential to set up an executive body with effective enforcement powers. The surrender of some sovereignty by participating States would be a sine qua non. In Dr. Nkrumah's view, the sacrifice was worthwhile because "There can be no peace or security in Africa without freedom and political unity. The only answer to the several difficulties facing our Continent is actual political union of our various states and territories. If we cannot make an effort in this direction we might as well begin to throw up our hands in despair and forget about Africa".

THE LAGOS (OR FUNCTIONAL CO-OPERATION) APPROACH

This approach completely rejected immediate political integration of independent African States as unrealistic and non viable. Sir Abubakar underlined the salient features of the Lagos Approach when he told the Addis Ababa African Summit in May 1963—"Some of us have suggested that

5. K. Nkrumah - "I speak of Freedom". pp. 218-222
African unity should be achieved by political fusion of the different states of Africa; some of us feel that unity could be achieved by taking practical steps in economic, educational, scientific and cultural cooperation and by trying first to get Africans to understand themselves before embarking on the more complicated and more difficult arrangements of political union. My Country stands for the practical approach to the unity of the African Continent ——“

Stressing the fundamental differences between the two approaches, the Nigerian Foreign Minister Jaja Wachuku told Parliament in September 1961 "our Pan Africanism is the pyramid resting on the broad base. The apex is ultimately where the ideal of political union is reached. But there are others who want to reverse the pyramid by starting with the political Union which is the apex, to build the pyramid and proceed downwards to the broad base —— it will collapse and fall to pieces."

Drawing heavily on Nigerian history, Lagos was convinced that successful political integration had a number of prerequisite:

(1) That the political leaders of the prospective integration partners should undergo a long period of fraternizing with one another by exchanging visits and meeting together at frequent intervals to exchange views on common problems. This would enable them to understand one another's viewpoints on different issues and facilitate the drawing up of common platforms when fusion is eventually achieved.


(2) That at non-Governmental levels, nationals of the various States should get to know and understand each other well before the integration to avoid social disharmony in the Union.

(3) That transport and communications links between the States must be established and strengthened to facilitate interstate Commercial and non-Commercial intercourse.

(4) That the States must have a long history of Co-operation in economic, educational, Scientific and Cultural Spheres.

Sir Abubakar told the UN General Assembly in October 1960 that "—African political union will follow as the natural consequence of Co-operation in other fields". 8

The Lagos prescription for Africa's political integration implicitly assumed that as the benefits of inter-state Co-operation in limited non-political sectors became evident, the urge to expand the area of co-operation would become irresistible until a political union ultimately evolved. Co-operation in non-political spheres was thus imbued with a certain immanent dynamic that would propel States towards the final goal of political fusion.

There was however no prior reason why the assumed dynamic should not peter out before the final goal was attained. As will be seen in the next Chapter, one of the reasons why Lagos considered an immediate political union unviable was the belief that disparate educational and economic developmental levels in different parts of the Union would generate severe tensions that would destroy the Union. While close inter-state co-operation in economic matters could enhance economic development rates for the entire Continent, the distribution of the gains would be uneven. This would be the case especially without an effective central agency to ensure

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8. Same Epelle "Nigeria Speaks - Speeches made by Alhaji Abubakar Tafawa Balewa between 1957 and 1964" (Lagos 1964) p.68.
a more balanced distribution. States already relatively better off would tend to get relatively larger shares of the benefits. The outcome could be threefold. Relatively worse off States may well see themselves as subsidising their better off counterparts. They might then lose enthusiasm for the co-operation schemes if they were convinced that in absolute terms, their gains from co-operating closely with fellow African States would be the same or even less than if they maintained close association with non-African powers.

Secondly, the uneven distribution of benefits would tend to exacerbate the disparate economic development levels and render future political union even less viable on the basis of the arguments advanced against immediate political integration.

Thirdly, to the extent that all African States develop satisfactorily through co-operation among themselves, many, particularly the small ones would tend to be less attracted towards a political union in which they would be dominated by the bigger States.

Lagos was nevertheless persuaded of the wisdom of the approach which entailed a minimum of upheaval and ensured that movements in the direction of political union would be gradual, mild and reversible, and set out to implement it.

MOVES TO FOSTER CO-OPERATION AMONG AFRICAN STATES

By the Spring of 1961, there were two distinct groupings of African States with opposed foreign policy outlooks. The Brazaville Group (comprising twelve ex-French African territories) 9 and the Casablanca Group. 10

9. Cameroons, Chad, Congo (Brazaville), Central African Republic; Dahomey, Gabon, Ivory Coast, Madagascar, Mauritania, Niger, Senegal and Upper Volta.

While the former was basically a Status quo group, the latter was revolutionary in its foreign policy orientation.

In furtherance of its approach to African unity, Lagos set out to bring both groups and 'uncommitted' African States together. It co-sponsored an African Summit in Monrovia with the Governments of Liberia, Togo, Ivory Coast, Camroons, Guinea and Mali. Although invitations were sent to all twenty six independent African States, twenty attended while the whole Casablanca Group stayed away.

Rather than heal the breach between the two groups, the Monrovia Conference saw the formation of a new Status quo group. There were however, some positive results. The Conference brought together for the first time the majority of English and French Speaking States and Countries situated both North and South of the Sahara. It decided, among other things, to set up Committees of experts to study concrete plans for economic, scientific, technical and cultural co-operation. These Committees were to meet in Dakar and report to a follow up African Summit in Lagos.

With Lagos playing host, it was mainly responsible for summoning the January 1962 Summit. Invitations were sent to all twenty eight independent African States. To entice the Casablanca powers, Sir Abubakar entered into correspondence with Nkrumah, paid an official visit to Guinea in December 1961, and just before the Summit Conference, his government announced the abrogation of the Anglo Nigerian Defense Agreement which the Casablanca

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11. All Brasaville States plus Ethiopia, Liberia, Lybia, Nigeria, Somalia, Sudan, Togo and Tunisia.


Powers, particularly Ghana, had taken strong exception to. The Provisional Government of the Algerian Republic (The G.P.R.A.) was however not invited and this was seized upon as a last minute excuse for the Casablanca group’s non-attendance. Three North African States - Libya, Sudan and Tunisia also stayed away for the same reason.

Although hopes of effecting a reconciliation between the Monrovia and Casablanca groups were dashed, the twenty States\(^1\) represented adopted the Dakar recommendations and accepted in principle, a draft Charter to harmonise and strengthen co-operative relationships among them.\(^2\)

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14. On the eve of the Conference, with the United Arab Republic advance party already in Lagos, the Casablanca Charter States' Foreign Ministers meeting in Accra issued a communique announcing they would not attend because the agenda for the Lagos talks had been drawn up "unilaterally and without consultation with the Casablanca Charter States, thereby depriving us of the opportunity of making the necessary preparations with all the care and attention demanded by such a conference". Besides, the failure to invite Algeria, a signatory of the Casablanca Charter "is of such a character as may undermine the struggle of the Algerian people for their survival and independence at a crucial stage in that struggle". *West Africa* (London) 27 Jan 1962.

15. All the States which had attended the Monrovia Conference minus Tunisia, Sudan and Libya plus Tanganyika and Congo (Leopoldville).

As will be seen presently, the Nigerian Government summoned an emergency meeting of the Monrovia States' Foreign Ministers to work out a common approach to the Lome coup that had resulted in President Olympio's assassination in January 1963. It was not however until the May 1963 Addis Ababa Summit that a formal basis for interstate co-operation in Africa was at last constructed.

The initiative for summoning the Addis Summit was largely Emporer Haile Selassie's but he had the close co-operation of Sir Abubakar. By May 1963 many of the issues of discord between the Casablanca and Monrovia powers had resolved themselves. Algeria for instance, had become independent. It was then possible for all independent African States to be represented. The Conference decided to establish an Organisation of African Unity (OAU) whose Charter defined its purposes to include the improvement of unity and solidarity of the African and Malagassy States; the co-ordination and intensification of their co-operation and efforts to achieve a better life for the peoples of Africa, the defense of their Sovereignty and independence, the eradication of all forms of Colonialism from Africa and the promotion of inter-State co-operation having due regard to the Charter of the UN and the Universal Declaration of Human Rights.

17. Except Morocco which objected to Mauritania's presence and Togo whose attendance was opposed by Nigeria and Guinea. Both were admitted into the OAU in August 1963.

18. "OAU Charter" published in "Federal Nigeria" (Lagos) Vol. 6 No.5 1963 p 7-10. Article 11
Institutions set up under the Charter 19 include:

An Assembly of Heads of States - The Supreme Organ - to meet annually. A Council of (Foreign) Ministers was entrusted with the execution of Assembly decisions. A Secretariat headed by a Secretary General was to take charge of the general administration of the Organisation and to Co-ordinate the activities of the various Specialised Commissions. These Commissions 20 were:

(1) The Economic and Social Commission
(2) The Education and Cultural Commission
(3) Health, Sanitation and Nutritional Commission
(4) The Defence Commission
(5) The Scientific, Technical and Research Commission

Their functions were essentially Consultative and advisory 21. A Commission for Mediation, Conciliation and Arbitration was also set up to deal with inter-African disputes. 22

The OAU emphasis on functional co-operation indicated its preference for the Lagos Approach and its simultaneous rejection of the Accra Approach to African unity. 23

19. Ibid Article VII
20. Ibid Article XX
21. For instance, at its inaugural session, the Defence Committee, the first of the Specialised Commissions to be constituted, proclaimed that its primary responsibility "Shall be to act as an organ of Consultation, preparation and recommendation for the Collective and/or individual self defence of member States against any act or threat of aggression" OAU Review Vol.1 No.1 May 1964, P6
22. Ibid Article XXX
Following the creation of the OAU an African Development Bank with a total capital of $250 million was set up in late 1964 to finance multinational projects and enhance inter-African trade and communications.

In June, 1965, Lagos summoned an extraordinary OAU Council of Ministers' Conference in a bid to stave off the threatened mass boycott of the imminent Accra OAU Summit by a group of Francophone States who accused Dr. Nkrumah of subversive interference in their domestic affairs. The States agreed to call off their threats if the Ghana Government would send foreign political refugees away from Accra before the Summit. Inspite of this agreement, eight Francophone States were not represented at the Accra Summit in October 1965.

**OTHER MEASURES TO FOSTER CO-OPERATION IN AFRICA**

In addition to the role it played in the formation of the OAU, the Nigerian Government also encouraged inter-African co-operation and accord by other means. Lagos operated an Economic Aid and Technical Assistance programme for the benefit of other African States. The actual financial aid disbursement was small but the technical assistance in the form of Scholarship awards and the secondment of Nigerian personnel to African Governments was relatively extensive. In 1965 for instance, the Government made 500 Scholarship awards tenable in Nigerian educational institutions to

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24. The issue came to a head following an unsuccessful attempt on the life of President Hamani Diori of Niger in April 1965 by a compatriot who was a refugee in Ghana.

25. The States were Chad, Dahomey, Gabon, Ivory Coast, Niger, Madagascar, Togo and Upper Volta.
By 1965, the Chief Justices of Uganda and Zanzibar and several Judges, Crown Counsels and Magistrates in some East African Countries were Nigerians on Secondment to the respective Governments. The Lagos Government paid their transport costs and inducement allowances.

MEASURES TO SECURE GREATER INTER-AFRICAN COMMUNICATIONS

To facilitate inter-African Communications, Nigeria opened telephone and air transport links with Dahomey, Togo, Congo (Kinshasa), Liberia, Ghana and Guinea.

In 1962 Nigeria, Dahomey and Togo agreed to establish joint customs posts at their borders. A year later Nigeria and Niger made a similar agreement. Such joint customs posts did not affect the rates of customs duties charged by the countries involved. They did however simplify customs formalities and facilitated trade.

In June 1964 Nigeria and Dahomey agreed to abolish visa formalities. Similar accords were reached between Nigeria and the Cameroon Republic, Niger, Chad, Ivory Coast, Togo and Morocco by the end of the year.

The Lagos approach to African unity had two corollaries which were entrenched in the OAU Charter. The principles of non-interference by one State in the domestic affairs of other African States and of respect for the sovereignty and territorial integrity of all States.

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27. *Africa Confidential* - 23rd June 1967, p.4
28. Article III OAU Charter Op cit
THE CONGO CRISIS

Within a week of Independence, as in June 1960, Congo (Leopoldville) had lapsed into chaos and in August the UN Security Council voted to send military assistance to the Central Government. In September, President Kasavubu and Prime Minister Lumumba had a serious policy disagreement which culminated in each declaring the other deposed. Lumumba was subsequently arrested and sent to Katanga where he was murdered in January 1961.

The events so far split Africa down the middle. The Casablanca States actively supported Lumumba, withdrew their troops from the UN Congo Command in protest after his murder and granted diplomatic recognition to the secessionist Stanleyville regime of Lumumbist Gisenga. The Nigerian Government openly declared support for neither side in the Kasavubu / Lumumba dispute, professed to be interested only in seeing the crisis resolved and left its troops and police contingent in the Congo until the end of the UN operations in 1964. It also accorded technical assistance to the Leopoldville Government thus indicating its support for the Kasavubu Government.

Meanwhile UN troops successfully terminated the multiple secessions in the Congo. In July 1964, President Kasavubu exercising his constitutional powers, installed Moise Tshombe as Prime Minister of the Central Government.

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29. During the Lumumba / Kasavubu leadership dispute, Balewa told a Press Conference at Enugu that having studied the Congo Constitution he was quite clear in his mind who was right in the mutual dismissals in the Congo. He would not however reveal who the right party was because "Nigeria is only interested in seeing the crisis resolved; not in meddling in the Congo's internal affairs". Daily Times (Lagos) 25.1.61.
This introduced a new irritating element into African politics. Many African Statesmen detested the erstwhile secessionist leader whom they held responsible for the entire Congo debacle. To them the very thought of sitting around a conference table with him was an anathema. They were therefore opposed to Mr. Tshombe attending the 1964 OAU Assembly meeting at Cairo and the Cairo Conference of non-aligned States later in the same year as a representative of Congo (Leopoldville). On both instances Lagos insisted unsuccessfully as a legally appointed Prime Minister of the Congo, Mr. Tshombe had the right to represent his country.

Tshombe was eventually deposed by President Kasavubu. In November 1965 General Mobutu ousted the Kasavubu regime in a bloodless coup d’état. Within a week Alhaji Bala sent him a congratulatory cablegram. Presently, Balewa told an envoy of the new Government that the change of regime was "entirely the internal affair of the Congolese people" and Nigeria would not meddle in that. Sir Abubakar may have been encouraged to send the cablegram by the fact that within three days of the Coup, a joint Session of the Congo National Assembly voted 250 to 0 with two abstentions in approval of the military take over that ended the bitter feuds between President Kasavubu and ex-Prime Minister Tshombe. The two feuding leaders, presented with a fait accompli, also announced acceptance of the Coup. Yet, if the intention was to remain strictly neutral Lagos could have noted

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30. West Africa 4th July 1964
31. Ibid
32. Daily Times (Lagos) 4.12.65
33. Ibid 6.12.65
34. Reported in The Times (London) 29.11.65
35. Ibid 27.11.65 and 29.11.65
the Coup without comment. Even this would have amounted to tacit support for General Mobutu since as recently as June 1965 Sir Abubakar had said that the OAU Charter abhorred changes of Governments by military or violent means and therefore that such actions as the overthrow of Ben Bella's Algerian Government by the Army should not be encouraged.\footnote{36}{The impression is inescapable that by sending a telegram, Lagos meant to advertise to the Congolese people and the world at large that the Mobutu regime had powerful governmental support in Africa and this amounted to interference in Congo's internal affairs.}

**THE TOGO AFFAIR**

On 13th January 1963, an Army Coup overthrew the Government of Togo, killing President Olympio in the process. The army then invited M. Grunitzky, a Togolese political refugee in Dahomey, to head a Provisional Government. M. Maitachay, a political refugee in Ghana was also invited home to take a seat in the Provisional Cabinet. With Olympio's Cabinet Ministers imprisoned, the new Government suspended the Constitution and abrogated the National Assembly and Electoral Regulations.

The Nigerian Government immediately announced that "the recognition of the new Togo regime by any foreign country will be regarded as an unfriendly act"\footnote{37}{emphasised that for purposes of State Security it regarded the Ghana/Togo border as her own and then summoned Foreign Ministers of the Monrovia Powers to an emergency conference in Lagos to discuss the Togo crisis.}

The conference decided that recognition of the new government in Lome should be withheld until Olympio's assassination was investigated and all the

\footnote{36}{"West Africa" (London) 26.6.65}
\footnote{37}{"Morning Post" (Lagos) 22.1.63}
\footnote{38}{Ibid}
Army units directly involved were disbanded; imprisoned ex Cabinet Ministers were released and elections were held to restore Constitutionality and the Rule of Law. Conference also appointed a Commission to investigate the Togo situation.

At the May 1963 Addis Summit, Lagos successfully objected to Togo's participation on the grounds that the Provisional Government had not complied with the conditions laid down at the Lagos Emergency Foreign Ministers Conference. Not until elections had been held in Togo in May 1963, the Constitution restored and Olympio Ministers released from jail did the Nigerian Government grant diplomatic recognition to the new Government in Lome.

DAHOMEY

In October 1963, President Maga's Government in Dahomey was ousted by the Army because of alleged corruption and nepotism which had precipitated a general strike and widespread rioting in the country. A civilian administration was instituted shortly afterwards. By November 1965, the Army had to intervene again because of the serious power struggle between the President and Prime Minister. This time General Soglo dismissed the Civilian Government and declared himself head of state.

39. Ibid 26.1.63
40. The Commission comprised Ivory Coast, Nigeria, Upper Volta, Dahomey, and Niger. The last two however failed to send representatives when members of the Commission set out for Lome. Though cordially received by the Provisional President, the Commission's task was made impossible by the President's non-co-operation.
41. There was only a single list of Candidates so that the result was a foregone conclusion.
42. Daily Times (Lagos) 28th and 29th October and 4th December 1963.
43. Morning Post (Lagos) 30 November 1965
The Nigerian Government maintained normal relations with the different Governments in Dahomey during this period. The official attitude in Lagos was one of the almost complete indifference to domestic happenings in neighbouring Dahomey especially as these did not appear to threaten Nigeria’s vital interests.

THE CONTRASTING SHADES OF "NON-INTERFERENCE"

Two factors were chiefly responsible for Nigeria’s contrasting forms of non-interference:

(a) Ghana’s suspected complicity in the Togo Coup.
(b) The United States apparent endorsement of the Mobutu Coup.

GHANA AND TOGO

Relations between the Nkrumah and Olympic Governments were never really amicable. The major source of discord was pan-Ewe sentiments which resulted from the fact that Ewe tribesmen resided on either side of the Ghana/Togo border. Ghana’s Upper Volta Region was the old British Togoland. Both Accra and Lome harboured political refugees from across the border and each was convinced that the actively aided and abetted subversion against it. President Olympic was particularly concerned that Ghana was intent on gobbling up his tiny country.

In October 1959, Dr. Nkrumah had promised that he would "see to it that (Togo) became the Region of Ghana." The 1962 bomb attempt on Nkrumah’s life at Kulu-Begugu and the subsequent series of terrorist bomb explosions in Ghana were blamed on Ghana refugees resident in Lome supported by the Togo Government. On December 7, 1962, Accra sent a note to Lome threatening it would "institute such measures as may be found necessary to protect the

\[44\] Ghanaian Times (Accra) 30.10.59.
security and safety of Ghana unless Lome repatriated the Ghana refugees whom it accused of plotting against the Nkrumah Government. There was no positive response from Lome and a few weeks later came the Coup. There was circumstantial evidence to implicate Accra in the Coup.

The Nigerian Government claimed it had concrete evidence. Other facts served to strengthen Lagos's convictions even further. M. Naitachy offered a Cabinet post in the new government to a refugee in Ghana and regarded as Nkrumah's protege. Moreover Accra speedily recognised the Provisional Government and reached accord on the exchange of Ambassadors with Togo for the very first time. Accra's dispatch of troops to the Togo border was seen as a gesture of support for the new Togo Government.

As argued in the next Chapter there was patent rivalry between Lagos and Accra for the leadership of Africa and the urge to neutralise whatever advantages accrued to the other was all in the power game. The turn of events were perceived in Lagos as favouring Accra and needed to be countered. Olympio was a personal friend of Bialewa's while the new Togo leaders were expected to be pro-Nkrumah. Nigeria's interference was thus designed to impress on Lome just who had the most following in Africa and therefore that being too pro-Accra by for instance repatriating Ghanaian refugees as demanded by Nkrumah, would not be in its best interests.

MOBUTU'S COUP

In sharp contrast, Mobutu's Coup introduced a new Congo Government of which Lagos warmly approved. Sir Abubakar's Government had always been on

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45. W.S. Thompson Op cit. p.310

46. The Nigerian Foreign Minister told a Press Conference his Government had such proof. Daily Times 22.1.63.
very good terms with the Kasavubu Government which was widely accepted as the legal Congo Government and had the support of the Western Powers particularly the United States. The Mobutu Coup promised the peace and order which had eluded the Congo under civilian rule and appeared to have been favoured by the United States Government which subsequently provided financial backing for the new Government. This appears to have been a strong factor in deciding Lagos to declare open support for General Mobutu and constitutes an aspect of Nigeria’s relations with the World Powers discussed in Chapter 8.

When the Nigerian Government’s indifference to Government Changes in Dahomey is taken into account, it emerges that non interference was adhered to by the Lagos Government so long as events in other States were not perceived as affecting Nigeria’s vital interests. It explains the fundamental differences in the Government’s reactions to Army Coup d’etats in Dahomey, Congo and Togo.

RESPECT FOR THE TERRITORIAL INTEGRITY OF OTHER STATES

While conceding the basic artificiality of States boundaries inherited from Colonialism in Africa, the Lagos Government considered it prudent, in the interest of harmonious relations among African States, that these boundaries be left "--- as they are at present and to discourage any adjustments whatever".

FERNANDO PO

This Spanish island colony situated just off the South Eastern border of Nigeria was peopled substantially by Nigerians who work in the Spanish...
owned plantations. In July 1963, a Nigerian was shot dead by a Spanish guard allegedly on orders from a plantation owner. Similar incidents coupled with frequent Press reports of organised maltreatment of Nigerian workers in the Island sparked off waves of protest and demands that the Balewa Government do a Goa on the island. The Government's response was however limited to strong protests to the Spanish authorities. There is no evidence of any Contingency Plans to take over the Island. On 4th May 1965, the Minister of State in the Ministry of Foreign Affairs emphasised that the Nigerian Government "--is not thinking of acquiring Fernando Po either by peaceful negotiations or otherwise because it was not in anyway interested in an expansionist policy--".  

**KATANGA**

The Nigerian Government strongly disapproved of Katanga's Secession from the Congo in July 1960. The Nigerian Foreign Minister asserted at the the UN that "Any Country that dares to suggest that Katanga will by any means be taken out of the Congo is an enemy of Africa as far as we are concerned". Nigeria actively supported the UN Military Operations which terminated Katanga's self-proclaimed Independence in January 1963.

49. *Daily Times (Lagos)* 19th July 1963  
50. For instance in 1961 Dr. Otogbeye, President of the Nigerian Youth Movement called on the Government to take over the Island. *Daily Express (Lagos)* 3 Dec. 1961.  
MAURITANIA

This desert state gained independence from France in November 1960 but neighbouring Morocco claimed that it was historically part of the Moroccan kingdom and could not therefore possess a sovereign existence independent of Morocco.\footnote{53}

The Balewa Administration endorsed Mauritania's sovereignty, supported its UN membership application, denounced the Soviet veto of that application in December 1960,\footnote{54} and became partners with it in the Monrovia group of States and later in the OAU.

As implemented, the policy of respect for territorial integrity of other States meant that Lagos would neither welcome encroachment by one African state on the territory of another nor any attempts by a constituent part of a State unilaterally to declare itself independent and sovereign.

POLICY TOWARDS COLONIALISM.

The Nigerian Government's depth of feeling against Colonialism was manifest when the Prime Minister, in his address to the United States House of Representatives in July 1961 declared that "Our own freedom can only have meaning to the extent that we utilise our efforts and goodwill to achieve the same (independence) for all Africa".\footnote{55}

In practice, the Lagos brand of anti-Colonialism was relatively moderate.

\footnote{54. Mauritania was eventually admitted into the UN in 1962}
\footnote{55. "Nigeria Speaks" Op Cit P. 103}
ALGERIA

By 1960 when Nigeria attained independence, the Algerian War of Independence which had been raging for five years, was approaching its final stages. Paris and the GFRA were agreed on the principle of self-determination for Algeria. Differences related to its implementation.56

The Nigerian Government was in support of independence for Algeria. In December 1960, Sir Abubakar conferred in Tunisia with President Bourgiba and M. Ferhat Abbas, the GFRA leader on the Algerian question. Later in the month, Nigeria co-sponsored a twenty-one nation Draft Resolution in the Main Political Committee of the UN, calling for a UN supervised referendum to determine the wishes of all Algerians on the independence issue.57

Lagos however only gave moral support to the Algerians. Even then, it would not grant de jure diplomatic recognition to the GFRA instead of the fact that the Algerian Nationalists had a Common Muslim religion with a majority of Northeners and a large minority of Southerners in Nigeria and that by July 1962 when Algeria became independent, about thirty States, including moderates like Liberia, had recognised the GFRA. Yet diplomatic recognition displayed international support for the nationalist cause and tended to put pressure on France to come to terms with the FLN. As has been seen, the Balewa Government did not invite Algeria to the Lagos Summit in January 1962 although the Country had been represented at several Summit Conferences like the 1961 Belgrade Conference of non-aligned States, as a fully fledged State.

56. In a broadcast on 17th September 1959, General de Gaulle promised the Algerians would decide their own fate through universal adult suffrage and without limits to their freedom of choice. The Economist (London) 19th Sept. 1959. P. 301

57. Daily Times (Lagos) 12.12.60.
Lagos disclaimed sole responsibility for Algeria's non-invitation but it was entirely in line with the non-recognition of the GPRA for which two main considerations were operative.

Firstly, Lagos was apprehensive that the Brazaville States which backed France's insistence that foreign interference in the Algerian problem was unwarranted, might decide to quit the Monrovia Group if it recognised the GPRA. Such an eventuality would seriously undermine the much desired rapprochement between ex-British and ex-French African territories without any compensating assurance it would render the Monrovia Group attractive enough to the Casablanca States.

(2) The Balewa Government was extremely careful to avoid treading on France's toes. In January 1961, Nigeria had severed diplomatic relations with France as part of a stern response to the French Sahara atomic tests. It soon became obvious that the lack of diplomatic relations with France was hurting the country and Lagos was eager to have relations with France normalised. In November 1961, Sir Abubakar told Parliament "—We want them [France] to come [and open an Embassy in Lagos] so that we can open one in France too". For reasons of national pride however, the Government wanted France to re-apply for the right to establish an Embassy in Lagos. Paris was in no hurry to gratify the Nigerians and Lagos clearly had no wish to exacerbate relations with Paris any further by recognising the GPRA.

58. Foreign Minister Wadhuku explained in Parliament in April 1962 that the Lagos Conference was a continuation of the Monrovia Conference which had in fact stipulated the States to be invited. **H R D** 14 April 1962. Col. 1718

59. Federation of Nigeria "House of Representatives Debates" (Lagos) 23.11.61.

60. It was not until October 1965 that Lagos and Paris reached agreement on the resumption of diplomatic relations.
The refusal of the Nigerian Government to recognise the GPR affects it strongly with its actions in relations with another Colonial territory.

**THE CENTRAL AFRICAN FEDERATION**

This white minority dominated Federation comprised Northern Rhodesia, Southern Rhodesia and Nyassaland. By 1960 the future of the Federation looked extremely dubious in view of the determination of its African Nationalist leaders to 'kill' the Federation and the Monckton Recommendations in 1960 that its Constituent parts be allowed to secede after a five year trial period of an attenuated Federation.

The Nigerian Governments relations with the Federation was ambivalent. Lagos exchanged High Commissioners with the Federation which was not an independent State. This was out of deference for London's wishes to see the Federation survive in one form or another in spite of the Monckton Report.

On the other hand the Nigerian Government gave support to African leaders in their efforts to achieve independence for the Constituent parts of the Federation. In 1962, Nigeria opened a High Commission Office in Nyassaland. The Government could not turn its back on the African leaders and retain credibility for its anti-Colonialist stance.

**PORTUGUESE TERRITORIES IN AFRICA**

Lisbon had always regarded its overseas territories, which on the African

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61. Northern Rhodesia is now the independent State of Zambia; Nyassaland the independent State of Malawi.


63. Mr. K. Kaunda, African Nationalist leader of Northern Rhodesia told a New York reception in 1963 that Nigeria was "always willing to help and has helped us in so many ways [in our struggle for independence]" Daily Times (Lagos) 31.5.63.
Mainland comprised Angola, Portuguese Guinea and Mozambique, as provinces of metropolitan Portugal for whom there could be no independence. First in Angola (1961) and Portuguese Guinea (1962) wars of independence erupted which elicited heavy handed military response from Lisbon.

The Nigerian Government rejected the idea of an African territory being an integral part of metropolitan Portugal. Unlike 'Militant' African Governments however, Lagos merely desired that Lisbon accept the principle of independence for the territories and start working gradually towards their eventual decolonisation. It sought to put pressure on Lisbon by diplomatic action at the UN in concert with other Afro-Asian States and by attempts to ostracise Portugal from the international community. For instance in July 1963, the Nigerian Minister of Education moved a motion demanding Portugal's expulsion from the International Conference on Public Education at Geneva. After the motion had been passed, the Afro-Asian delegates walked out of the Conference in protest against the presence of Portugal's representatives.

These tactics have produced UN Resolutions condemning Portuguese Colonialism and seeking to ban arms shipments to Portugal. They have also resulted in

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64. Foreign Minister Wachuku of the UN Assembly, Daily Times (Lagos) 12 October 1961.

65. West Africa (London) 7th July 1963

66. For instance on December 18, 1962, the General Assembly of the UN adopted a Resolution Condemning Portugal for "mass extermination of the indigenous population of Angola" by means of "Arms Supplied to Portugal by Certain member States" it called for an end to Arms Supplies to Portugal and requested the Secretary General to "take appropriate measures, including Sanctions to Secure Portuguese Compliance" with General Assembly and Security Council Resolutions (General Assembly Resolution 1819 (XVII) of 18.12.62) A Security Council Resolution of July 1963 urgently called upon Portugal to recognise 'the right of the peoples of its territories to self-determination and independence'. All UN member States were requested to "refrain forthwith from offering the Portuguese Government any assistance which would enable it to continue its repression of the peoples of the territories under its administration and to take all measures to prevent the Sale and Supply of arms and military equipment to the Portuguese Government". The Secretary General was requested "to ensure the implementation of the Resolution" (UN Doc. 3/5380 of 31/7-63)
Portugal being expelled from many an international organisation. Their effects on Lisbon's resolve and capacity to maintain its Colonialist hold on the overseas territories have however been no more than marginal.

Given limited action capability due to rudimentary military, economic and technological strength, the Nigerian Government was committed early in its lifetime only to diplomacy as a means of ridding Africa of Colonialism. In November 1961, Nigeria introduced a Draft Resolution at the UN General Assembly calling for complete decolonisation in Africa by 1970. This evoked such consternation among African States insisting on immediate decolonisation that the Resolution had to be withdrawn. The formation of the OAU in 1963 introduced a new spirit into Lagos' anti-colonialism. Nigeria was appointed a member of the OAU's Liberation Committee to distribute funds and supplies to various Nationalist Movements in various parts of the Continent and for the first time the Government was ready to aid embattled Nationalists militarily as well as morally. Hitherto it had pledged only moral assistance.

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67. Portugal was expelled from the UN Economic Commission for Africa (June 1963) barred from the International Conference on Public Education (May 1965); the International Conference on Illiteracy (May '65) the World Health Organization Committee for Africa and its Regional Activities (1966).

68. The issue of arms shipments to Portugal affords a good example. In spite of various Security Council Resolutions to the contrary, Portugal's NATO partners continued arms supplies. The U.S. policy being typical. In 1963, the U.S. stated that its policy was one of "providing no arms or military equipment to Portugal for use in (its) territories". It prohibited the direct export of arms and military equipment to Portuguese territories (UN Doc. S/PU 1049 31.7.63. P.22) Arms exports to metropolitan Portugal were unaffected. Mr. Macmillan's embargo on the sale of arms to Portugal in 1961 made reservations in respect of Portugal's "reasonable military requirements as a NATO ally" (The Economist (London) 8.7.61. P.119) This reservation the Economist was convinced "Opens a gaping hole in the embargo" (Ibid)

69. Daily Times (Lagos) 11.11.61

Support to African nationalist movements. 71

MINORITY RULE AND RACIAL DISCRIMINATION

The classic example of minority rule coupled with racial discrimination in Africa is afforded by the Republic of South Africa. There, the ruling Afrikaners, determined to maintain white supremacy as a rationalisation for the economic exploitation of the overwhelmingly numerically Superior Africans, adopted the policy of Apartheid. This policy finds expression in laws and regulations calculated not only to refuse most Africans the vote but also to deny them their basic humanity. 72

Like most black African States, Nigeria objected strenuously to the policy of Apartheid which it perceived as branding the whole African race with a stamp of racial inferiority. The country was solidly united in and condemnation of racial prejudice against Africans in demanding that the Government take effective measures against the perpetrators of such prejudice wherever it existed. Dr. Azikiwe struck a popular chord when at his

71. In a policy statement on the Angolan war in April 1962, the Foreign Minister told Parliament "As far as military aid (to the Angolans) was concerned, that is out of the question" H.R.D. 5.4.62. Col. 912.

72. As President Nyerere of Tanzania put it "To be an African in South Africa is to beg for permit to live in your own Country - or to leave it; to need permission to work in a particular place or in a particular job - to be subject to arbitrary arrest at any particular moment - to have permission to be humiliated by any man, woman or child who has a white skin just for the reason that he has a white skin". J. Nyerere "Rhodesia in the Context of Southern Africa" IN Foreign Affairs. April. 1966
inauguration as Nigeria's first native born Governor General he declared "— We regard all races of the human family as equals. Under no circumstances would we accept the idea that the black race is inferior to any other race— We cannot concede that it is in our national interest to fraternise with such nations which practice race prejudice and we must not acquiesce in such an outrageous insult on the black race. Infact we regard it as a mark of disrespect and an unfriendly act if any country with whom we have friendly relations indulges in race prejudice, in any shape or form.\textsuperscript{73}

Public opinion therefore demanded strong measures against Governments like those of South Africa.\textsuperscript{74} The Nigerian Foreign Minister was fully aware of this when he told Parliament in 1961 the Government was determined "to see to it that South Africa will either change her policy of apartheid or pull out of the Continent".\textsuperscript{75}

The Nigerian Government's choice of anti-apartheid weapons were similar to those used against Portuguese Colonialism.

\textsuperscript{73} The address was printed in full in \textit{Daily Times} (Lagos) 17th November 1960.

\textsuperscript{74} After the 1961 Commonwealth Prime Ministers’ Conference which saw Pretoria’s withdrawal, Balewa said he had threatened to withdraw Nigeria from the Commonwealth if South Africa would not alter its apartheid policies because he could not "imagine how I would look at my Countrymen when I came back home" if he had not taken such a firm stand. \textit{(Sunday Times} (Lagos) March 19 1961.

\textsuperscript{75} H.R.D. November 1961.
Several Resolutions condemning the South Africa Apartheid policies and seeking to impose sanctions on her have been passed by the UN as a result chiefly of concerted Afro-Asian pressure. In 1961, Sir Abubakar played an important role in getting Dr. Verwoerd to withdraw his Country's application to remain in the Commonwealth after becoming a Republic. In June 1963, the Nigerian Minister of Labour led a mass Afro-Asian walk-out on South Africa's withdrawal from the International Labour Organisation Conference in an attempt to effect South Africa's withdrawal from the Organisation.

In May 1961, the Nigerian Government banned all trade with South Africa, expelled the Dutch Reform Church from Nigeria, ceased to accord the privileges of Commonwealth Citizenship to white South Africans or to employ them. Two years later, Lagos banned South Africa's ships and planes and any ships and planes on their way to or from the Republic, from using Nigerian Ports. The aggregate impact of the above measures on the South African Government's racism was however almost imperceptible. There is no indication that Pretoria has been induced to mellow its Apartheid policies.

76. Reporting to the South African House of Assembly on his return from the Commonwealth Prime Ministers' Conference, in March 1961, Dr. Verwoerd admitted that one of the reasons why he withdrew his Country's application was the threat by Ballewa to "—Consider whether Nigeria should remain a member of the Commonwealth if South Africa remained a member—". Dr. Verwoerd's speech is reproduced in full in N. Mansergh "Documents and Speeches on Commonwealth Affairs 1952-62" PP. 375-389.

77. Employing similar tactics the Afro-Asians succeeded in getting South Africa expelled from the UN Economic Commission for Africa, the Food and Agricultural Organisation, The World Health Organisation and the UN Econ, Social and Cultural Council.

78. The pre-ban volume of trade between Nigeria and South Africa was very small. See A.T.9.
although several countries have imposed at least partial embargoes on arms shipments to the Republic in response to UN Resolution\(^79\). Several others like France have ignored such resolutions. South Africa has in any case built up a massive stockpile of arms and has acquired the capability to manufacture internally, most of the arms it would need for "internal security" so that it could easily shrug off a complete embargo on arms sales by foreign powers.

\(^79\) Canada (Oct 1963); Switzerland (Dec. '63); USA (Dec'63). The USA however reserved the right in implementing the ban "to interpret this policy in the light of requirements for assuming the maintenance of International peace and security" (U.N. Doc. S/PV.1052 28 Nov 1963, PP 33-35). The Labour Government in the U.K. imposed a ban in November 1964. This is now apparently to be lifted within certain limits in view of the new Conservative Government's interpretation of Britain's obligations under the 1955 Simonstown Agreement.
The rejection of Immediate Political Union of African States.

A political union of independent States is a radical and complicated endeavour requiring for its creation and successful operation, the commitment by participants of huge national resources defined in terms of finance and the attention of political leaders and various specialists. For African States, the opportunity cost of establishing a continental union is the loss of resources badly needed for immediate economic development and the promotion of national political unity. Nigeria had a developing economy and lacked domestic political cohesion as well.

NIGERIA'S DOMESTIC POLITICAL SITUATION

Background

At independence, Nigeria was a federation of three regions — The North, East and West and the Federal Territory of Lagos — comprising about 150 tribes with nearly as many different languages. The Northern Region was bigger in land area and in population than the rest of the Country put together.¹

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¹ According to the 1952/3 National Census, the North had a population of 16.8 million; East 7.2; West 6.1 and Lagos 0.3 million. The East, West and Lagos are often referred to as the Southern Regions.
Each region consisted of a numerically dominant tribe (the Hausa/Fulani in the North; Ibos in the East and Yorubas in the West) and a host of minority tribes generally suspicious of the major one. Relations among the major tribes was steeped in mutual mistrust. Each region also had a ruling political party in which its main tribe was predominant: The Northern Peoples' Congress (NPC) in the North; National Convention of Nigerian Citizens (NCNC) in the East and the Action Group (AG) in the West. At the Federal level, a Coalition Government comprising the NPC (as Senior partner) and the NCNC was in power.

Other inter regional differences abounded. While the North was mostly of the Moslem faith, the East was Christian and the West, Moslem and Christian. In addition, a variety of indigenous religions existed all over the country. Educationally and economically, the Southern Regions were more advanced than the North. These differences generated centrifugal forces which were not checked by the fact that although Britain had created the Nigerian State, official Colonial policy did not appear to have encouraged the development of nation wide Nigerian nationalism initially. In 1920, Governor Sir Hugh Clifford stated emphatically "It is the Consistent policy of the Government of Nigeria to maintain and support the local tribal institutions and indigenous

2. For instance, in 1963, the North had only 410,706 pupils in Primary Schools and 9881 in Secondary Schools. Comparative figures for the Southern Regions put together were 2,485,676 and 201,998 respectively. Federal Ministry of Education "Statistics of Education in Nigeria 1963" (Lagos) 1965 pp. 9-13. For yearly figures of pupil enrolment in the 1960-66 period See A.T. 10
forms of Government. Assuming that this collection of self-contained and mutually independent native states — were indeed capable of being welded into a single homogeneous nation — a deadly blow would thereby be struck at the very root of national self-government in Nigeria which secures to each separate people the right to maintain its identity, its individuality and its nationality.³ Contact between Northerners and Southerners at the social and political spheres was not actively encouraged. Southerners employed in the junior ranks of the Civil Service on being transferred to the North were regarded as 'native strangers' and confined to 'Sabon Garin' (Strangers' Town). Although the Protectorates of Northern and Southern Nigeria were amalgamated in 1914, it was not until 1947 that leaders of both halves met at the All Nigeria Council for joint deliberations. By that time North and South had begun to draw apart. Tafawa Balewa, a Northern leader later to be Federal Prime Minister, told the Council in 1949 his Compatriots "—deceive themselves by thinking that Nigeria is one. This is wrong. I am sorry to say that this presence of unity is artificial and it ends outside this Chamber — the Southern tribes who are now pouring into the North — do not mix with the Northern people and we in the North regard them as invaders."⁴


That the Colonial policy enunciated by Sir Hugh was later reversed was evident from Governor Arthur Richards dispatch to the Colonial Secretary in 1944 in which he stated that "...the Nigerian problem was to build a system which would allow an organic growth and make the unity originally superimposed from outside into a living thing which might progress from varying stages of adolescence to adult nationhood." 5

The problem was however compounded by Nigeria's constitutional set up. The Federal House of Representatives had 312 seats allocated on a population basis. 6 The Northern Region had 174 seats; the East 73; West 62 and Lagos 3. With the North having more than half the total number of Federal parliamentary seats, the major political party of the Northern Region - the Northern People's Congress (NPC) only had to hold its home region to be assured of forming the Federal Government alone or in coalition with a Southern based political party. In view of the relatively greater social cohesiveness of the Muslim North, the identification of the NPC with the Muslim religion, and the patronage and honours which a governing party can distribute among its supporters, this arrangement virtually assured the NPC of a place in any future Federal Government, to the utter dismay of its political opponents. 8


7. Among other things, the NPC Patron was the Sultan of Sokoto, the Sarkin Musulumi or religious head of the Muslims.

8. Table A.T.11 indicates that the NPC electoral supremacy in the North got increasingly overwhelming with time. In the 1964 Federal elections it won virtually all the Northern Seats. A similar trend is observable in A.T.12 with regard to the NCNC's fortunes in the East.
It lent credence to the assertion by the NPC National President, Sir Ahmadu Bello, that "the NPC will rule the Federation for a very long time to come." This was the most clearly defined expression of the domination of the Federation by one Region. There was superimposed on the bitter inter-tribal suspicions deep inter-party and inter-regional rivalry. Entrenched regional and ethnic particularism gravely damaging to national unity became the norm.

THE POST INDEPENDENCE PERIOD

Independence-induced euphoria spread a calm through much of the political area for a while. By 1962 however, the situation had changed. On May 29, 1962, the Federal Parliament passed a Government motion proclaiming a state of emergency in the Western Region following fights among members within the Western House of Assembly. The Federal Government thereupon suspended the Government and appointed an Administrator for the Region. This was the culmination of a serious Schism within the ruling A.G. Party. At the end of the Emergency,


10. The Federal Government acted under powers conferred by Chapter 5, Section 65 of the Nigeria (Constitution) which provides that "Parliament may at any time make such laws for Nigeria or any part thereof with respect to matters not included in the Legislative lists as may appear to Parliament to be necessary and expedient for the purpose of maintaining or securing peace, order and good Government during any period of Emergency (s.65(1)) "Any provisions of Law enacted in pursuance of this section shall have effect only during a period of emergency" (s 65(2)) 'Period of emergency' means interalia any period during which "there is in force a resolution passed by each House of Parliament declaring that a State of public emergency exists". (s 65 (3) (b) And the Emergency Powers' Act 1961 which stipulates that in such an eventuality the Governor General could, with the advice of the Cabinet of Ministers make regulations which had to be laid before Parliament within two months (Federation of Nigeria Official Gazette, Supplement to No. 36 Vol 48 May 18, 1962)
the Premier of the suspended Government who had broken away from the AG to form a new party - the United Peoples Party (UPP) was allowed to head a new Coalition Government comprising the UPP and the NCNC. The AG was thus dislodged from its traditional seat of power without being actually defeated in an election.

Later in the year, twenty one top AG leaders including the National President, Chief Awolowo, were arrested and gaolled on treasonable felony charges. By December 1962, the AG whose numerical strength in the Federal Parliament had dwindled from 75 to 13 lost its status of Official Opposition due to its size. Moreover, during the Emergency, constitutional procedures for the creation of a new Mid West Region to embrace the minority areas of the Western Region, which had hitherto been held up by the AG's West Regional Government's resistance to the embryo, were completed.

EFFECTS OF THE AG CRISIS ON THE BALANCE OF POWER

The misfortunes of the AG introduced an ominous twist into the domestic balance of power situation. The old equilibrium was based on the fact that each of the major political parties had a secure political base in one of the Region whose Government it controlled. None owed power in its 'home' Region to the benevolence of another party. In the new situation, the West Regional Government owed its existence to the Federal Prime Minister and by implication to the NPC. The new Mid West Government although NCNC controlled, had to lean towards the Federal Government because of its heavy reliance on on Lagos for finance during its teething stages. The East Regional NCNC Government thus found itself in a minority.
Previously, a Coalition Government at the Federal level was inevitable since no party had a majority in the Federal Parliament. In the new situation, a Coalition Government was at the sufferance of the NPC which attained absolute majority through by-election successes and crossings of the floor of the House by members of the prostrate A.G.

Besides, the power to declare a state of emergency in a Region and suspend its Government evolved as a potentially lethal weapon with which any unscrupulous Federal Government could cripple its recalcitrant Regional counterpart. In the atmosphere of mutual tribal, party and regional mistrust, the Ibos, the NCNC and the Eastern Region felt threatened and the urge to do something grew increasingly overwhelming. The stage was thus set for years of Crisis-in-Series.

First in this sequence was the 1962/3 Population Census, whose results precipitated serious national disputes. It had been hoped, particularly by the Eastern Region, that the Census on whose findings the allocation of Federal Parliamentary Seats would be based, would show that the South was more populated than the North and so redress the North/South power balance in favour of the latter. The results of the Count were however annulled by the

As Professor Mackintosh put it "most Southern Nigerian politicians expected big changes when the Census figures came out and clearly, many hoped for a result which would end the North's absolute majority in the House (of Representatives) the foundation of their power at the Federal level". A.P. Mackintosh op cit. p 347.
Prime Minister because of the intensity and bitterness of inter-regional and inter-party charges of widespread inflation of figures. The results of a new Census in 1963 confirmed Northern numerical superiority and again generated trenchant disagreements in the Country. The East Regional Government even took the Federal Prime Minister to Court in an unsuccessful bid to have the result set aside. In the end the figures served as the basis for the allocation of Seats in relation to the 1964 General Elections.

The 1964 election Campaigns were bitter and bloody as the NCNC teamed up with the A.G. to fight the NPC and its allies for Control of the Federal Parliament. An independent National newspaper succinctly described the situation in an editorial which lamented that "the political front continues to deteriorate. Tactlessness, hooliganism and organised threat to the unity of the Country appears to have become the order of the day." So alarming did the situation become that the Federal President, Dr. Azikiwe during his Republic Anniversary broadcast to the nation on 30th September 1964 advised that "if they [the politicians] have decided to destroy our national unity, they should summon a round table Conference to decide how our national assets should be divided before they seal their doom by satisfying their lust for office".

13. Federal Parliamentary Seats for the 1964 General Election were allocated among the Regions as follows: North, 167; East 70; West 37, Mid West 14 and Lagos 4.
14. Daily Times (Lagos) 8.4.64.
15. Full text of the Speech was reproduced in Ibid 1.10.64.
On the eve of the poll, the NCNC and its allies decided to boycott the elections because of alleged election rigging by the NPC and its allies. The party called on the Federal President to summon a Conference of political leaders "to break up the Federation peacefully." Polling however proceeded as planned on 30th December 1964, in many parts of the country. The outcome was that the NPC and its allies emerged with a majority increased from 42 to 114. The election crisis assumed new dangerous dimensions when the Federal President, convinced that the elections had been unsatisfactory, refused to invite Sir Abubakar to form a new Government. The nation tottered on the brink as Balewa insisted that constitutionally, the President had no powers to act the way he was doing. After five tense days, the situation was defused when Sir Abubakar agreed to form a "broadly based" National Government to include the NCNC.

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16. The NCNC Group (The UPGA) presented its grievances in a publication entitled "The Big Fraud" (the United Nigeria Press Ltd., Lagos, 1964)

17. West Africa (London) 1.1.65.

18. Balewa's viewpoint was that only the Electoral Commission had powers to call off the election. Since it had not done so, the elections were valid and his party had won handsomely. Redress for alleged irregularities was a matter for the Law Courts. West African Pilot (Lagos) 4th Jan. 1965.

19. The "broadly based Government" which was completed after the mini-elections held in March 1965, in those areas where the December 1964 boycott was effective, comprised 54 Ministers (32 of Cabinet Rank). This was twice the number in the previous Government. All the major political parties, except the A.G., were represented in the Government. West Africa (London) 3rd April 1965.
No sooner had the dust of the 1964 election crisis begun to settle than a new crisis broke. The occasion was another election, this time in the Western Region. The ferocity of bitterness and allegations of election malpractices attained new heights as the old political alliances fought out their rivalry in a smaller theatre. The anarchic situation in the region long survived the October 1965 polling.

The series of crises indicated that the domestic situation in Nigeria was basically unstable and that something had to give. On January 16, 1966, came the bloody answer - the Army seized power and Nigeria's First Republic passed into history.20

**EFFECTS OF DOMESTIC POLITICAL INSTABILITY ON NIGERIA'S AFRICA POLICY**

The Balewa Administration drew two basic conclusions from the Country's domestic experiences in fashioning its Africa policy. Firstly, the fluidity of the domestic situation demanded constantly close attention of the Government. It could therefore ill afford the deviation of scarce national resources to an experiment in Continental Political Unity. Reflecting this viewpoint, Sir Ahmadu Bello told a press conference in 1960 that the idea of an African Political Union was "premature because our homes are not yet consolidated."21

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20. The January Coup was not the final answer to Nigeria's political instability. A second Coup d'état occurred in July 1966. In May 1967, the Eastern Region unilaterally seceded from the Federation to form the "Independent Republic of Biafra". This action speedily culminated in a bitterly contested Civil war which lasted thirty months until the Surrender of Secessionist forces in January 1970. The old Eastern Region was then reintegrated into the Federal Republic now split into twelve States.

21. **Daily Times** (Lagos) 30th January, 1960 - proliferation of Army Coups in Africa in the 60's was proof-galore that several African States also badly needed to consolidate their own homes. In January 1963, Olympio's Government in Togo was overthrown by the Army. In 1965 Army Coups eliminated the regimes of M. BenBella (Algeria) Kasavubu (Congo Kinshasa) and Mr. Apithy ( Dahomey) and in 1966, Dacko (Central African Republic) Balewa (Nigeria) Yamego (Upper Volta) and Nkrumah (Ghana).
Secondly, that "political union could not of itself bring countries together." Although the different segments constituting Nigeria were politically united in 1914 and had experienced half a century of this status under colonial rule, she had found domestic stability so elusive after independence. But, in terms of ethnic heterogeneity, social, cultural and linguistic diversity and discrepancies in educational and economic development levels, Nigeria was Africa in miniature. The internal problems that beset the Federation would therefore tend to be magnified in a continental union particularly since the centripetal forces like common lingua franca, common currency and relatively long experience of living together characteristic of the Nigerian system would be lacking in the Union.

Moreover, fostering a powerful Nigerian nationalism had proved well nigh impossible because of deep tribal and other divisions. It would be infinitely more difficult to create continental nationalism due in part, to greater heterogeneity and in part to the counterweight of efforts to develop nationalisms at national levels.

22. Alhaji Balewa "Nigeria Speaks" op cit p.68.

23. Implicitly conceding the possible clash between nationalism at state and continental levels, President Nyerere has suggested that "— the role of African nationalism is different — or should be different from the nationalisms of the past —" "A United States of Africa" op cit. p.6
Lagos was consequently convinced that an immediate political Union of African States was a non-viable proposition and the fate of attempted political integration among a few African States tended to vindicate this viewpoint. The celebrated Ghana - Guinea - Mali Union first founded in 1958 never really got off the ground before it was formally pronounced dead in 1963. A Mali Federation comprising Mali and Senegal founded in 1959 collapsed within twenty months due to fundamental incompatibilities between the member states.

If the infant mortality rate of political unions comprising two or three States was so high, the survival chances for a Continental political Union would in Lagos' thinking be extremely slim. The Prime Minister told the Federal Parliament in 1961 that he had warned a certain West African Leader in 1957 that the proposed federation between his Country and another African State would not work. His advise was ignored and "the Federation lasted only a short time. Therefore before we [African States] federate, it is most important that we understand one another—".

The Government was in any case convinced that most African States would not voluntarily accede to a Continental Political Union. As Balewa said in 1961 "—once a Country has its own independence, it would be difficult in

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24. The two founder States of the Union - Ghana and Guinea on December 23, 1958, decided "—to adopt a flag of the Union and to encourage the closest contacts between our Governments in order to harmonise the policies of our Countries notably with regard to defence, foreign and economic policy. Our Second task will be to frame a Constitution giving stability to the Union now established". This Constitution never even saw the light of day. (See Dombou Thiam - The Foreign Policy of African States (London 1965) P. 52).


States struggle for independence with the intention, among other things, of being masters of their own destiny. Independence usually comes with all the paraphernalia of Statehood. Powerful vested interests in the continued sovereign existence of the State develop. The attachment to national sovereignty tends to be most intense in newly independent States. Savouring for the first time in many a year the exhilarations and problems of self-rule. The majority of African States attained independence in the Sixties. In the circumstances many would have to be coerced directly by military force or indirectly through clandestine subversion into joining an immediate Continental Political Union of African States. This would heighten internal instability within the Union, if successfully launched, and further erode its chances of survival.

THE PREFERENCE FOR INTER AFRICAN FUNCTIONAL CO-OPERATION

Functional Co-operation, on the other hand entailed relatively minimal commitments by the participating States; involved hardly any loss of Sovereignty and could consequently be more easily initiated. The scope of the co-operation scheme could gradually be expanded as the need arose. Moreover such deficiencies as inadequate inter-African communications which were probable hindrances to immediate political unity could be progressively eliminated through

27. Ibid. p.82

President Olympio of Togo underlined the extreme jealousy with which States guard their newly won independence when he remarked that "such a reward (political independence) — achieved at great sacrifice — is not to be lightly cast away". S. Olympio — African Problems and the Cold War in Foreign Affairs. Oct. 1961. p.51.
inter-State Co-operation. Lagos therefore believed that functional co-operation was an inevitable first step towards any possible Continental Union in the "fullness of time" for it would help to remove "the practical barriers [to inter-African intercourse] and create a climate of understanding without which no effective political organisation can be established."²⁹

The Lagos approach to Panafrikanism thus enabled a cautious Government to concentrate on doing its own thing at home while co-operating with other Governments in limited spheres, to enjoy the benefits of inter-African joint action.

**RESPECT FOR TERRITORIAL INTEGRITY OF AFRICAN STATES.**

**AFRICAN BOUNDARIES**

State boundaries in Africa are Colonial legacies drawn chiefly to suit the administrative convenience of the various Colonial powers; they are frequently irrational in terms of physical and human geography. It is commonplace for members of one ethnic group to bestride one or more State boundaries simultaneously. Yoruba speaking areas are on either side of the Nigeria/Dahomey boundary. Somali areas are in Somalia, Ethiopia, Northern Kenya and Djibuti. Predictably, tribal irredentism has been a major course of endemic disputes which have plagued inter-African relations. The Pan-Somali movement has for instance led to serious border incidents between the Somali Republic, on one hand, and Ethiopia and Kenya on the other.

An ideal solution would be the Political Union of African States which Lagos has argued was impracticable in the immediate future. Alternatively, the boundaries could be redrawn to make them more 'natural'. But, if natural

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²⁹ Tafawa Balewa "Nigeria Looks Ahead" in "Foreign Affairs" October 1962. P. 137
in this sense was to be synonymous with ethnic frontier, the resulting
boundaries might often be so clumsy physically as to cause further frontier
problems.

Moreover, apart from the gigantic upheaval an exercise in general
frontier readjustments in Africa would entail some States were bound to be
net losers of land generally or at least of rich agricultural or mineral
land. Governments are notoriously reluctant to face such losses. They would
not therefore voluntarily submit to general boundary redrawing.

The alternative - armed territorial revision would virtually throw the
entire Continent into a perpetual state of war. This according to Nigeria’s
Foreign Minister "... would compel Africa to devote all its energies and re-
sources to maintain armies and police forces and little constructive effort would
be possible in the sphere of economic and social development."30 States
might be drawn to seek greater military assistance from either side in the
Cold war with the grave risk of imparting Cold war Policies into the Conti-

tent.31 Besides, the ensuing atmosphere of mutual suspicion and antagonism
would seriously undermine any policy of encouraging inter-African Co-operation.

Lagos was consequently convinced it was most prudent to let the sleeping dog
lie by discouraging boundary alterations by force. Its decision, in spite of
domestic pressure, not to lay a dangerous precedent by a takeover of Fernando
conviction
Po, was in line with this fear of armed territorial irredentism was in fact
only one of several causes which made African States feel
insecure and induced build up of armaments. Lagos apparently accorded it a
position of primacy.

30. Jaja Wachuku "Nigeria’s Foreign Policy" in "Africa. The Political
Pattern". Edited by M. MacLure and D. Algin. (Toronto 1967) p.71
31. Ibid
NIGERIA'S DOMESTIC SITUATION

Foreign policy actions and pronouncements had to take into consideration possible repercussions on domestic political situation in Nigeria. Sir Abubakar often emphasised that "National unity is uppermost in our minds". Policies likely to upset the search for some equilibrium among Nigeria's manifold tribes had to be avoided.

This relates particularly to tribal irredentism. A policy designed to unite within the Federation Sections of Nigerian tribes as the Hausas in Niger, forced by irrational boundaries to reside in neighbouring States would have exacerbated inter-tribal frictions and encountered bitter resistance from those ethnic groups likely to gain little or nothing from the exercise.

Moreover, even within Nigeria the boundary between the North and Western Regions splits the Yorubas and was therefore irrational. The North Regional Government had always resisted proposals to redraw the boundary to unite all Yorubas in the Western Region. To support on a Continental Scale what was denied at home would have constituted dangerous inconsistency.

Nigeria also could not afford to be seen to support even covertly, secession in another African State since such a policy could encourage breakaway sentiments at home. The Government's preoccupation with domestic problems was in any case so heavy that a policy designed to reduce rancour/under-


33. Threats by one Region to breakaway from the Federation whenever its leaders felt it was receiving a raw deal was commonplace. However, it was not until May 1967 that actual secession materialised.
standing therefore readily recommended itself to it.

**COLONIALISM**

Nigeria's commitment to "liberate [from Colonial rule] every square inch of African territory by 1970", was based on the postulates that ideally, decolonisation should be gradualist, not precipitate.

**GRADUAL DECOLONISATION**

Lagos advocated a gradual phasing out of Colonisation in Africa partly due to Nigeria's experience and partly to the conclusions it drew from the Congo (Leopoldville) tragedy.

The Nigerian Government regarded the handover of power by the British Colonial Administration in Nigeria as methodical and ideal. On Independence Day, the Prime Minister extolled "the manner in which successive British Governments have gradually transferred the burden of responsibility to our Shoulders". Independence was won largely through negotiations between Nigerians and the Colonial Authorities. Nigerian leaders were made to serve long apprenticeship periods during which they received extensive 'on the job' training in the art of governing. Indigenous Ministers were appointed eight years before independence. Apparently convinced, inspite of basic differences in circumstances between Nigeria and the U.K., that the Westminster-type Parliamentary system would be ideal for independent Nigeria, London set up a Federal House of Representatives in Lagos in 1954 to enable Nigerians familiarise themselves

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35. "Nigeria Speaks" Op cit P.60
with the functioning of the system.

It supervised two general elections and even provided an expert in parliamentary procedure to be Speaker of the House and to guide it through during its formative years. Consequently, the transition from dependence to independence involved no drastic visible change. This, to the Nigerian Government was 'responsible' decolonisation par excellence. Reflecting this feeling Balewa proudly asserted on Independence Day that "history will show that the building of our nation proceeded at the wisest pace; it has been thorough and Nigeria now stands well built upon firm foundations". 36

The converse - 'irresponsible' decolonisation Characterised Belgian handover of power to Congo (Leopoldville) in June 1960. The Congolese received no grooming for the responsibilities of independence. Consequently, within a week of independence the Country had degenerated into blood letting chaos. Subsequently, events in Nigeria between January 1966 and January 1970 were to cast very serious doubts on the validity of the Government's distinction between the practical outcome of 'responsible' and 'irresponsible' decolonisation but that was in the future. For now, Lagos contrasted the independence - induced chaos of the Congo with the

36. "Nigeria Speaks" Op cit p.60. British Officials in Nigeria were at one with the Nigerian leaders in believing that the controlled decolonisation of Nigeria was ideal. This was obvious from the remark by Sir James Robertson, that "— the contrast between this Long period of apprenticeship in Nigeria and the hurried Change in for example the Congo administration has meant success in one case and tragic failure in the other" Sir James Robertson "Sovereign Nigeria" IN African Affairs April 1961 p.146
fact that she had felt able "within the first month of independence, owing to her stability to send large contingents of her army and police to join the UN in the Congo" and concluded that gradual decolonisation was ideal. That was why in spite of its condemnation of Portuguese repressionist policies in Angola, it only wished that Lisbon concede the principle of independence for Angola and start preparing the Colony for self-rule. It also partly explains the Government's choice of 1970 as the terminal date for Colonialism in Africa. If it took Nigeria eight years to progress from the Stage when Ministers were first appointed in 1952 to fill independence in 1960 the Nigerian Foreign Minister explained that "Black aliens" who had lost their traditions as a result of deliberate policy of their Colonial masters needed more time. The extra time was arbitrarily put at one year.

By choosing 1970, the Government was in fact walking a middle course between the demands by many African States for an immediate end to Colonialism and the unwillingness of the Colonial powers to set a firm date. Its calculation was that such moderation would win over the support of Countries like the United States and the U.K. in the anti-Colonial campaign. The Nigerian Foreign Minister assured Parliament in 1961 that the best way to tackle intransigent Colonial powers of Portugal's Calibre was "to go through those who have trodden their paths".

38. Ibid P.69
39. See Chapter Two.
40. Washington later added that 1970 was chosen to "give meaning to the present decade which has been referred to as the decade of Africa "as it was reasonable that this decade which started with the liberation of several African States should end with the total freedom of Africa as a whole". Federal Nigeria Vol. 5 No. 1 Jan 1962. P.11
The assumption that moderation would necessarily induce Western Powers to side against Portugal appears to have been optimistic. Relentless pressure on Portugal to give up her African Colonies risked incurring her displeasure. There appeared no reason to believe that the Western Powers would consider such risk acceptable unless they were themselves subjected to intensive pressure by world opinion. Nigeria's moderation did not appear likely to generate adequate pressure to induce the powers to act in a way the Government apparently desired.

There was also no guarantee that once a Colonial Power accepted the principle of independence it would immediately copy the U.K.'s "enlightened Statesmanship" and begin painstakingly to prepare the Colony for independence, as Lagos assumed. The reverse could easily be the case. If Portugal for instance, grudgingly consented to grant Independence to its Colonies, it could choose not to dissipate its relatively meagre resources in gradually easing the Colonies "responsibly" towards Independence.

LEADERSHIP OF AFRICA

A major Cornerstone of Nigeria's foreign policy in general and Africa policy in particular, was the need to stake a claim to Africa's leadership. By virtue of being by far the most populated Country and potentially one of the richest States in Africa, there was a general Consensus in Nigeria that she was destined to lead the Continent. Foreign Minister Taja Wachuku once wrote that "As the largest single African Country, we have a grave responsibility thrust upon us to safeguard the vital interests
of Africans and peoples of African descent everywhere.\footnote{41}.

\section*{WHAT AFRICA DEMANDED OF ITS LEADER}

The early Sixties saw African nationalism at its apogee as several African States attained Sovereign Status. For Centuries Africa had at first endured the misery of slavery and later the humiliations of colonialism. Both, according to Jaja Wachuku, were based upon the premise that Africans were some forms of "anthropoid apes"\footnote{42} fit only to be hevers of wood and drawers of water. A concomitant of Colonialism was the doctrine of white supremacy often buttressed in Colonies by racial discrimination and segregation. With the upsurge of Nationalism, Africa appeared to demand speedy emancipation for the remaining dependent territories and seemed to require of its leader an uncompromising anti-Colonialist stance\footnote{43}.

The Addis Ababa African Summit of May 1963 resolved that the big powers must choose "between their friendship for the African peoples and their support for the powers [South Africa, Portugal, \(\ldots\) Rhodesia] that oppress African peoples."\footnote{44} Western powers did not appear to be opting for friendship for the African Peoples within the context of the Resolution.

\footnotesize
\begin{itemize}
\item \textsuperscript{41} Jaja Wachuku "Nigeria's Foreign Policy" Op Cit. \textsuperscript{P.64}
\item \textsuperscript{42} Ibid \textsuperscript{P.68}
\item \textsuperscript{43} This is reflected in the OAU Charter which lists one of the purposes of the Organisation as being "to terminate all forms of Colonialism from the Continent of Africa" \textsuperscript{O.A.U. Charter Op Cit. Article 11 (1)(d)}
\item \textsuperscript{44} "Resolution of the Summit Conference of Independent African States" May 1963 Agenda Item II.
\end{itemize}
In this regard Britain appeared to afford a good example. She had a relatively good Colonial record in Africa, despite blemishes like Kenya and Rhodesia, and recurrently voiced opposition to the inhuman treatment of Africans in Angola, South Africa. Yet, at international forums particularly the UN where African States had chosen to do battle with Pretoria and Lisbon, London repeatedly retreated behind Article 2(7) of the UN Charter which safeguards domestic jurisdiction and frequently abstained from voting on UN Resolutions condemning either Governments.

Other Western Powers like France often took similar stands. This may have been due to their preference for "quiet diplomacy" in dealing with the South African and Portuguese issues. But pressures privately applied are never seen to be administered. On the other hand Britain was treaty bound by the 1955 Simonstown Agreement to sell arms to South Africa.

France continued arms sales to South Africa in defiance of UN Resolutions. The major Western Powers, economic relationships with the Republic.

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45. Mr. Macmillan's 'Wind of Change' Speech.
46. The Economist has argued that "...the tendency [of Britain] to retreat behind Article 2(7) of the UN Charter ... has unfortunately always seemed to be strongest when Colonial questions were at issue. Britain's posture in the world has too often been marred by what Hamlet called 'Some Craven Scruple of thinking too precisely'" "The Economist" (London) 1st July 1963 p.23.
47. See Footnote 78 of the previous Chapter.
48. According to a UN Report, the U.K. owned about £2256 millions or 59.4% of all Foreign Investments in the Republic of South Africa in 1961. Similar figures for U.S.A. was £505 million (11.9%); France £234 million (5.4%) Together the three powers owned 76.7% of all Foreign Investments in the Republic (U.N. Doc A/AG 115/L56. 5.3.64). PP 6 & 7

With regard to trade, the position was as follows:

Continued on next page:
REPUBLIC OF SOUTH AFRICA IMPORT AND EXPORT TRADE (END OF 1962)

<table>
<thead>
<tr>
<th>Country</th>
<th>% of Imports by Origin</th>
<th>% of Exports by Destination</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.K.</td>
<td>30.2</td>
<td>27.9</td>
</tr>
<tr>
<td>U.S.A.</td>
<td>16.5</td>
<td>9.0</td>
</tr>
<tr>
<td>France</td>
<td>2.7</td>
<td>3.6</td>
</tr>
</tbody>
</table>


The trade significance of the Republic to the West was heightened by two of the principal exports items – Gold and Uranium products which together accounted for 42.4% of the Republic's aggregate exports in 1962. (Ibid)
Portugal was a member of the North Atlantic Treaty Organisation. The U.N. Special Committee on the Territories under Portuguese Administration concluded in 1962 that NATO arms shipments to Portugal "represents an implication in the suppression of the movements for freedom in the Territories". In Rhodesia, London rejected the use of military force to crush the Smith rebellion although precedents for the use of troops to quell rebellions in her Colonies abound. It had thus unintentionally raised the survival prospects for the rebel regime and the spectre of another South Africa in Africa.

In view of the above, the impression gained ground that the West was giving succour to 'those powers that oppress the African peoples'. Since in addition, the Continent had been Colonised only by Western powers, Africa seemed to want its leader to be genuinely non-aligned and to avoid too close an identification with the West.

Psychologically, Africans seemed to require demonstrable assurances that their race was not inferior. Africa therefore appeared to demand that its leader should have an effective voice in international diplomacy. Militancy in foreign policy was favoured. Finally Africa appeared to want its leader always to take the initiative in defence of African interests.

50. See Chapter 4.
The Government's foreign policy in the immediate post independence era did little to further its claims to Continental leadership. In 1960 it did not invite Peking to the Country's independence celebrations and the UN refused to vote in favour of Communist China's admission into the U.N. Later in 1960, the Government ratified the Anglo-Nigerian Defence Agreement and was promptly warned by a parliamentarian that it was "inviting a situation whereby Nigeria's voice will be looked upon with suspicion in the Community of African Nations." In 1961 it introduced the 1970-end-to-Colonialism motion at the U.N. and was informed by its own Chief Whip who was in the Nigerian delegation to the U.N. that year that it was rapidly losing prestige at the U.N. and in African circles due to the motion.

Although the Government exchanged High Commissioners with the Federation of Rhodesia and Nyassaland, it refused to grant diplomatic recognition to the G.P.R.A. As has been seen, the Government also would only promise moral support to African Freedom Fighters. In 1962 Badea intimated that a visit to Nigeria by Premier Welensky of the Federation of Rhodesia and Nyassaland would not be unwelcome because he was not a racialist and Africans in that Federation, unlike those in South Africa, could hold political meetings. He was immediately rebuked in a telegram from a Rhodesian African Party which described his statement as "Shocking,

51. See Chapter 8
52. See Chapter 4
54. Ibid December 1961. p.32
55. See Chapter 2
56. See Chapter 2
disturbing and unbefitting of an African Prime Minister". Furthermore, Nigeria's relationship with the Western Powers was close.

**REPERCUSSIONS OF NIGERIA'S POLICY**

The most telling immediate outcome of the above policies was that Nigeria's Africa leadership aspirations were undermined. In 1962, she contested unsuccessfully for Africa's U.N. Security Council Seat. In 1963, her efforts have the O.A.U. headquarters sited in Lagos and for a Nigerian to be its first Secretary General were unavailing. The Nigerian Government appeared to be regarded with suspicion in Africa. Besides, it soon became apparent that President Nkrumah of Ghana, who also aspired to lead Africa, saw Nigeria as a serious impediment to the realisation of his ambitions.

**NIGERIA - GHANA RELATIONS**

Although virtually neighbours and Colonised by Britain, the relationship between Lagos and Accra was often cool during most of the 1960-66 period. Both had African leadership ambitions but Nigeria was about five times more populated than Ghana and its representatives tended, other things being equal, to be a greater focus of attention at international Conferences. The Nigerian Government dominated by the Conservative NPC

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57. *Daily Times* (Lagos) 29.8.62

58. *Daily Times* (Lagos) 22.7.64
was unlikely to accept Nkrumah's leadership. Worse still, it was likely to serve as the rallying point for Conservative opinion in Africa thus confronting militant Nkrumah with a majority of African States opposed to his radical Continental designs. To meet the Nigerian threat, Nkrumah had recourse to two courses of action: diplomatic isolation and subversion.

In the first two years of Independence, Ghana did not open a diplomatic mission in Lagos. In 1960 Dr. Nkrumah did not include Nigeria in the list of African States to whom he sent proposals for an African Military Command because he "holds the view that it is improper for an African State to enter into a defence Agreement with any other State outside the African Continent." 59 Reference here was to the Anglo-Nigerian Defence Agreement. A year later, relying on the same Defence Agreement, Ghana succeeded in delaying until the last minute, an invitation to Nigeria to attend the 1961 Belgrade Conference of non-aligned States. In January 1962, Lagos was convinced that Nkrumah had dissuaded the Casablanca Charter States from attending the Lagos Summit of African States. Lagos felt that Nkrumah's actions were simultaneously designed to undermine Nigeria's position in Africa by showing that its Government was not a genuine champion of Africa's interests.

At the 1962/3 Treason Trials in Lagos, the Courts found proven the prosecutions' allegation that certain opposition Party leaders had with at least the Connivance of the Ghana Government, plotted to overthrow the Nigerian Government by force. 60 During the 1964 paralysing General Strike in Nigeria, Dr. Nkrumah is said to have given financial support to the strikers.

59. 'The Service' (Ibadan) 17,12,60.
61. This was confirmed by the Ghana Trade Union Congress. "T.U.C. in Chains" (Accra 1966)
The Nigerian Government was in no doubt that Accra was seriously plotting its overthrow. In 1962, Foreign Minister Wachuku asked Pressmen to "Go to Winneba and other places [in Ghana] and you will see Nigerians who are being trained by Ghana to work against our Government". 62a

DOMESTIC PRESSURES ON THE NIGERIAN GOVERNMENT

More alarming to Lagos was the fact that the frustrations of progressive elements particularly in the South who believed that the N.P.C. was unfit to rule the Country but were convinced that the Constitutional system was heavily loaded in favour of continued N.P.C. rule, began to crystallise into profound disaffection with the Government's foreign policy. Specifically the Government's apparent inability to translate the Country's African leadership potential into reality came under heavy fire. Buhara's foreign policy was compared unfavourably with that of Nkrumah and there was often thinly disguised admiration for and envy of the latter. In 1961 the Shadow Foreign Minister, Chief Enahoro told Parliament "there is a lot of trouble going on in Angola, the Prime Minister will not say anything until everyone else takes it up; until Nkrumah says something -- then we follow. Is it not high time we tried to lead" 62. In 1962 another M.P. lamented that "— wherever you go, you always hear of Ghana. In New York it is Ghana. In London it is Ghana. We too want publicity". 63

62a Federal Nigeria Vol. 5. Nos. 7 & 8 July/August 1962 P.4

62. HRD 17.4.64. Col. 1763
63. Ibid 14.4.62. Col. 1690
The surge of criticisms of Balsewa's foreign policy coincided with the growing strength of a group of Young Radical Nationalists comprising mainly University undergraduate, lecturers, journalists, lawyers and trade union leaders whose emergence was "a factor which Sir Abubakar as a politician can hardly afford to ignore". Militant and vocal, it was the student section of this group that spearheaded the violent demonstrations against the Anglo/Defence Agreement and threats against the Western bloc over Lumumba's imprisonment and eventual death. Their demands in respect of African leadership was that the Government should give a positive lead to Africa. Mainly to court the support of this group, the A.G.'s foreign policy underwent a volte face in 1961.

In June 1961, Chief Awolowo who is on record as having described an immediate political union of African States as an "ignis fatuus" in 1959, returned from a visit to Nkrumah and promptly announced a complete change of mind. He now extolled the virtues of an immediate political union of African States and belaboured the Government for advocating inter-state functional co-operation.

In September 1961, Chief Enahoro decided the Government for embracing "a conservative policy which merely advocates functional co-operation among African States" while "progressive opinion in Africa calls out for an organic Union". The Government's policy he went on was

65. Discussed in detail in the succeeding Chapter.
"effete", "feeble". Increasingly the A.G. became the popular rallying point for criticisms of the Government's foreign policy.

The violent protests against the Anglo-Nigerian Defence Pact was expressive of the depth of feeling among some Nigerians about the African leadership issue. The leader of the University Students who stormed Parliament in November 1960 said the Pact "weakens Nigeria's claims to the respect of African nations". It also demonstrated that sections of the public were losing patience and that the Government had to reappraise its policy relating to Africa and the world or risk consequences which might not be pleasant.

Besides, there was the crucial mutual personal dislike between Balewa and Nkrumah which was such an important factor in Nigeria's Africa policy in general and its relationship with Ghana in particular. So intense was this antipathy that there virtually existed a 'Cold War' between Lagos and Accra for much of 1960-66.

Consequently, the Balewa Government was induced to bid more positively for the leadership of Africa. This inevitably entailed competition with Accra.

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69. The Service (Ibadan) 3.12.60.

70. Sir James Robertson, Nigeria's Governor General of Independence, confirmed this point at a personal interview granted the writer on 12th Nov. 1971.
MANIFESTATIONS OF A NEW POLICY IN AFRICA

The Balewa Government jointly sponsored a series of African Summit Conferences which culminated in the formation of the O.A.U. In 1963, it took the initiative in trying to terminate what it claimed was Accra's interference in Togo, although in the process it also became guilty of interference in Togo's internal affairs. In 1965, Lagos quickly summoned an emergency Council of the O.A.U. in an endeavour to avert a threatened boycott by some Francophone States of the O.A.U. Summit in Accra which was then imminent.

On Colonialism, racial discrimination and minority rule in Africa, the Government began to take a more militant line. The 1970-end-to-Colonialism U.N. motion was withdrawn. Balewa was partly instrumental in getting South Africa to quit the Commonwealth. Within the O.A.U., Nigeria played a prominent role in the diplomatic assaults on Lisbon and Pretoria and in 1963, she decided to give material as well as moral Support to African Freedom Fighters.

MANIFESTATIONS OF THE NEW POLICY IN RELATIONS WITH NON-AFRICAN STATES

The U.K.

The Anglo Nigerian Defence Agreement which turned out to be such an embarrassment, was terminated on the eve of the Lagos African Summit in

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71. See Chapter 2
72. See Chapter 2
73. See Chapter 2
74. See Chapter 2

In 1962, Lagos rejected association within E.E.C. under Part IV of the 1957 Treaty of Rome because of the supposed neo-Colonialist overtones. She however negotiated an Association Agreement under Article 238 of the same Treaty.

NON ALIGNMENT

The Government progressively dismantled barriers against contact with Communist Countries. In 1965 Nigeria for the first time voted in favour of Peking's admission into the U.N.

The policy switches were however far from fundamental. The Balewa Government retained the tendency to be firmly pro-Western. By 1966, it had failed to win over radical opinion in Africa although its successful contest in 1965 for one of the three U.N. Security Council Seats assigned to Africa helped to silence critics.

75. Anglo-Nigerian relations are discussed in Chapter 4.
76. See Chapter 4.
77. See Chapter 6.
78. See Chapter 8.
79. See Chapter 5 and 8.
80. Morning Post (Lagos) 3.12.65.
THE ECONOMIC FACTORS IN NIGERIA’S AFRICA POLICY

NIGERIA’S ECONOMIC RELATIONSHIP WITH AFRICA

Nigeria’s economic relationship with sister African States in 1960–66 was on an extremely puny scale. Tables 7 and 8 depict the position with regard to trade.

TABLE 7
Nigeria: Relative dependence on Africa as an export market 1960–66

(US Million)

<table>
<thead>
<tr>
<th>Year</th>
<th>Exports to Africa</th>
<th>Aggregate Exports</th>
<th>Exports to Africa as a % of aggregate Exports</th>
</tr>
</thead>
<tbody>
<tr>
<td>1960</td>
<td>8</td>
<td>464</td>
<td>1.7</td>
</tr>
<tr>
<td>1961</td>
<td>8</td>
<td>472</td>
<td>1.6</td>
</tr>
<tr>
<td>1962</td>
<td>11</td>
<td>455</td>
<td>2.4</td>
</tr>
<tr>
<td>1963</td>
<td>11</td>
<td>518</td>
<td>2.1</td>
</tr>
<tr>
<td>1964</td>
<td>21</td>
<td>590</td>
<td>3.5</td>
</tr>
<tr>
<td>1965</td>
<td>11</td>
<td>738</td>
<td>1.5</td>
</tr>
<tr>
<td>1966</td>
<td>13</td>
<td>777</td>
<td>1.6</td>
</tr>
</tbody>
</table>

NOTE: Figures relate to national exports i.e. exports of goods wholly or partly produced or manufactured in Nigeria.

### TABLE 8

**NIGERIA: IMPORTS FROM AFRICA IN TOTAL IMPORTS**

(US$ Million)

<table>
<thead>
<tr>
<th>Year</th>
<th>Imports</th>
<th>Total Imports</th>
<th>Imports from Africa as a % of Total Imports</th>
</tr>
</thead>
<tbody>
<tr>
<td>1960</td>
<td>7</td>
<td>396</td>
<td>1.2</td>
</tr>
<tr>
<td>1961</td>
<td>6</td>
<td>615</td>
<td>0.9</td>
</tr>
<tr>
<td>1962</td>
<td>4</td>
<td>562</td>
<td>0.7</td>
</tr>
<tr>
<td>1963</td>
<td>5</td>
<td>581</td>
<td>0.8</td>
</tr>
<tr>
<td>1964</td>
<td>9</td>
<td>711</td>
<td>1.2</td>
</tr>
<tr>
<td>1965</td>
<td>9</td>
<td>773</td>
<td>1.2</td>
</tr>
<tr>
<td>1966</td>
<td>8</td>
<td>718</td>
<td>1.1</td>
</tr>
</tbody>
</table>

**Sources:** Same as for Table I

It would appear that in 1960-66, Africa absorbed only between 1.5% and 3.5% of Nigeria's total exports. As a source of imports, Africa was even less important - accounting for only 0.7% - 1.2% of Nigeria's aggregate imports in the same period.

The smallness of Nigeria's trade with Africa was due in part to the largely competitive nature of all African economies. Africa's exports comprised mainly agricultural products and minerals which have 'vent for surplus' qualities. Besides, under Colonialism, Nigeria (like other African States) established strong trade relations with her metropolitan Centre. These have tended to persist after independence.  

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81. Nigeria's economic ties with the U.K. are discussed in Chapter 5
Nigeria received virtually no foreign private investments or foreign aid from African Sources. Her Government did however desire closer economic relations with African States. Nigeria signed trade agreements with Mali (October '62); United Arab Republic (October '62); Cameroons (February '63); Senegal (September '64) and Togo (May '66). In his Budget Speech in March 1962 the Federal Finance Minister, Chief Okotie Eboh declared that the Lagos Government "attaches the greatest importance to the closest possible economic co-operation with other West African States and particularly initially with other African States". Ideally the economic relationship would be within the framework of an African Common Market (A.C.M.) which the Prime Minister was convinced, "will solve a lot of our Africa's headaches".

What economic benefits could Nigeria expect from participating in an A.C.M.?

NIGERIA'S POSSIBLE ECONOMIC GAINS FROM A.C.M.

A.C.M. AND INDUSTRIALISATION IN AFRICA

The ability to raise area trade and industrial production is, in theory, a general characteristic of Common Markets among economically developing Countries. This derives from the assumption that one of

82. See A.T. 13 for the list of trade agreements entered into by the Federal Government in 1960-66.
83. H.R.D. 29.3.62 Col. 527.
the major obstacle to industrialisation in the developing world is the
minuteness of national markets measured in terms of effective demand,
per Capita income, geographic size and population. Green and Krishna
have asserted that interest in economic integration among African States
has been heightened by "the consciousness that the relatively small
size of many African Nations, their uneven resource endowments, the small
size of their markets and distortions in the pattern of economic activity
inherited from Colonial periods seriously inhibit attempts at development
purely on the national scale." 86

In Africa, absolute per capita incomes are low while States with
small populations proliferate. In 1960, of 49 African States and terri-
tories, only 3 had populations of 20 millions and over. 14 had populations
less than a million. 87 Consequently, given the indivisibility of many
factors of production, national markets in Africa are frequently less than
the technological optimum sizes necessary to support various industrial
processes. 88 Resort to export markets in developed Countries is often not

87. Derived from statistics published in the UN Demographic Year Book 1960.
88. The technological optimum size of a market is a function of the
economies of scale in the technical sense and or the economies of
intra-industry specialisation and will therefore vary between
industries. Consequently as Kahnert and others put it "a technologi-
cally optimal market size for the economy as a whole is thus
extremely difficult to define since every further addition to the
size of the market facing a given industry might open up further
economics in production" (Kahnert and other Op cit P.19) Where factor
efficiency is the aim it has to be noted that "the technological
optimum size of an economy is a necessary but not a sufficient con-
dition to ensure the utilisation of the most efficient means of pro-
duction." (T. Suitsovsky "International Trade and Economic integra-
tion as a means of overcoming the disadvantages of a small nation"
IN E.A.G.J. H Robinson (ed) "Economic Consequences of the Size of Nations"
(London 1963) Pp. 282-290). This is due to the fact that much of the
advantages of larger markets flow from the effects of competition in
economic integration among developing countries however, some factors
efficiency has to be sacrificed since the necessary investments may
not be forthcoming unless investors are assured of some degree of
monopoly powers.
a viable option because of the level of industrial protectionism prevailing in these States. Where industries are nevertheless set up, they are mostly of the Import replacement variety, and have to be relatively heavily tariff protected. Their high production costs not only tend to raise the domestic price level with adverse effects on consumption, savings and the availability of Investment funds, but also may further circumscribe opportunities for profitable investments particularly if the outputs of these industries were utilisable as imports in other industrial processes.\(^9\)

Assuming that Comparative Costs are determined mainly by Scale, an A.C.M. would tend to solve the problem of small national markets. The elimination of internal tariffs and other impediments to trade and the erection of a Common external tariffs against third countries would afford expanded protected markets to industrial processes in the Continent. This implicitly assumes that intra-Continental transport and Communications systems are or will be developed enough to render national markets truly integrated.\(^9\)

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90. A general hallmark of economically developing countries is the lack of well developed transport and Communications systems. In 1965 for instance Chief Okotie Eboh told Parliament that due to Transport difficulties only some 43\% of total Groundnut Sales abroad by Nigeria during the 1963/64 Season was actually shipped (H.R.D. 31.3.64. Col. 318). Stevedoring Contract and labour disputes at the docks had aggravated the transport problems.
The enlarged markets would make possible inter-industry and intra-industry specialization among member States of the A.C.M. in accordance with the dictates of comparative advantage. Assuming that unnecessary duplication of investments is avoided — and this would entail planned investment programmes for the A.C.M. as a whole, firms in member States would be able to operate on large enough scales to enjoy economies of scale and reduced production costs where such economies do in fact exist. These developments would tend progressively to reduce, for the market area as a whole, the cost of local industry measured in terms of National Income for-gone by producing a good locally rather than importing it cheaply.

91. Economies of Scale may be internal i.e. generated from within the firm or external, deriving from the environment, location etc. in which the firm operates. The importance of the former necessarily varies greatly between industries. (See Haldane and Whitcomb *Economies of Scale in Industrial Plants* Journal of Political Economy August 1952 p. 373-85) They are relatively large in metallurgical operations. The U.N. Economic Commission for Africa has estimated that a 10% capacity increase in Iron production by the Blast Furnace method will require a rise in Capital expenditure of only 6%. The total Unit Cost of producing Iron will increase by 17%. If the scale of operation is reduced from 800,000 tons to 400,000 tons per annum, it would decline by 6% for an increase in scale from 800,000 tons to 16 million tons per annum ("The Development of the Steel Industry in East and Central Africa", E/CH. 14/INF/87, quoted in U.N. E.C.A. *Industrial Development in Africa* (New York 1967). It is noteworthy that economies of large scale can be reduced or even swamped by diseconomies of large scale can be reduced or even swamped by diseconomies of large scale operations.

92. Cooper and Massell define the average Cost of Industry as "the amount by which the average Cost of producing the industry’s output exceeds the price of a comparable imported good." (Cooper and Massell op cit p. 464).
Moreover, the pooling of scarce factors such as capital, and skilled personnel would not only enable member states to utilise their resources more efficiently but would also improve their joint capacities to increase factor supply for instance, through the common finishing of technical institutions. National income, industrial output and the volume of tradeable goods within the market area would thus tend to rise. Encouraging this belief was inter alia, the fact that after the large scale dismantling of intra-area tariffs within the Central American Common Market in 1960, exports of non-traditional manufactures from member states, rose from $12 million in 1960 to $60 million in 1965, an increase of 400%. Intra-regional exports grew at the compound rate of 34% in the same period.

In the East African Economic Community the average rate of growth of gross domestic product per annum was 7% between 1959 and 1966 (rate of G.D.P. growth in Nigeria over the same period was 5% p.a.). Intra-area exports rose by 66% in 1959-65 while extra-area exports went up by 47% in the same period.  

94. Kahmert, and others op cit p. 73  
95. Consists of Kenya, Uganda and Tanganyika.  
96. P. Kahmert. Ibid p. 142  
97. Calculated from data published in Ibid p. 142
NIGERIA'S POSSIBLE GAINS IN TERMS OF INDUSTRIAL OUTPUT

Although Nigeria was by far the most populated African state, her National Income in absolute and per capita terms was small; her transport and communications systems were in a developing state. As a result, the effective national market for various production processes was relatively small. She was therefore likely to gain valuable market expansion through A.C.M. membership. The outcome in relation to industrial expansion was however unpredictable.

Industrial activity tends to be strongly attracted towards growth areas to take advantage of external economies. Savings in transport costs due to nearness to market and input supply sources and better communications and infrastructure. This is the so-called "Polarisation effect" of economic integration. Nigeria's (and any other member's) share of the growth in industrial output resulting from the formation of the A.C.M. would depend partly on the extent of its industrialisation at the inception of the Common Market. In the Central American Common Market, El Salvador, the member with proportionally the largest manufacturing sector, has experienced the fastest growth rate in manufacturing. So also has Kenya in the East African Economic Community. The following table gives an indication of the level of industrialisation in Nigeria relative to that of some of the prospective A.C.M. members.

98.  Kanhert & Others op Cit p.73.
99.  Green and Krishna op Cit p.33
### TABLE 9

**AFRICA: SHARE OF INDUSTRY IN THE NATIONAL INCOME OF SELECT COUNTRIES, 1960**

<table>
<thead>
<tr>
<th>Country</th>
<th>National Income ($ US million)</th>
<th>Share of Industry in National Income (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>Mining</td>
</tr>
<tr>
<td>Morocco</td>
<td>1535</td>
<td>99</td>
</tr>
<tr>
<td>Congo (Kinsasha)</td>
<td>1170</td>
<td>185</td>
</tr>
<tr>
<td>Algeria</td>
<td>2500</td>
<td>80</td>
</tr>
<tr>
<td>Egypt</td>
<td>2620</td>
<td>25</td>
</tr>
<tr>
<td>Ex-French West Africa</td>
<td>2730</td>
<td>30</td>
</tr>
<tr>
<td>Ghana</td>
<td>1215</td>
<td>25</td>
</tr>
<tr>
<td>Nigeria</td>
<td>2351</td>
<td>25</td>
</tr>
</tbody>
</table>

**NOTES:** (1) Ex-French West Africa comprises Dahomey, Guinea, Ivory Coast, Mali, Mauritania, Niger, Senegal and Upper Volta.

**SOURCES:**
- Rev. 1 (New York) 1963 Table 5. P.10

It appears that in 1960 Nigeria was among the least industrialised independent African States. The Share of industry in National Income was higher in nearby Ghana (10%) than in Nigeria (5%). This was largely due to the fact that serious industrialisation efforts in Nigeria started in the 1950's. On this basis alone Nigeria was likely to lose industry through the polarisation effect. Nigeria's Status as one of the least industrialised African States was however likely to change rapidly particularly in view
of her vast industrial potential which the Finance Minister contended "puts her in a special position in her economic relationship with neighbouring African Countries and in the progress towards the establishment of an African Commons Market*. If this potential was effectively utilised Nigeria's chances of becoming one of the major industrial growth poles in Africa would improve.

Even if the polarisation effects of an A.C.M. on Nigeria's industrial expansion turned out to be adverse, there would still be countervailing 'spread effects'. Growth areas generate demands for material inputs which could stimulate investment in outer areas. Besides, excessive industrial concentration in a particular area sooner or later evokes dis-economies which enforce industrial decentralisation and the location of new enterprises in outer areas. The spread effects however operate slowly and it may be politically unacceptable for a state to be an 'Outer Area' within a Common Market.101

100. H.R.D. 18.3.64. Col. 375-6
101. In the East African Economic Community (E.A.E.C) for instance, much tension has arisen from Ugandan and Tanzanian dissatisfaction with the increasing centralisation of industry in Kenya. A Centralised Planned Investment Allocation Scheme would seem a perfect solution to ensure equitable distribution of industry among member States. There are however perennial difficulties in reaching agreement among independent States on such politically sensitive issues and in implementing whatever agreements are concluded. In this context the fates of the 1964/5 Kampala M painful Agreements in the E.A.E.C. and the 1961 "integration Schemes" of the Central American Common Market are instructive. Arrangements for payments of compensation by those Member States which are net gainers in terms of polarisation effects, Foreign Currency earnings, Government Revenue etc., to net losers are no less difficult to negotiate and implement.
AVAILABILITY OF INVESTMENT FUNDS.

Foreign Private Investments

The enlarged investment opportunities within the Common Market are likely in general, given credible political assurances against nationalisation without adequate compensation, to increase aggregate net inflow of foreign private investments into the constituent developing States. In the Central American Common Market for instance, foreign direct private investment, although generally constituting a small proportion of total private investment, has increased considerably since 1960. Nigeria's share of the enlarged inflow into the A.C.M. would be a direct function of the number of new foreign financed enterprises located in her territory. To the extent that A.C.M. membership would enhance industrial output in Nigeria, she was likely to receive a net inflow of foreign private investments.

FOREIGN AID.

It is possible that a bigger African grouping would have a stronger aid-bargaining power and succeed in attracting more aid to the Continent than was the case when the states acted individually. In general however, it would appear unlikely that the formation of an A.C.M. would by itself, radically affect aid receipts by member states. In the Central American Common Market, net bilateral aid flows to all member states did not increase consistently between 1960-65. It is therefore unlikely that Nigeria's aid receipts would be greatly influenced by its accession to the A.C.M.

102. F. Kalmert & others op cit. p.75
103. Ibid
PRIVATE DOMESTIC FINANCE

If as a result of joining A.C.M. Nigeria’s import trade is diverted to relatively high cost African sources, domestic price level, real consumption and savings would tend to be adversely affected. Conversely, trade diversion in favour of Nigeria’s exports would raise income. The repercussions on domestic savings and consumption would depend on the distribution of income and the propensities to save and spend of the various income recipients. If Nigeria does gain many new industries, she is likely to be a net exporter within the A.C.M. and would thus probably enjoy an increase in domestic private savings.

PUBLIC DOMESTIC FINANCE

Tariff elimination on intra-African trade and the diversion of imports from third Countries to local sources would reduce Nigerian Government Income from import duties. The change in revenue from tariffs would depend on the rates of the Common External Tariff of the A.C.M. compared to the duties previously imposed by Nigeria, and on the new volume of imports from third Countries. The latter would be a function of the magnitude of trade diversion of imports from these Countries that occurs and will be governed by the price and income elasticities of demand in Nigeria for third Country imports after the imposition of the A.C.M’s Common External Tariff.

With regard to domestic taxation, the location of new industries in Nigeria would open new tax revenue sources. The general increase in personal incomes expected from accession to the A.C.M. would raise taxable capacities and consequently personal income tax yields to the
Much would thus depend on how imports from third countries, industrial economic activities in general and National Income in Nigeria respond to the Common Market arrangements.

**BALANCE OF PAYMENTS EFFECTS**

If Nigeria turns out to be a net exporter within the A.C.M., her trade balance vis-à-vis other member States would be favourable and vice versa. If in producing exports to African States, her capacity to export to third Countries were reduced, her trade balance with the outside world would tend to be unfavourable depending on how imports from third Countries were affected by the Federation's A.C.M. membership. On the other hand, if net foreign private investment inflows into Nigeria were to rise, the Capital account of her balance of payments would tend to be positive.

A.C.M. member States would have monopoly or near monopoly world supply of some of Nigeria's major commodity export items. They could therefore take joint action to raise the world market prices of the commodities and thus improve Nigeria's terms of trade. Such monopoly power is however a necessary but not a sufficient condition for the ability to raise world market prices of primary products. Much depends

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on world demand and supply conditions. In 1964/5, the Cocoa Producers Alliance whose members account for about 90% of world raw cocoa production failed abysmally in its endeavour to increase world market cocoa prices through organised boycotts. Potential terms of trade effects of an A.C.M. are therefore unreliable.

Generally therefore it would appear that whether or not the net economic benefits of A.C.M. membership to Nigeria would be positive was uncertain. The important point was that the Nigerian Government was strongly attracted to the idea of an A.C.M. It was convinced an A.C.M. was exactly what Africa needed. Balewa told the 1963 Addies African Summit "If we are able to establish an African Common Market we shall overcome many of our difficulties and we shall be in a position to stand on our own in relation to other parts of the world. My fear of being economically colonised will disappear".

Lagos did not however harbour any delusions about the prospects of an A.C.M. coming into being in anything but the long term. Chief Okotie Eboh warned, in his 1962 Budget Speech that "it would be idle to underestimate the magnitude of the difficulties which must be resolved before this (the formation of an A.C.M.) can come to pass". Among other things, before an A.C.M. "can become a reality, there must be greater industrialisation----" And greater industrialisation cannot be

105. The Cocoa Producers Alliance comprised Ghana, Nigeria, Brazil, Ivory Coast and the Cameroons.

106. Federal Minister of Finance H.R.D. 31 March 1965 Col. 314

107. Nigeria Speaks Op Cit P.164

108. H.R.D. 29 March 1962 Col. 527
achieved overnight. Consequently while the Government in fashioning its Africa policy in 1960-66 had to take its commitment to the formation of an A.C.M. into consideration, it did not accord it a position of preeminence. This is evident from its approach to Pan Africanism. An immediate political union of African States would have entailed at least the creation of an equivalent of an A.C.M. Inter-State functional co-operation on the other hand might, but need not necessarily lead to the emergence of a Common Market.
CHAPTER 4

NIGERIA - UNITED KINGDOM RELATIONS AND THE DECISIVE NON-ECONOMIC FACTORS

At independence, Lagos was satisfied that her ex-metropolitan power was a "real and genuine" friend and Sir Abubakar proclaimed to the whole world "we shall never forget our old friends". It was thus to be expected that relations between Lagos and London would be intimate and cordial.

MEMBERSHIP OF THE COMMONWEALTH

On the eve of independence all three major political parties in Nigeria enthusiastically approved of the Country joining the Commonwealth. According to Olusanya "the desire for association with the Commonwealth was almost an article of faith with all political parties in Nigeria". So seriously did the Government take the issue that the Prime Minister's motion seeking authority to request the UK for independence on October 1st, 1960 and which was unanimously passed by the Federal Parliament, simultaneously asked for powers to seek Commonwealth membership. By seeking membership, Nigeria was of course following the footsteps of most ex-British Colonies that had attained independence. The Government however perceived in Commonwealth membership, a means of transforming the old Colonial relationship with Britain into one of partnership thus creating the opportunities for forging

1. Balewa at the UN General Assembly 'Nigeria Speaks' op cit P.51
2. G.O. Olusanya - Nigeria and the Commonwealth IN Africa Quarterly Jan-March 1967 P.298
3. H.R.H. 14 January 1960
4. By October 1960, only the Anglo Egyptian Sudan, Burma and British Somaliland had not become Commonwealth members on being granted independence by Britain. The Irish Republic also elected to stay outside the Commonwealth in 1922.
close links between both countries. On Independence Day, Balewa emphasised that "our future relations with the UK will be more cordial than ever bound together as we shall be in the Commonwealth, by a common allegiance to Her Majesty, Queen Elizabeth."\(^5\)

Just how cordial manifest from the Government's reaction to the U.K's abstention from voting on a U.N. Security Council Resolution condemning Pretoria for the Sharpeville shootings of March 1960. Alhaji Balewa soothingly explained to the U.K's detractors that the abstention had been entirely on a "technical matter" relating to the U.N. Charter\(^6\) and was no reflection on London's anti-apartheid stance. In spite of the Government's professed abhorrence of apartheid\(^7\), it then introduced a motion in the Federal House of Representatives which "resolved to send a message of goodwill to Mr. Harold Macmillan [U.K. Prime Minister] for his tour of South Africa and his statement against the race problems of that Country".\(^8\)

Further indication of the Nigerian Government's amiability towards London was provided by its signing of the Anglo-Nigerian Defense Agreement shortly after independence.

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5. "Nigeria Speaks" op cit pp. 60
6. Reference here was to Article 2(7) of the UN Charter which safeguards domestic jurisdiction.
7. See Chapters 2 and 3
THE ANGLO - NIGERIAN DEFENCE AGREEMENT

On 19th November 1960, the Federal Minister of Defence, Alhaji Ribadu moved a motion in the House of Representatives seeking to authorise the Government to conclude a Defence Agreement with the Government of the U.K. Under Article I of the proposed Agreement, both Governments undertook to "afford to the other such assistance as may be necessary for mutual defence", and to "Consult together on the measures to be taken jointly or separately to ensure the fullest co-operation between them for this purpose". The U.K. Government warranted to provide assistance for the training and development of Nigeria's Armed Forces. This was to include equipping them with modern weapons and making available to the Nigerians, places in U.K. military training establishments.

As a quid pro quo, Nigeria was to make available at Kano and Lagos, airfields, facilities for the holding of tropicalisation trials of aircraft by U.K. forces. Both Governments undertook to accord each others military aircraft unrestricted overflying and air staging facilities.

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10. Ibid Article II (1 - 5)
11. Ibid Article IV
12. Ibid Article III
Alhaji Ribadu argued that the Agreement was essential "to arrange for the needs at least over the next few years, of the Armed Forces [of Nigeria]—" His motion was passed by a large majority of 166 to 38 after a stormy debate in which several Parliamentarians on either side of the House strongly objected to the proposed Agreement.  

Objections to the proposed Agreement were three fold:

1. That it invariably committed the Federation to participate actively in hostilities in which the U.K. was involved. This was denied by the Government. During the debate on the Ribadu Motion, the Federal Finance Minister insisted that neither party to the Agreement was entitled to help from the other if it "Commited Aggression. If we are attacked only would we be entitled to ask the U.K. to come to our aid."  

As stated in Article I, the agreement was for mutual defence. If Nigeria, when attacked, could call on the U.K. for assistance, there appeared to be a strong presumption that the U.K. had a reciprocal right in similar circumstances. Admittedly, the right would seem to exist

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13. In Nigeria's Parliamentary history, it was extremely rare for M.P's of the Governing parties to vote against the Government however strongly they objected to its policies on specific occasions. In the Defence Agreement debate, although several Government back benchers had voiced very strong reservations and sometimes outright opposition to the proposals, only one infact voted against the Government. Frequently therefore, the margin of majority votes cast in favour of Government measures did not accurately reflect Parliamentary opinion as such.

only in those circumstances in which the U.K. had not "Committed aggression" but it is not always easy to determine which is the aggressor nation in a war situation. The final act of declaring war is usually the culmination of a maze of actions and re-actions by the States involved to usually self-fulfilling real or imagined threats to their survival. In the final analysis therefore the dividing line between the aggressor and the victim is frequently very fine.

Assuming that the Nigerian and U.K. Governments would be able to determine when the other had 'Committed aggression', while the terms of the Agreement as interpreted by the Finance Minister would no longer bind the other to render assistance, the spirit of the Agreement would tend to induce continuation of assistance. To deny a State at war certain military facilities it had enjoyed in peacetime without correspondingly putting its enemy at a similar absolute disadvantage may be construed by that State as an unfriendly act. It would therefore appear that to the extent that Nigeria could rely on the U.K.'s assistance in times of war, the U.K. could also expect Nigeria's support if she went to war.

(2) That consequently, Nigeria had inherited the U.K.'s international prejudices and enmities. Since she would be committed to support the U.K. militarily in peace time and in war, Nigeria would, it was argued, thereby imprison her Sovereignty to that extent and become a 'military appendage' of the North Atlantic Treaty Organisation of which the U.K. was a leading member. The Governor General Dr. Azikiwe summed up most of the objections to the Agreement when he mentioned in a speech in January 1962 that Critics of the Agreement felt that "it derogates from
the Sovereignty of Nigeria and leaves an impression that Nigeria is a loyal and faithful sympathiser of the N.A.T.O. powers".  

(3) That such a commitment to NATO would be incompatible with the professed non-alignment policy of the Government and would undermine its prestige particularly in Africa where non-alignment had become the vogue.

There was little doubt however that Nigeria needed foreign assistance in developing its armed forces which at independence were rudimentary.

There was also no doubt that the U.K. was well placed to provide such assistance because of its long Colonial history and its first hand experience and knowledge of Nigeria's military needs. Nevertheless, it did not appear absolutely necessary for Nigeria to enter into a formal Agreement with the U.K. in order to enjoy most of the benefits stipulated in the Pact. Here Commonwealth membership would appear to have sufficed.

Commonwealth members like Ghana and India enjoyed similar advantages without a formal Agreement with the U.K.

The question however was whether the U.K. Authorities had insisted on the Agreement as a price the Nigerians had to pay for independence. Indeed, Chief Awolowo, Federal Opposition Leader who first brought the issue of the proposed Agreement to light, claimed that this was the case.

He told a press conference on the eve of the final London Conference on Nigeria's Constitution in May 1960 that during the 1958 Resumed Constitutional Conference in London, the Prime Minister and all three Regional


Premiers (which included himself who was then Premier of the Western Region) were asked to initial the outline of a proposed Defence Agreement between the U.K. and Independent Nigeria as a condition precedent to the granting of independence to Nigeria in 1960. He claimed that the proposed Agreement granted military bases in Nigeria to the U.K. All the other Premiers who had attended the 1958 London talks denied that initially the Draft Agreement was a condition of independence. No one however denied the initialling and no one advanced any reasons why the existence of such a document had not been publicised earlier.

The general public was first alerted to the Government's intention of signing a defence agreement with the U.K. when Chief Awolowo hinted at it in Parliament in April 1960. On April 12th, a Government backbencher introduced a private motion seeking to prevent the Government from entering into any Military Alliance or Mutual Defence Pact or allow any foreign Government to establish a military base in Nigeria without the prior approval of the House of Representatives. The Government accepted the motion and Balewa revealed for the first time that the three regional Premiers and himself on one hand and the U.K. Government on the other, were convinced that cooperation in the field of defence would be mutually advantageous to the U.K. and Nigeria. They had reached

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16. Daily Times (Lagos) 4.5.60.
17. H.R.D. April 1960. Col. 332
"Unanimous agreement on the facilities and help which each country would render to the other after Nigeria's independence". A serious controversy ensued in which the public voiced disapproval of any Defence Agreement in general and the installation of foreign military bases in Nigeria in particular.

At the opening of May 1960 London Conference, the British Colonial Secretary, Mr. Macleod, emphasised that no strings had been attached to Nigeria's independence. But the Manchester Guardian, a British national daily Newspaper, said in a front page article on 22nd January 1962:

"—unfortunately for those whose task it is to smooth the course of relations between Britain and Africa, this — military deal was made part of the price which Nigerians had to pay for their independence in 1960—[this fact was] a public secret in political circles at the time [agreement was reached on Nigeria's independence date in 1958]."

It would appear that although the British Government did not expressly make initialing the Draft Defence Agreement a condition of independence, the circumstances in which it was put forward gave the impression it was an implied condition and may have induced the Nigerians to accept.

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18. Ibid Col. 339
19. Daily Times (Lagos) 11th May 1960
20. Sir James Robertson who was Nigeria's Governor General at the time said he was stunned when the British Defence Minister the Rt. Hon. Duncan Sandys put forward the proposals for the Defence Agreement to the Nigerians at the Constitutional talks. Neither he nor any other British Officials serving in Nigeria were consulted beforehand. They all felt some consternation because of their convictions that the Nigerians would construe the proposed Agreement as a price of independence and this was likely to harm Anglo-Nigerian relations. (Personal Interview).
Yet, if the implications of the Agreement were unacceptable the Nigerian leaders could easily have repudiated it after the U.K. had publicly committed itself to granting independence to Nigeria in 1960. Alternatively, they could have released the details of the Agreement and whipped up public opinion in Nigeria against it to the extent that London would have had to withdraw it. The deletion of provisions for U.K. military bases in the proposed Agreement was in fact due to Nigerian public outcry against foreign military bases after Awolowo's disclosures.

In the event, no mention was made of the prospective Agreement during the heated 1959 elections Campaigns. It was not until April 1960, when Chief Awolowo became Opposition leader that the cat was let out of the bag. It would therefore appear that the Nigerian leaders (including Awolowo up to early 1960) were entirely agreeable to symbolising their warmth towards the U.K. with a formal Defence Agreement which, as originally envisaged, involved granting military bases to the U.K. Mr. Macleod told the House of Commons that the Defence Agreement was "A complete reflection of the goodwill and mutual trust which exists between the two Countries".

21. Sir James also said it was widely believed among Colonial Officials serving in Nigeria that the Nigerians would repudiate the Agreement once independence was attained.

22. At the conclusion of the London talks, Colonial Secretary Mr. Macleod, informed the House of Commons "it was thought originally a year or two ago that it would be appropriate for Nigeria to lease some land to this country, on which, if we wanted, we could construct additional facilities. We have decided not to ask for that and that was very much welcomed by the Nigerian Authorities" Parliamentary Debates (Hansard) London, 19th May 1960. Col. 1498.

Parliamentary approval of the proposed Agreement did not however end the controversy. Opposition Parties and various pressure groups incessantly denounced it. On November 28, 1960, hundreds of undergraduates from the University College, Ibadan, gatecrashed the Houses of Parliament in an angry demonstration against the Pact and manhandled some Ministers. Members of the Foreign Affairs Committee of the All Nigerian Peoples Conference summoned by the Prime Minister's Personal adviser on African Affairs, Dr. Mbadie, in August 1961, unanimously recommended that the Defence Agreement be rescinded.\(^24\) As was seen in Chapter 2, Dr. Nkrumah was able to delay until the last minute Nigeria's invitation to the 1961, Belgrade Conference of non-aligned States by arguing that the Defence Agreement was proof that Nigeria was not genuinely non-aligned. The Agreement was also making relations between Nigeria and the Casablanca Charter States difficult thus inhibiting Nigeria's efforts at unifying the Casablanca and Monrovia Groups of African States. Eventually on January 22, 1962, the Cabinet Office in Lagos announced that the Agreement had been terminated. Each of the Contracting Governments however agreed to "afford to the other at all times, such assistance and facilities in defence matters as are appropriate between partners in the Commonwealth."\(^25\)

\(^{24}\) West Africa (London) 26th August 1961. p.947

Obviously the political embarrassment had proved too much. It was apparent that the Lagos Government was having second thoughts about the Defence Pact as long ago as August 1961 when the Federal Minister of State for the Navy Mr. Mbu intimated that "if the Government finds that it is the wish of the Nigerian people to abrogate the Defence Pact signed with Britain, it will consider such a request."

In the aftermath of the Agreement's abrogation, to give the lie to its detractors who accuse it of being too 'pro-British' the Federal Government entered into agreements with Canada (January 1962), Ethiopia (January 1961), India (December 1962) and West Germany (April 1963) for the training of personnel for the Nigerian Armed Forces.

The agreement with West Germany was particularly significant. Under it the Germans warranted to build an ammunition factory at Kaduna, train pilots for the nascent Nigerian Airforce and supply 56 aircraft worth some £9 millions, and provide some medium range machine guns. As a consideration, Nigeria gave the understanding that she had, to quote Herr Von Bassen of the West German Government "sympathy towards the German Peoples' right to self-determination". This was by necessary implication, an undertaking not to grant diplomatic recognition to the Government of the Democratic Republic of East Germany. Besides, the Nigerian Government was to meet the whole cost of the Air Force Pilots' training programme. The terms were thus considerably less advantageous.

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   In a personal letter to the writer dated 10th December 1971, Mr. Duncan Sandys stated that the Defence Agreement "was subsequently revoked at the request of the Nigerian Government who found it politically embarrassing--"


than would have been the case had Britain undertaken the provision of
the aircraft and the training of the Pilots within or outside the
ambits of the Anglo-Nigerian Defence Agreement.

The termination of the Defence Agreement eliminated much of the
stresses and strains it had imparted into Nigeria-U.K. relations at the
Sub-official levels. Within a year, a new issue arose which threatened
relations between the two Countries at the official level.

THE ENAHORO AFFAIR

On November 27, 1962, Chief A. Enahoro was arrested in London for
extradition to Nigeria under the 1881 Fugitive Offender’s Act. Wanted
in connection with an alleged conspiracy by Opposition Action Group
leaders to stage a Coup d’etat in Nigeria, he had arrived in London two
days previously apparently convinced he would be safe from arrest.29

29. Chief Enahoro stated in his Autobiography “Fugitive Offender”
(Cassell, London 1965) pp. 206-7 that he had asked a friend,
a Mr. Dolan to inquire whether or not he ran the risk of being
arrested if he came to Britain. Mr. Dolan consulted a firm of
Solicitors, Nessa, Slaughter and May on whose advice he had
"three separate conversations" with Mr. Hyde, a Senior Home
Office Official. After making "internal inquiries" Mr. Hyde
advised Mr. Dolan of the long traditions of political asylum
in Britain" without specifically mentioning that asylum might
not be available to a Commonwealth Citizen”.

The British Home Secretary’s version of the inquiries on the
Chief’s behalf was different. Mr. Brook told Parliament (Hansard
14.3.63 p.606) that Chief Enahoro’s friend had telephoned the
Home Office and was assured the Chief would not necessarily be
refused leave to land merely because he did not have a Passport.
When he sought assurances about freedom from arrest, the friend
was asked to contact the Criminal Division of the Home Office which
was competent to give advice on the issue. Neither Chief Enahoro
nor his friend did so nor did they seek legal advice on the matter
but merely assumed Enahoro would not be arrested.
As required under Section 5 of the Act a Magistrate's Court examined the case and was satisfied there was a "strong and probable presumption" the Chief was guilty and therefore committed him for surrender. Thereupon the Chief endeavoured unsuccessfully to have this decision set aside by a series of appeals to higher Courts. He did however win a pledge from the Lagos Authorities (made through Counsel) that permission to land in Nigeria would not be refused to any Counsel from England merely because he was going to represent Enahoro.

It was then left to the Home Secretary acting under Section 8 of the Fugitive Offenders Act 1881, to order the Chief's extradition to Nigeria if he thought it just. At this stage, Parliament and the press took so intense an interest in the affair that extradition was delayed for five months. The Home Secretary, Mr. Brook announced to the House of Commons on 14th March 1963, that he had decided that Enahoro should be sent home. It soon became obvious that his decision was unpopular in the House which consequently held about nine full-dressed debates on the issue between 14th March and 30th May 1963.

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31. The question of entry into Nigeria arose because Mr. Grantian, an English Lawyer who had gone to Nigeria to defend Chief Awolowo, accused of the same crimes as Enahoro, had been refused entry. Subsequently, Mr. Dingle Foot, regarded in Lagos as a bitter critic of the Nigerian Government, was refused entry when he went to Nigeria to defend Chief Enahoro. His junior Counsel was however granted entry and the Government announced that any other British Lawyer (apart from Mr. Foot) would be admitted to defend the Chief.
32. Hansard 14.3.63, Col. 1543.
In a bid to induce Mr. Brook to change his mind, some M.P.s argued vehemently that the Chief was a victim of political vendetta by the Nigerian Executive intent on "liquidating" the Opposition A.O. Party and was therefore unlikely to receive a fair trial if sent home.33

On March 26, the Deputy Opposition leader introduced a new twist to the argument. He pointed out that one of the charges against Chief Enahoro listed in the affidavit lodged on behalf of the Nigerian Government at the extradition proceedings, was punishable by death. This triggered off a lively controversy as to whether or not Enahoro ran the risk of losing his life if sent home. In the end, Prime Minister Macmillan solemnly promised the House on 26 March that "the Chief will not be returned to Nigeria until there is a definite undertaking from the Nigerian Government that this Charge, if it carries the death penalty, is withdrawn and that no charges that could carry the death penalty is substituted."34

On 9th April, the Attorney General advised the House that the Charges preferred against Chief Enahoro did not carry the death penalty35. This however failed to silence the grave concern expressed in Parliament and in the

33. For instance, Mr. Stonehouse maintained that "--If Enahoro is returned to Nigeria it is most unlikely that he will have a fair trial. I say this because all the leading politicians of the Action Group have been arrested in what amounts to a purge of the Opposition and some of the Charges laid against them have the appearance of being - and I use the Home Secretary’s words without apology - trumped up--" Hansard 21 March 1963. pp. 612-4


35. Ibid 9-4.63. p.1019
Press that Enahoro was in peril of losing his life after an unfair trial in Nigeria. On 10th April, Mr. Macmillan informed the House that the Nigerian Government's view was that Capital Sentence did not apply to the charges against Enahoro but it had not given any undertaking. He was now satisfied that the whole question of the affidavit was irrelevant to the position of whatever the law meant; was fully confident of the good faith of the Lagos Government and the impartiality of the Nigerian Courts, and had reached the conclusion that Enahoro would have to go home and stand trial.  

Further Court proceedings and parliamentary and non-parliamentary pressure (including a petition to the Queen) designed to effect the Chief's release were unavailing. Finally, on 15 May 1963 - after the House of Commons had again adjourned for three hours to discuss "a definite matter of public importance" vis. the Enahoro affair - had divided and voted in favour of the Chief being sent home, Chief Enahoro was at last extradited.

NIGERIA'S REACTION

In the initial stages, the Enahoro affair generated little excitement in Nigeria. As it dragged on and some British MPs began seriously to question the integrity of the Nigerian Executive and Judiciary however, tempers among Government Supporters became frayed while the Opposition parties and their supporters were naturally jubilant at the Government's discomfiture. Matters came to a head following

36. Ibid 10.4.63. F3 1290 - 1295
Mr. Macmillan's March 26 House of Commons speech in which he promised to seek assurances from Lagos that Enahoro would not face capital punishment. Mr. Macmillan was in fact reacting to acute parliamentary pressure. Almost inevitably however, Lagos construed his move as exposing the Nigerian Government and Judiciary to public ridicule. The Government-owned Morning Post Newspaper bluntly declared that "the Government and people of Nigeria have been humiliated enough. The British taught Nigeria that the Judiciary must be independent yet Mr. Macmillan wants the Government to interfere with the Judiciary". 37

Both Chambers of the Nigerian legislative reverberated with angry incessant demands from Government M.P.s. that Lagos should send an ultimatum to London demanding unreserved apologies and should break off diplomatic relations with the U.K. if none was forthcoming within a given time limit. 38 The mood in Government circles in Lagos was reflected in the purported conviction of Lord Head, the U.K. High Commissioner to Lagos, that Nigeria would withdraw from the Commonwealth unless Enahoro was returned without conditions of any kind. 39 On April 29, when the Enahoro affair had attained crisis proportions as London appeared to drag its feet over the extradition issue, Sir Abubakar announced to a Cheering

37. Morning Post (Lagos) 28.3.63.
Federal House that Nigeria was to become a Republic the following October.40

**REPUBLICANISM**

The Nigerian Federation had strong attachments to the British Crown. In 1958 Balewa said "We in Nigeria are second to none of Her Majesty's subjects in our affectionate loyalty to her person — there is (in Nigeria) definitely no thought of, let alone, wish for a Republic". On Independence Day, he 'proudly' acclaimed the British Monarch as "Queen of Nigeria and head of the Commonwealth".

Independent Nigeria thus shared with the U.K. a common constitutional Monarch. Admittedly, the Queen's Status in Nigeria was largely ceremonial but common allegiance to her was symbolic of the closeness between the Federation and the U.K.

With the passage of time public opinion first in the South, veered towards republicanism for reasons discussed later in this Chapter. On October 1, 1963, Nigeria became a Republic. The Queen ceased to be its head of State but was still affectionately recognised as head of the Commonwealth whose membership the new Republic retained. Republicanism brought with it the termination of the Judicial Committee of the Privy Council in London as Nigeria's Final Court of Appeal. This Status now vests in the Supreme Court of Nigeria. Receipt of British honours by Nigerians was also discontinued.

40. H.R.D. 29 April 1963
RHODESIA

On November 11, 1965, the minority Rhodesia Front Government of Southern Rhodesia unilaterally declared the territory independent (UDI). Its quest for legal independence had foundered because of the U.K’s insistence on satisfactory constitutional safeguards for unimpeded progress towards majority rule. In May 1965, the Rhodesia Front Government called a general election seeking a mandate for UDI and in November came UDI. The U.K Government which had always maintained there was absolutely no question of military intervention in the event of a UDI, promptly denounced the rebellion and imposed a partial trade embargo and other forms of economic and financial sanctions against the Territory.

NIGERIA’S POLICY TOWARDS RHODESIA

As has been demonstrated in Chapter 2, the Nigerian Government declared itself to be trenchantly opposed to white minority rule in Africa. Rhodesia was no exception. The Nigerian Government’s policy in relation to the crisis however reveals an ambivalence already apparent from its attitude towards the Central African Federation discussed in Chapter 2. On the one hand was the Government’s necessity to play along with its African counterparts at international forums, particularly the UN, when Rhodesia was discussed. On the other hand was the desire to demonstrate full confidence in the U.K. Government. When Foreign Minister Wachukwu told the U.N. General Assembly in June 1962 that his Government policy on Rhodesia was "one of conciliation,"² he was in fact

42. U.N. Doc. A/PU 1112 16th Session of General Assembly’s 112th Meeting 20th June 1962
giving expression in public to the meeting of minds between Lagos and London on many aspects of the Rhodesia Crisis.

Nigeria's endorsement of the U.K.-Rhodesia policy was evident as far back as August 1960, when the Federal Minister of State for Foreign Affairs Dr. Esin reportedly said, during an official fact finding tour of the Rhodesian Federation that Dr. Banda would be "foolish to secede from the Federation when his people would be better off within its framework". Intense Nationalist protests induced a recantation.

With regard to the 1961 Constitution, Lagos felt it provided a good enough framework within which the African Nationalists should work for majority rule. At the 1964 Commonwealth Prime Ministers' Conference, Balewa came out against immediate African rule on the grounds that the Chaos of the Congo might be repeated if power was hastily handed over to ill-experienced Africans. At the 1965 Prime Ministers' Conference while most Afro-Asians urged the U.K. to introduce a new Southern Rhodesia Constitution which would ensure an immediate transfer of power to Africans, Balewa said he was for independence for Rhodesia only after the attainment of majority rule but again he stressed the dangers inherent in a hasty African takeover. He was also opposed to any proposals weighted too heavily in favour of either racial group in the Territory. Instead he advocated a Constitutional Conference at which Africans and Europeans

43. Johannesburg Star. 4th August 1960
44. Daily Express (Lagos) 21st and 22nd June 1965
would hammer out their own solutions to the problems of the colony.\footnote{48}

When it became clear that Salisbury would not accept the idea of a fully representative Constitutional Conference, Lagos, unlike most other African Governments, endorsed the U.K. proposals for a Royal Commission to enquire whether or not the majority of all South African Rhodesians favoured independence under the 1961 Constitution.\footnote{49} These proposals were at first acceptable to Mr. Smith who later rejected them and opted for UDI.

Meanwhile at the U.N. Nigeria in 1962 voted for a Resolution requesting the U.K. to take immediate measures to secure the suspension of the 1961 Constitution and the cancellation of the elections scheduled under it.\footnote{50} She also joined forces with Afro-Asian States to put pressure on the U.K. over Rhodesia. In April 1965 for instance, Nigeria was one of 35 African States which requested a Security Council Meeting on Rhodesia and successfully sponsored a Resolution directing that UDI be prevented at all costs and asking all member States not to recognise UDI if it transpired.\footnote{52}

That these actions were motivated chiefly by the need to keep in tune with African opinion was apparent when the Nigerian Minister of State in the Ministry of Foreign Affairs told Parliament in response to demands by M.Ps that the Government should put pressure on London to suspend the

\footnotesize{\begin{itemize}
\item[48.] Federal Nigeria (Lagos) Vol 2, Nos. 7 & 8 1965 p.5.
\item[49.] Morning Post (Lagos) November 1, 1965
\item[50.] U.N. Year Book 1962 p.423
\item[51.] Ibid 1965 p.119
\item[52.] Security Council Resolution 202 1965
\end{itemize}}
1961 Constitution on the eve of the May 1965 elections in Rhodesia, and render the elections void, that "— the suspension of the (1961) Constitution is not the responsibility of the Nigerian Government". The Government was opposed to minority rule in Rhodesia and had made that clear to the U.K. Government "I do not think that Nigeria will do more than what she has done". 53

Lagos was thus not disposed towards sustaining pressure on the U.K. in the spirit of the United Nations Resolutions it had voted for. And to indicate that irrespective of what might be said at the U.N. the desire not to hurt London's feelings was a paramount feature of the Nigerian policy, a Nigerian delegate concluded his speech during a U.N. Rhodesia debate by extolling the U.K. Government's "— Creditable and indeed glorious record in the Colonial field". 54

It was on the issue of U.K.'s response to UDI that Lagos and London parted ways. The Nigerian Government objected strongly to the use of economic sanctions alone firstly because they were too ponderous a weapon with which to combat a rebellion. Sir Abubakar told a Press Conference the day after UDI "— A rebellion is a rebellion and you cannot put down a rebellion by sanctions alone. There is no more effective remedy to rebellion than to crush it with (military) force". 55 Secondly, that sanctions imposed were not even total. Oil a vital commodity was not included in the embargo until a month after UDI. Moreover, during the

53. H.R.D. 6.5.65.
life time of Belewe and his Government, sanctions were not mandatory and no serious attempt was made to put sanctions bursting particularly via the Republic of South Africa.

The putative parting of ways was not however complete. Soon after UDI, Belewe declared "We will back any action taken by Britain" And in December 1965, the Government gave ample demonstration that relations with London had by no means cooled inspite of disagreement over the use of force in Rhodesia. On December 3, 1965, an OAU Emergency Council unanimously adopted a Resolution calling on all 36 OAU member Governments to break diplomatic relations with the U.K. if it had not restored Constitutionality in Rhodesia by December 15. This Resolution was in the Spirit of numerous Resolutions on Rhodesia passed by OAU Assembly and Council meetings since 1963. Although the Nigerian delegate had cast an affirmative vote for the December 3 Resolution, the Balewa administration which had severed all diplomatic, economic and financial relations with Salisbury announced a few days later that the breaking of diplomatic relations with the U.K. would have (unacceptable) far reaching

56. In April 1966, the U.N. Security Council, at the request of the U.K. Government made sanctions against Rhodesia mandatory.


58. For instance, the last pre-UDI OAU Summit which met at Accra in Oct. 1965 passed a Resolution requesting the U.K. to use force in the event of UDI to restore Constitutionality; to suspend the 1961 Constitution, call a Conference to work out a time table for Rhodesia's independence on the basis of majority rule. If the U.K. did not meet these demands, member States were "to consider all political, economic, diplomatic, and financial relations with the Government of Great Britain and Ireland" OAU Assembly of Heads of Govt. Conference 1965. OAU Doc. A.H.G./Res. 25 Rev. 1. Addis Ababa.

implications" for Nigeria. To save face, the Prime Minister travelled to London on 13th December to pursue his proposals for a Commonwealth Prime Ministers' Conference to discuss Rhodesia in Lagos in January 1966. Apparently let off the hook by the acceptance of this plan, Sir Abubakar saw 15th December come and go uneventfully.

RESUME

It would appear that the Balewa Regime was initially eager to fortify ties with the U.K. and to ensure that potential or actual causes of misunderstanding were speedily scorched. Presently however Lagos began deliberately to weaken some of the formal ties with London. In 1962, the Anglo-Nigerian Defence Agreement was abrogated. Later, the parity link between the Nigerian pound and the pound sterling was broken and the former acquired its own parity expressed in terms of gold. Lagos also turned down an offer of association with the E.E.C. which had resulted from the U.K.'s negotiations to join the Community. In 1963

60. "Morning Post" (Lagos) 7.12.65

61. Although Nigeria was not one of the 10 African States which answered the OAU call, she did however participate when delegates from several African States on 16 December, walked out on British Prime Minister Wilson at the U.N. General Assembly in protest against the U.K.'s handling of the Smith rebellion.

The Lagos Commonwealth Prime Ministers' Conference on January 11 and 12, 1966, produced nothing spectacular except Mr. Wilson's celebrated claim that economic sanctions could well end Selous' Rhodesia's rebellion, "in a matter of weeks rather than months".

62. See succeeding Chapter.

63. See Chapter 6.
Nigeria became a Republic. In 1965 Lagos disagreed sharply with the U.K. over the issue of military intervention in Rhodesia. There was thus a progression from the immediate post-independence emphasis on 'We shall never forget our old friends' theme to one of gradual disengagement of formal Anglo-Nigerian ties.

When all is said and done however the relationship between Lagos and London in 1960-66 was very close. In July 1964, Sir Abubakar told the Anglo-Nigerian Association in London "—We (Nigerian) cannot help being pro-British—" and in December 1965 ignored the OAU directive to break diplomatic relations with the U.K.

THE DETERMINING EXTRA - ECONOMIC CONSIDERATIONS

NIGERIA'S COLONIAL EXPERIENCES

The post-independence relationship between Nigeria and the U.K. was significantly coloured by Nigeria's Colonial history which had two major characteristics: (a) Fundamental differences in the Colonial experiences of the Northern and Southern Regions. (b) 'Ideal' decolonisation or the relatively smooth handover of powers by the Colonial Authorities. The latter was dealt with in the previous Chapter.

THE SOUTHERN REGIONS

Early missionary operations had promoted relatively rapid spread of education in Southern Nigeria. This had encouraged large numbers of Southerners to take up appointments in the Colonial Civil Service and

64 Daily Times (Lagos) 17.7.64.
in foreign-owned and run Commercial enterprises where close contacts between them and Europeans of predominantly British extraction was inevitable. The outcome was frequently not particularly edifying. Many an educated Southerner found that the average European tended to treat him with contempt and discourtesy bordering sometimes on hostility. As C.R. Buxton observed in 1934 "Few white people have a good word to say for the educated African — (His) failings and absurdities are one of the stock subjects of conversation among white people in West Africa".

Neither did officialdom take kindly to the educated Southerners who were held responsible for what was to the Colonial Administrator career-damaging local agitations against Colonial rule. Nationalist anti-Colonial activities were concentrated in Southern Nigeria. This was due in part to the relatively rapid spread of education which had enabled many Southerners to read foreign literature with definite anti-Colonialist flavour. Besides, young Southerners began travel in large numbers to the U.K. in the 1930's and the U.S.A. in the 1940's, for further studies. While abroad, particularly in the U.S.A., they frequently experienced at first hand the plight of Negroes and had race consciousness foisted upon them. They were also exposed to strong anti-Colonialist sentiments of such personalities as President Roosevelt, the incisive nationalist philosophy of men like Marcus Garvey, the Jamaican, and the inculcation of national consciousness and racial pride by the various pan-African Congresses and such organisations as the Council on African Affairs (U.S.A) and the West African Students Union (U.K). Moreover, having seen the high standards of living abroad,

they conceived bright ideas for the attainment of similar standards at home. They therefore often returned home determined to rid their homeland of alien rule so as to be able to initiate policies to correct the economic and technological backwardness of their Country.

At home, Government restraint on wages, prices, and imports and the monopoly of the purchasing and exporting of Nigeria's primary products during World War 2 rendered the people more receptive to nationalist ideas. The control of wage rates hit the war-expanded wage earning force particularly in view of the war-induced inflation. Import controls led to shortages and inevitable price increases. Since foreign-owned monopolies or oligopolies dominated large sectors of the economy—banking, shipping, mining, commerce and importation—they were accused of exploitative price increases while the Government was charged with connivance. Government monopolisation of trade in agricultural produce in the interest of the war effort, and the designation, perhaps for administrative convenience, of large European firms as its sole buying agents, effectively excluded and angered aspiring indigenous enterpre-

67. In 1949 six firms: The United Africa Company; John Holt and Co; Patterson, Zothanis & Co. (All British); Compagnie Francaise de L'Afrique Occidentale and the Societe Commerciale de L'Ouest Africain (French); and the Union Trading Company (Swiss) which comprised the Association of West African merchants handled 70% of Nigeria's exports and 66% of her imports.

neurs who saw this as evidence of Government collusion with foreign business interests. Control of producer prices alienated farmers who felt they were being exploited by the Colonial Government and its buying agents. Besides, the Government had to raise taxes. This was troublesome enough by itself. Some of the revenue had however to be expended on the construction of facilities from which Nigerians were largely excluded. Here was an aspect of the racial discrimination and segregation designed to infuse the idea of white superiority - one of the main pillars of Colonialism which was more commonplace in Southern Nigeria and which progressively caused more resentment.

The disaffection with the Government heightened anti-Colonialist and pro-nationalist activities. There were strikes like the 1945 37-day paralysing general strike by Public Service employees for higher wages and against alleged racial discrimination in pay matters. 'Go Slows' like that at the Enugu Colliery in November 1949 demanding payment of large wage arrears. The demonstrators were fired upon by the police killing 21 and injuring 51. There were also virulent public attacks on the Colonial Administration which for instance, led to the banning in 1945 of two newspapers owned by Nnamdi Azikiwe, one of the foremost Nationalist leaders, and his subsequent allegation of

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68. See Inquiry into the Cost of living and Control of the Cost of Living in the Colony and Protectorate of Nigeria. Colonial No. 204.

an official plot to assassinate him. Militant anti-Colonialist organisations sprang up. The Zikist Movement for instance, formed in 1946, engaged in sabotage and extremist anti-Government action and was banned by the Governor in 1950.

**THE BUILD-UP OF GOODWILL FOR BRITAIN**

The above served to crystallise Southern enstrangement from the British. As Nigeria began the definite march towards Independence in the late 1940's however, the Colonial Administrations largely neutralised many of the Causes of disaffection. Social contact between Europeans and Educated Southerners was actively promoted, racial discrimination was officially banned in 1948 and multi-racial facilities were established. An Education Ordinance in 1948 appropriated twice as much funds to education as in 1945. A Nigerianisation Commission (whose members included Nationalist leaders) in 1948 recommended inter alia, that qualified Nigerians be given priority in recruitments for Government post. Its Report was accepted by the Government.

In the Commercial sphere, opportunities for indigenous businessmen expanded with time. At independence therefore, a reservoir of goodwill for the U.K. had been built up in the South. But memories of old times die hard and below the surface, there appeared to lurk a layer of latent Suspicion which could easily explode into active resentment if ignited. This was particularly the case since there was

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70. "The Report of the Commission to make Recommendations about the recruitment and training of Nigerians for Senior Posts in the Government Service of Nigeria" (Lagos) 1948
virtually no change in Nigerian leadership between the 1940’s and 1960’s. In almost complete contrast, North’s acquaintance with Colonialism left largely happy memories.

THE NORTHERN REGION

A majority of Northerners are Muslims. The British were therefore off to a sparkling start when after the Capture of Kano in 1903, Lord Lugard, High Commissioner of the newly proclaimed Protectorate of Northern Nigeria, promised the Government would in no way interfere with the Mohammedan religion. This found expression in his exclusionist policy towards missionaries and in his 1909 Education Plan. Of great import was the North’s belief that the British were “the instruments of destiny and were fulfilling the will of God” by imposing Colonial rule on Northern Nigeria.

Besides, Lord Lugard’s Indirect Rule entailed governing through the traditional ruling classes - the Filanin Gida and retaining their goodwill. Moreover, the Colonial Administration studied Hausa language and adopted it as the official language of the North. Their respect for the traditions and the leaders of the North contrasted sharply with the attitude of many southern politicians and press who frequently ridiculed the “feudalistic” North.

71. F.D. Lugard - Reports from Northern Nigeria 1902. P.106
There were also dissimilarities in the experiences of Northern and Southern educated elements. Relatively few numerically and mostly offsprings of members of the ruling aristocracy, educated Northerners were easily absorbed into the Native Administration Systems and were therefore spared the contemptuous attitudes of Europeans which their Southern Counterparts encountered in public and commercial employments. Besides, the educational curricula had sought to reinforce Northern traditional Culture—Educated Northerners were therefore relatively free from the desire to imitate Western Culture which had exposed the educated Southerners to so much pillory.

The above considerations endeared the British to the Northerners—a state of affairs enhanced by the chain of 'victories' scored by the North over the South during the Constitutional progress towards independence.

NORTHERN SUCCESSES PRIOR TO INDEPENDENCE

The North remained largely quiescent during most of the struggle to oust the Colonial Administration. Its leaders did however participate fully in all Constitutional discussions with the U.K. Government which finally culminated in Federal Nigeria's independence. At these talks the North successfully pressed a number of claims:

(1) That the boundary between the North and the South which gave the former more than 50% of the Country's landmass and population and which on the Western side split the Yoruba tribe, remain intact.

(2) That Parliamentary Constituencies and revenue allocation among the Regions be on a populations basis. It was thus assured not only of a
majority of seats in the Federal Legislature but also, irrespective of its contributions to the Federation's income, the lion's share of allocated revenue.  

(3) After the 1953 acrimonious "Self-Government in 1956" Legislative Council debate, that each Region be autonomous within the Federation and have its own Civil Service Commission.

(4) That each Region should attain Internal Self-government at a time of its own choice rather than the whole Federation becoming Self-governing simultaneously. The Eastern and Western Regions became Self-Governing in 1958; the North in 1959.

(5) That the municipality of Lagos with its Apapa docks which are vital to the North's exports be declared Neutral Federal Territory rather than remain a part of the Western Region as it was at the time of the 1953 Constitutional Conference.

73. Actually, it was not until 1963-64 with the introduction of the 'distributable pool' to be shared in proportion to population regional responsibilities and the need for balanced development, that payments to the North for the first time, outstripped payments from the Federal Government to the other Regions - See A.T. 14. and especially O. Teriba "Nigerian Revenue Allocation Experience 1952-65" IN The Nigerian Journal of Economic and Social Studies; November 1966.

74. The debate in March/April 1953 was on a motion that "this House accepts as a primary political objective the attainment of Self government for Nigeria in 1956" tabled by Chief Enahoro. While the Southerners were in favour, Northerners opposed it. Consequently, Northern leaders were vilified within and outside the Council Chamber. They were accused of being 'Imperialist Stooges' used by the Colonial power to delay independence for Nigeria. So incensed were the Northerners that they came within an ace of Secession. See "My Life" op cit pp. 114-148.

75. This was one of the eight points demanded by the North after the 'Self Govt' Debate Ibid p.144.

76. Ibid

77. Ibid
These were issues of great moment over which the viewpoint of the North and the South rarely coincided. That the North got its way was due in part to its powerful bargaining position deriving from its numerical superiority. However, many Northerns could not help but perceive in these 'victories' unmistakable imprints of the U.K.'s good intentions towards them. Moreover, to cap it all, while a few results of the 1959 Federal Parliamentary elections were still due and while theoretically, it was still possible for the NCNC with 89 seats and the A.G. with 72 to form a Coalition Government leaving the NPC with 142 seats as 'the Opposition, the Governor General Sir James Robertson called on Sir Abubakar of the NPC, as incumbent Prime Minister and leader of the party with the highest number of seats, to form a Government.\(^78\)

The North's appreciation of the British was symbolically expressed when Malam Ibrahim Jalo Waziri, a prominent N.P.C. M.P. told Parliament in 1960 "For Sixty Years, Nigeria has been fortunate under British rule — The British have fully demonstrated sincerity and honesty in pursuance of their Colonial Policy.\(^79\)

A solid foundation of goodwill towards the U.K. was thus laid in the North during the Colonial era. This was underlined by the firm assertion in the N.P.C. 1959 election manifesto that "over and above her membership of the Commonwealth (independent Nigeria) must maintain

\(^78\) Two crucial points helped the Governor General to make up his mind:
(a) By this time it was obvious that no party would emerge with an absolute majority. In the absence of any positive indications that the NCNC and the A.G who had always been bitter opponents meant to join forces, he felt compelled to take the advice he had sought (and received) from the incumbent Prime Minister and invited Balewa to form a Government.
(b) Perhaps more important was the Governor General's concern that if the NPC were excluded from the Federal Government, the North would immediately secede and the Federation would then break up.
(Both points were made by Sir James Robertson, a personal interview with the writer)

\(^79\) H.R.D. 14.1.60. Col. 47
the closest relationships with the U.K." 80 Given the N.P.C.'s dominant position in the Federal Coalition Government and its attainment of an absolute majority in the House of Representatives by 1962, there was every reason, prima facie, to expect that the relations between Lagos and London would be warm and amicable. But as has been indicated, even the South was generally well disposed towards the British at independence.

Britain's relative readiness to concede independence without being forced into it by intense Nationalist pressures on the Indian Scale and her methodical handover of power was generally well received. Dr Azikiwe, while Premier of the Eastern Region and leader of the NCNC said in 1955 "we deeply appreciate the gesture of enlightened Statesmanship whereby Britain not only respected our aspirations but also recognised our inalienable right to self-determination and has encouraged our growth towards an independent national existence" 81 In 1957, Chief Akintola, then Deputy leader of the A.G., was convinced Britain had with respect to Nigeria, "succeeded in a large measure to humanise imperialism and even if there was anything known as benevolent imperialism, Britain was the author of it". 82

Of high significance was the high degree of Cultural affinity between Nigeria's ruling hierarchy and the U.K. Nigeria's educational, judicial, and parliamentary, economic/administrative systems were modelled as much as possible on the British systems. Many a Nigerian leader had been to the


82. H.R.D. 26 March 1957
U.K. for Studies etc., while there, they have often consciously or sub-consciously imbibed British traditions and behaviour patterns.

Balewa, for instance, returned home after a spell at the London University Institute of Education "with new eyes because I have seen people who lived without fear, who obeyed the law as part of their nature, who know individual liberty."

Sir Ahmadu Bello's favourite game was FIVES and he even invited a Fives team from Eton to play in the North in 1961.

The attachment to the British way of life was so widespread and deep that as Mr. Oloba of the Nigerian Morning Post said "we even quote British practice in condemnation of the excesses of some of our own people. Many of us even believe that anything is wrong which is not done the way the British would."

Consequently, Balewa's claim in that "we cannot help being pro British" was a truism which explained why "we shall never forget our old friends."

There were however other factors in the Anglo-Nigerian relationship equation.

THE PSYCHOLOGY OF INDEPENDENCE.

At independence, a State attains the age of majority and becomes the theoretical equal of all other adult States, including the old Colonial progenitor. The psychological adjustment to the new situation can be difficult particularly within the immediate 'family'. Parents have a knack for paternalism towards even their own grown up offsprings. The new adult frequently expects it, resents it and often feels obliged

84. "My Life" Op cit p. 29-30
86. Sir James Robertson confirmed the impression that the warmth of the Lagos - London relations at between 1960-66 owed much to the Cultural ties between the two Countries (Personal Interview)
to take demonstrative action to underline its adulthood. It however
tends to remain affectionate towards a well meaning 'parent'.

Nigeria's relationship with the U.K. is explainable, in part,
within this framework. Lagos believed that the U.K. tended to be
paternalistic towards her— the Enahoro affair affording a good example.

The generous and deep concern displayed at Westminster and Fleet
Street in the Enahoro issue may have resulted from Britain's long tra­
ditions of granting asylum to "foreign rebels against tyrannical rule"
and the question whether "— this should be refused to a citizen of the
Commonwealth" as Mr. Macmillan put it. In Lagos this explanation for
all the palaver did not cut much ice.

The 1881 Fugitive Offenders Act under which Enahoro's extradition
was sought was according to Sir John Hobson, U.K. Attorney General,
"a multilateral System for the exchange of fugitives from justice through­
out the whole of what was the Empire and is now the Commonwealth".
Unlike India, Ghana and Cyprus, Nigeria had not unilaterally repealed
the Act. She and the U.K. therefore had reciprocal rights and obli­
gations under it. So did the U.K. and U.S.A. under various extradition
Treaties but the relative indifference of Westminster and Fleet Street
to the Soblen Case contrasted strongly to their emotional involvement
in the Enahoro proceedings.

87. Hansard 30 April 1963. P.1290
88. Ibid 21 March 1963. P.666
Dr. Soblen, a U.S. citizen convicted on spy charges in America, jumped bail and fled to Israel. He was immediately apprehended and put on an El Al Airliner bound for New York. En route, he cut his wrist and had to be taken to a hospital in London. He was then transferred to a prison from where he applied for a writ of Habeas Corpus pleading to be freed either to stay in England or to leave for a Country of his choice. The Courts held he was technically still in transit and rejected his plea.

Thereupon the Home Office served an order on El Al to fly him to New York. El Al, on instructions from the Tel Aviv which had, for domestic political reasons, become unwilling to take responsibility for returning Soblen to the U.S., was reluctant to co-operate. Under the 1870 Extradition Act, Spying was not an extraditable offence. To get around this, the Home Secretary made an order deporting Soblen to the U.S. under Article 20 of the Alien’s Order 1933. Hitherto deportation orders did not specify the destination of the deportee. Dr. Soblen therefore challenged the new order in Court, and lost again. He was finally removed to New York although Czechoslovakia had offered him a visa.

In the Soblen Case the refugee had been convicted for an offence against a foreign state and under a legal system and laws different to those of the U.K. In the Enahoro Case, the alleged offence was against the Queen of England, Nigeria’s head of State at the time. The treasonable felony laws alleged to have been Contravened were those the British Administrators had left in Nigerian Statute books. Trial was

to be under a Legal System bequeathed by the British. Besides, the fugitive had a right of appeal from Nigeria to the Judicial Committee of the Privy Council in London. There was indeed a basic difference in law between both cases. Soblen was deported while Enahoro was extradited. But the practical consequences were identical - namely, the removal of the refugees to their home country to answer for his proven or alleged crime.

Dr. Soblen was a dying man suffering from leukemia and had very little time to live. The fairness of the trial he had received in the U.S. and the value of the evidence against him had been challenged. The American Civil Liberties Union had been campaigning for a new trial. Yet Parliamentary and Press interest in the matter was relatively muted. The fact that, Soblen had been convicted of spying against the U.S. and had thus apparently endangered the security of the Western Alliance may have disposed Westminster and Fleet Street to be relatively less sympathetic towards him. Chief Enahoro was in a totally different category. But if the British Parliament and Press had, for political reasons, paid scant attention to Soblen's plight, it was proof par excellence that in such matters, politics take precedence over humanitarian considerations. It therefore followed, as far as Lagos was concerned, that the demands for assurances from the Nigerian Government about Enahoro's fate if he was sent home, the remarks inside and outside Westminster about Nigeria's standards of Justice, infact the bountiful attention accorded the Enahoro

90. The Economist, Ibid.
affair was motivated not so much by humanitarianism as by political considerations. Lagos was convinced here was a clear attempt by the Colonial 'Parent' to pass judgement on and to dictate to Nigeria—manifestations of paternalism pure and simple. The N.P.C. Chief Whip in the Federal House when the Etaoro issue was on the boil angrily reminded Britain that "—we are an independent Country-- The days of Colonialism are gone for ever".

It was therefore considered necessary to take demonstrative actions to underline the Country's independence and simultaneously bring home to London how unwise it would be to take the Federation's friendship for granted. On the other hand, so long as the Country maintained close formal links with the Colonial 'Parent' the psychological feeling that it had not really grown up tended to persist. There was thus an urge to sever these formal links to boost genuine consciousness of adulthood.

These, in part, explain the transformation of the Federation into a Republic. According to the Federal Finance Minister, Republicanism "more than ever puts a finishing touch to our independence. (it) is beyond that kind of sovereignty when Nigeria still held the Queen of England as the Queen of Nigeria. We have advanced from sovereignty to nationhood". The freeing of the Nigerian pound from its statutory attachment to the Pound Sterling, the rejection of Association with the E.E.C. in 1962 and the 1963 agreement with West Germany in connection with the Nigerian Air Force were motivated in part, by these considerations.

91. H.R.D. 28.3.63.
92. H.R.D. 18.3.63. Col. 342
These exhibitions of independence were by no means expressive of anti-British sentiments. Republicanism was a case in point. As early as 1960, the Nigerians did not think it was very proper for their Governor General to be Head of State in his own right but to be designated a representative of the Queen. This meant, for instance, that whenever he travelled abroad he did not receive the honours due to a Head of State, whereas the President of any small country would receive full honours. To an independent State aspiring to lead Africa, this was unwelcome.

Moreover, the Francophone African States, not being familiar with the monarchial system could not understand how Nigeria's independence could be compatible with her retention of the Head of State of her ex-Colonial Overlord as her Head of State. Many were led to think that Nigeria's independence was de jure, not de facto. These were important factors inducing Nigeria to demonstrate her independence of Britain.

93. Sir James Robertson mentioned that Biafra often discussed these points with him while he was still Governor General (Personal Interview).

It was no more coincidence that the All Party Constitutional Conference on the Republican Constitution held in Lagos in July 1963 insisted that the Republican Constitution must stipulate inter alia, that Nigeria's Overseas representatives are appointed by the President and not by the Queen; that the President has powers to assent to bills in his own right and no longer on behalf of Her Majesty. (Proposals for the Constitution of the Federal Republic of Nigeria adopted by the All Party Constitutional Conference held in Lagos on July 25 & 26, 1963. Sessional Paper No. 3, of 1963 (Lagos) P.8.
DOMESTIC POLITICAL CONSIDERATIONS

A major factor in the domestic political instability derived from the fact that although hard core Nationalists and much of the independence struggle was concentrated in the South, the post independence political centre of gravity was firmly in the North. This was reflected in the South's generally militant outlook and its advocacy of a more independent foreign policy while the North and consequently the Nigerian Government was relatively conservative and pro-U.K.

As was seen in Chapter 3, Southern frustration at the political configuration in Nigeria increasingly found expression in and was aggravated by its dissatisfaction with the foreign policy of the Government. Neither was progressive opinion in the North with Nigeria's foreign policy. Radical opinion in the Country generally condemned the Government's foreign policy as lacking dynamism and being too pro-British. In September 1961 for instance Chief Awolowo charged that "Nigeria is a submissive British subaltern or Satellite" and that Sir Abubakar would never take a stand "until after he has had a chance of personal contact with Mr. Macmillan or one of his lieutenants".

Articulate public opinion frequently demanded curtailment of ties which tended to suggest that Nigerian foreign policy was subservient to the U.K's.

94 An address delivered to Nigerian Students in London. Printed in full in Daily Express (Lagos) 12, 13, 14 Sept, 1961.

95 See Reports on the All Nigeria People's Conference. West Africa (London) 26, 8, 61.
Besides, with the Opposition Party making huge capital out of its charges that the Lagos Government was a British Stooge, it became increasingly urgent for the Government to trim some of its policies and render itself less susceptible to such attacks. Republicanism, rejection of association with the E.E.C. in 1962 and disagreement with London over its refusal to intervene militarily in Rhodesia were partly meant to silence domestic critics.

Moreover, although the N.P.C. may have wanted the "Closest possible relationship" between Nigeria and the U.K. it had progressively to soften this line. By 1962, it had an absolute majority in the House of Representatives. With its sense of security heightened, the N.P.C. became more amenable to persistent public demands for demonstrations of independence in the Government's relations with the U.K. and thus to lessen Southern disenchantment with the N.P.C. led Government in particular and the Nigerian political system in general.
CHAPTER 5

THE ECONOMIC ELEMENT IN THE NIGERIA - UNITED KINGDOM RELATIONS

FOREIGN TRADE

The extent to which Nigeria depended on the U.K. as a source of imports and as an export market is demonstrated in the following two tables and the accompanying graphs.

TABLE 10

Nigeria: Significance of the U.K. as a Source of Imports 1956 - 1966

(£M Millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Imports from U.K.</th>
<th>Grand Total Imports</th>
<th>Col. 1 as % Col 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>1956</td>
<td>68</td>
<td>153</td>
<td>44.4</td>
</tr>
<tr>
<td>1957</td>
<td>66</td>
<td>153</td>
<td>43.7</td>
</tr>
<tr>
<td>1958</td>
<td>73</td>
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<td>43.9</td>
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<td>1959</td>
<td>81</td>
<td>178</td>
<td>45.5</td>
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<tr>
<td>1960</td>
<td>93</td>
<td>213</td>
<td>43.6</td>
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<td>1961</td>
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<td>220</td>
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<td>1964</td>
<td>79</td>
<td>252</td>
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</tr>
<tr>
<td>1965</td>
<td>85</td>
<td>273</td>
<td>31.1</td>
</tr>
<tr>
<td>1966</td>
<td>76</td>
<td>254</td>
<td>29.9</td>
</tr>
</tbody>
</table>

Fig 2

Nigeria: Significance of the UK as a Source of Imports, 1956-66.

Source: Based on Table 10
TABLE 11

NIGERIA: EXTENT OF RELIANCE ON THE U.K. AS AN EXPORT MARKET
1956 - 1966
(£N Millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>(1) Exports to U.K.</th>
<th>(2) Aggregate Exports</th>
<th>(3) Col. 1 as % Col. 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>1956</td>
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<td>133</td>
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</tr>
<tr>
<td>1963</td>
<td>74</td>
<td>185</td>
<td>40.4</td>
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<tr>
<td>1964</td>
<td>81</td>
<td>210</td>
<td>38.5</td>
</tr>
<tr>
<td>1965</td>
<td>101</td>
<td>263</td>
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<tr>
<td>1966</td>
<td>105</td>
<td>279</td>
<td>37.6</td>
</tr>
</tbody>
</table>

NIGERIA: EXTENT OF RELIANCE ON THE UK AS AN EXPORT MARKET 1956-66

(source: Based on Table II)
It would appear that Nigeria's overall trade dependence on the U.K. although high, declined consistently over the period 1956-66. The U.K. accounted for the 44.4% of the Federation's Imports in 1956. In 1966 the proportion had fallen to 29.3%. Similar figures for exports were 64.4% and 37.6% respectively.

This steep fall in Nigeria's trade dependence on the U.K. is attributable to a variety of factors. With relation to Imports:

(a) The general dismantling of restrictions on non-Sterling Area Imports has been of great significance. During and immediately after the Second World War, Nigeria's dollar imports, like those of other Sterling Area Countries, were restricted in a bid to conserve the Gold and Hard Currency reserves of the Sterling Area as a whole. Such restrictions meant that Nigeria had to look to the U.K. for the bulk of her Imports. By 1959 most of the restrictions had been lifted. Consequently Nigeria's Imports from the non-Sterling Area Countries have increased while Imports from the Sterling Area have relatively diminished.

(b) The Nigerian Government's policy of "accelerating the tempo of industrial development in Nigeria by every means and on the widest possible scale" has found expression in various measures to encourage Import Substitution manufacturing. Many foreign financed firms previously engaged in trading have redeployed their Capital and switched over to local manufacturing. Local manufacturing has inevitably reduced imports of


3. See A.T. 15 for extent of capital redeployment by the United Africa Company in Nigeria
Consumers goods. This has been counter balanced to some extent, by
increased imports of Capital goods, and raw materials. Since British
investments predominate in Nigeria, Imports from Britain have been hit.
(a) There has also been the noticeable change in the direction of
British trade away from the Commonwealth and towards the E.E.C. and
North America.

On the export side:

(a) The Government desire to "broaden still further the geographic
distribution of our exports and to guard against excess production
saturating our existing markets" has led to an intensive search for
new markets.

(b) Britain's relatively sluggish rate of economic growth compared to
the E.E.C. and U.S.A. has meant that her importing capacity has expanded
more slowly than those of her main competitors. Consequently, while
the proportion of Nigeria's exports sold to the U.K. has fallen, that
absorbed by the E.E.C. for instance has risen. This, despite of the fact
that "about three quarters of Imports from Nigeria entered the U.K. duty
free (in 1962)".

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4. See Chapter 1.
5. See below
7. See next Chapter.
8. See A.T. 16
9. R.H. Green - Commonwealth Preference. U.K. Customs duties and
tariff preferences on Imports from the Preference Area IN Board
Nigeria - Commodities enjoying Commonwealth preferential entry
into the U.K.
The general picture portrayed in Table 11 above however conceals variations in individual export Commodity shares in the U.K. market. In 1965, Groundnuts, Groundnut Oil and Cake; Raw Cocoa beans, Natural rubber and Palm products accounted for some 65% of Nigeria’s aggregate export earnings. The significance of the U.K. Market to the export of these Commodities was not uniform.

**GROUNDNUTS AND GROUNDNUT OIL**

Nigeria is one of the most important world exporters of Groundnuts and Groundnut Oil. She accounted for a third of total world exports of these products in 1965. Although world production and export availabilities of Groundnuts and Groundnut oil were expanding for most of the decade 1956-66, the international demand situation was not particularly bright. Firstly, all vegetable Oils and Oilseeds faced stiff competition from closely substitutable animal oils - tallow, lard and fish oil - which were relatively cheaper and whose production had expanded rapidly. Secondly, within the Vegetable Oil and Oilseeds Group, Groundnuts and Groundnut Oil were at a competitive disadvantage compared to Soya beans and Soya bean oil and Sunflower Seed and Sunflower Seed Oil which were relatively much cheaper; and whose subsidised production had expanded rapidly in industrialised countries. Moreover, the growing switch to compound feeds in Western Europe - the largest market for vegetable oils and oilseeds, induced a preference for Soyabees which have high cake contents - 82 to 85%, relative to groundnuts with cake content of 44 to 46% in addition.  

10. See A.T. 18
as indicated in Chapter Six, exports of Groundnuts and Groundnut Oil into the E.E.C. member States from non-Associated States were subject to tariff and non-tariff barriers.

Nigeria's Groundnuts and Groundnut Oil entered the U.K. duty free while similar shipments from non-Commonwealth sources were subjected to 10% and 15% tariff margins respectively. Tables 12 and 13 and the accompanying Figs 4 and 5 demonstrate the effect of these Commonwealth preferences on the Federal Republic's exports to the U.K.

**TABLE 12**

**NIGERIA - U.K. GROUNDNUTS\(^5\) TRADE 1956-1966**

<table>
<thead>
<tr>
<th>Year</th>
<th>Column (1)</th>
<th>Column (2)</th>
<th>Column (3)</th>
<th>Column (4)</th>
<th>Column (5)</th>
<th>Column (6)</th>
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<tr>
<td></td>
<td>UK's Total</td>
<td>UK's Imports</td>
<td>UK's Imports</td>
<td>Nigeria Total</td>
<td>% of Col. 3</td>
<td>% of Col. 4</td>
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<td>Imports</td>
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<td>from Nigeria</td>
<td>Exports</td>
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<td>as 1</td>
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<td></td>
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<td>1956</td>
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<td>1957</td>
<td>228</td>
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<td>55.7</td>
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<td>1958</td>
<td>209</td>
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<td>313</td>
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<td>85</td>
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<td>66.8</td>
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<td>1961</td>
<td>159</td>
<td>145</td>
<td>112</td>
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<td>70.4</td>
<td>22.6</td>
</tr>
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<td>1962</td>
<td>208</td>
<td>195</td>
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<td>27.5</td>
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<td>191</td>
<td>172</td>
<td>141</td>
<td>614</td>
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<td>22.9</td>
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<td>122</td>
<td>90</td>
<td>544</td>
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<td>16.8</td>
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<tr>
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<td>67</td>
<td>46</td>
<td>512</td>
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<td>8.9</td>
</tr>
<tr>
<td>1966</td>
<td>75</td>
<td>54</td>
<td>36</td>
<td>573</td>
<td>48.0</td>
<td>6.2</td>
</tr>
</tbody>
</table>

Note: (a) Shelled nuts equivalent weight derived from unshelled nuts weights on the basis that the former equals 70% of the latter.

Sources: Columns 1 - 4 from Commonwealth Economic Committee: "Vegetable Oils and Oil Seeds" 1964 and 1966.
FIG 4

NIGERIA - UK GROUNDNUTS TRADE 1956-66

THOUSAND TONS
(SHELLED TONS EQUIVALENT)

NIGERIA'S EXPORTS TO ALL COUNTRIES

UK IMPORTS FROM ALL SOURCES

UK IMPORTS FROM NIGERIA

SOURCE: BASED ON TABLE 12
Column 5 in the above table and comparisons of the "total U.K. imports" and "U.K. imports from Nigeria" loci in Fig. 4 shows that the trend of Nigeria's share of the U.K. market was downward. From a very high 85.2% in 1956, it had fallen to 48% by 1966. This was due in part to increased diversification of Nigeria's export markets, and to increased domestic groundnuts crushing which limited groundnuts export availabilities while simultaneously enhancing the volume of groundnut oil shipments.

More important as an index of the significance of the UK to Nigeria's international groundnut trade is Column 6 and a comparison of the "Total Nigerian Exports" locus and the "Nigerian Exports to U.K." locus in Fig. 4. It is immediately apparent that Nigeria's groundnut exports to the U.K. as a proportion of the total overseas sales diminished steeply from 60.7% in 1956 to 6.2% ten years later! By 1966 the U.K. had ceased to be the most important national market for Nigeria's groundnuts. In that year, Nigeria sold £N3.7 million worth of groundnuts to the U.K., £N11 million to France and £N6.9 million to West Germany.

While relatively successful market diversification by Nigeria was partly responsible, perhaps more important was the fact that the U.K.'s demand for groundnuts had fallen from 379,000 shelled tons equivalent in 1956 to only 75,000 tons in 1966, as soya beans, soya bean oil and groundnut oil were increasingly substituted for imports of groundnuts.

Nevertheless, the 10% Commonwealth preferential margin on groundnut imports into the U.K. was a boon to Commonwealth groundnut exporters of whom Nigeria was the most important. This is borne out by the fact

that the U.K. consistently drew over 80% of its total imports (except in 1965 and 1966 when the proportions were 72% and 76% respectively) from Commonwealth sources.

Thus the U.K. Groundnuts Market retained some importance as Nigeria's only preference market although its significance to the Federation diminished relatively and absolutely in 1956-66 as Nigeria's trade particularly with the E.E.C. Countries (whose Common External Tariff on Groundnuts adopted in 1968 was zero) rose.

**TABLE 13**

**NIGERIA - U.K. TRADE IN GROUNDNUT OIL 1956-66**

(Thousand Tons)

<table>
<thead>
<tr>
<th>Year</th>
<th>UK's Total Imports from Commonwealth (Ton)</th>
<th>UK's Total Imports from Nigeria (Ton)</th>
<th>Nigeria's Grand Total Exports (Ton)</th>
<th>Col. 3 as % of Col. 1</th>
<th>Col. 4 as % of Col. 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>1956</td>
<td>19.1</td>
<td>10.6</td>
<td>10.4</td>
<td>35.1</td>
<td>54.4</td>
</tr>
<tr>
<td>1957</td>
<td>23.7</td>
<td>21.1</td>
<td>21.0</td>
<td>38.6</td>
<td>88.6</td>
</tr>
<tr>
<td>1958</td>
<td>27.7</td>
<td>25.9</td>
<td>25.7</td>
<td>39.6</td>
<td>92.7</td>
</tr>
<tr>
<td>1959</td>
<td>47.9</td>
<td>45.2</td>
<td>42.8</td>
<td>47.8</td>
<td>89.3</td>
</tr>
<tr>
<td>1960</td>
<td>45.0</td>
<td>43.0</td>
<td>40.5</td>
<td>46.6</td>
<td>90.0</td>
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<td>1961</td>
<td>35.6</td>
<td>31.2</td>
<td>31.2</td>
<td>45.2</td>
<td>87.6</td>
</tr>
<tr>
<td>1962</td>
<td>39.0</td>
<td>38.6</td>
<td>36.1</td>
<td>62.9</td>
<td>92.6</td>
</tr>
<tr>
<td>1963</td>
<td>42.9</td>
<td>41.9</td>
<td>39.1</td>
<td>69.4</td>
<td>91.1</td>
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<tr>
<td>1964</td>
<td>52.9</td>
<td>52.0</td>
<td>43.3</td>
<td>79.7</td>
<td>91.3</td>
</tr>
<tr>
<td>1965</td>
<td>69.4</td>
<td>68.2</td>
<td>60.8</td>
<td>90.8</td>
<td>88.8</td>
</tr>
<tr>
<td>1966</td>
<td>101.6</td>
<td>101.2</td>
<td>103.8</td>
<td>81.2</td>
<td>79.5</td>
</tr>
</tbody>
</table>

Sources: Cols. 1 - 4 from Commonwealth Economic Committee

"Vegetable Oil and Oilseeds" 1964 and 1968
FIG 5

NIGERIA - UK TRADE IN GROUNDNUT OIL 1956-66

(000 Tons)

NIGERIA'S TOTAL EXPORTS

TOTAL UK IMPORTS

UK IMPORTS FROM NIGERIA


SOURCE: BASED ON TABLE 13
It appears from Column 5 of the above table and a comparison of the "Total U.K. Imports" and the "U.K. Imports from Nigeria" Loci in Fig. 5 that Nigeria's share of the U.K. market in Groundnut Oil was very high. Apart from 1956, it ranged consistently between 81% and 92%. Exports to the U.K. as a proportion of total Nigerian exports of Groundnut Oil was also appreciably high. It rose from 29.6% in 1956 to a peak of 89.5% in 1959, was down to 54.3% in 1964 and before climbing to 79.5% in 1966.

Unlike the case of Groundnuts, the U.K. market for Groundnut Oil, had an upward trend. U.K. imports rose from 19,100 tons in 1956 to 101,600 tons in 1966. While some market diversification had taken place, Nigeria relied appreciably on the U.K. Groundnut Oil Market where her shipments enjoyed a Commonwealth tariff preference of 15% while in the E.E.C. national markets they encountered tariff barriers ranging from 5% to 20%. The E.E.C.'s Common External Tariff rate on Groundnut Oil fully adopted in 1968 ranged from 10% to 20%, staggered according to quality and degree of processing. As Column 6 and the "Nigeria's Loci of Fig 5 Total Exports" and U.K. imports from Nigeria clearly demonstrates, the U.K. remained the most important single market for Nigeria's Groundnut Oil.

**Palm Kernels and Palm Oil**

Nigeria was the world's largest producer and exporter of Palm Kernels and Second only to the Congo (Kinshasa) in Palm Oil. Exports of both products from Nigeria amounted to £30.1 million or 16.5% of the Country's aggregate export Income in 1963. They ranked third in the Country's agricultural exports' League. The Federation's good production potential for either products has been enhanced by the adoption of high yielding,
dwarfed and easy-to-harvest Tenora Palm and better harvesting and nut-cracking techniques. Unfortunately, the low producer prices paid to farmers by the Palm Produce Marketing Boards have been a serious disincentive to greater production while rapidly increasing domestic consumption of Palm Oil has further reduced export availabilities in Nigeria. Political troubles in the Congo (Kinsasha) have also adversely affected world supply.

World demand on the other hand, has been on the slide since the late fifties. Palm Oil and Kernels are used in the manufacture of Soap. The widespread substitution of synthetic detergents for Soap has therefore undermined derived demand for Palm produce. Besides, Palm Oils and Kernels have not been able to compete with relatively cheaper substitutes like Soya beans and the Marine Oils in Soap and cooking fats production. Nigeria’s trade with the U.K. in these items is portrayed in Tables 14 and 15 and the accompanying Figs 6 and 7.

Table 14 appears on Page 155
### TABLE 14

**NIGERIA - U.K. PALM KERNELS' TRADE 1956 - 1966**

(000 tons)

<table>
<thead>
<tr>
<th>Year</th>
<th>Col (1)</th>
<th>(2)</th>
<th>(3)</th>
<th>(4)</th>
<th>(5)</th>
<th>(6)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>UK's Total Imports</td>
<td>UK's Imports from the Common-wealth</td>
<td>UK's Imports (a) from Nigeria</td>
<td>Nigeria's Total Exports(a)</td>
<td>Col 3 as % of Col 1</td>
<td>Col 3 as % of Col 4</td>
</tr>
<tr>
<td>1956</td>
<td>302</td>
<td>302</td>
<td>294</td>
<td>451</td>
<td>84.1</td>
<td>56.0</td>
</tr>
<tr>
<td>1957</td>
<td>328</td>
<td>328</td>
<td>279</td>
<td>406</td>
<td>90.5</td>
<td>68.7</td>
</tr>
<tr>
<td>1958</td>
<td>273</td>
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<td>223</td>
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<td>81.6</td>
<td>50.5</td>
</tr>
<tr>
<td>1959</td>
<td>234</td>
<td>234</td>
<td>193</td>
<td>430</td>
<td>82.4</td>
<td>44.8</td>
</tr>
<tr>
<td>1960</td>
<td>238</td>
<td>237</td>
<td>191</td>
<td>418</td>
<td>80.5</td>
<td>45.6</td>
</tr>
<tr>
<td>1961</td>
<td>228</td>
<td>225</td>
<td>173</td>
<td>411</td>
<td>76.8</td>
<td>42.0</td>
</tr>
<tr>
<td>1962</td>
<td>210</td>
<td>209</td>
<td>154</td>
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<td>73.7</td>
<td>41.9</td>
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<tr>
<td>1963</td>
<td>207</td>
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<tr>
<td>1964</td>
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<td>191</td>
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<td>41.1</td>
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<tr>
<td>1965</td>
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<td>204</td>
<td>176</td>
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<tr>
<td>1966</td>
<td>166</td>
<td>166</td>
<td>140</td>
<td>394</td>
<td>84.3</td>
<td>35.5</td>
</tr>
</tbody>
</table>

**Note:** (a) Until September 1960, figures include shipments from

West Cameroon (ex British Southern Cameroons)

**Sources:** Columns 1 - 4 from Commonwealth Economic Committee

"Vegetable Oils and Oilseeds"

1962, and 1964, and 1968
FIG 6

NIGERIA-UK PALM KERNELS TRADE 1956-66

(000 Tons)

Source: Based on Table 14
It appears from Column 5 and from the 'Total U.K. Imports' and 'U.K. Imports from Nigeria' Loci that Nigeria's share of the U.K. Market was very high. It was constantly above 80% except for two years 1961 and 1962 when the respective figures were 76.8% and 73.7%. The importance of the U.K. Market to Nigeria as seen in Column 6 however was persistently diminishing. Exports to the U.K. as a percentage of total Nigerian exports fell from a peak of 68.7% in 1957 to 35.5% in 1966. The Chief explanation for this downward trend was the increasing contraction of the U.K.'s demand for Palm Kernels. Total imports into the U.K. fell from a peak of 328,000 tons in 1958 to 166,000 tons in 1966. Although Nigeria's export volume was lower in 1966 than in 1957, she had been compelled to seek new export market in view of the diminution of the U.K. one. The U.K. however remained the most important National Market for Nigeria's Palm Kernels which enjoyed a 10% Commonwealth preference margin there. The significance of this preference was underlined by the fact that the U.K.'s Palm Kernel imports were exclusively from Commonwealth Sources. Apart from Finland with a 10% tariff virtually all other Industrialised Countries admitted, Palm Kernels duty free.
<table>
<thead>
<tr>
<th>Year</th>
<th>Total UK Imports (t)</th>
<th>UK's Imports from the Commonwealth (t)</th>
<th>UK's Imports from (a) Nigeria (t)</th>
<th>Nigeria's Total Exports (t)</th>
<th>Col 3 as % of Col 1</th>
<th>Col 3 as % of Col 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>1956</td>
<td>202.6</td>
<td>202.6</td>
<td>171.8</td>
<td>185.2</td>
<td>84.9</td>
<td>92.7</td>
</tr>
<tr>
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<td>190.2</td>
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<td>166.5</td>
<td>84.8</td>
<td>96.9</td>
</tr>
<tr>
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<td>182.3</td>
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<td>193.6</td>
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<td>183.5</td>
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</tr>
<tr>
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<td>174.1</td>
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<td>164.6</td>
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<td>74.4</td>
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<td>111.1</td>
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<td>76.8</td>
<td>118.7</td>
<td>69.2</td>
<td>64.6</td>
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<td>111.3</td>
<td>69.1</td>
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<td>61.7</td>
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<td>1964</td>
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<td>114.0</td>
<td>64.9</td>
<td>134.2</td>
<td>56.8</td>
<td>48.3</td>
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<tr>
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<td>115.3</td>
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<td>63.1</td>
<td>150.0</td>
<td>54.7</td>
<td>42.0</td>
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<tr>
<td>1966</td>
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<td>147.7</td>
<td>87.2</td>
<td>143.2</td>
<td>58.9</td>
<td>60.8</td>
</tr>
</tbody>
</table>

Note: (a) Includes figures for Western Cameroons (formerly British South Cameroons) until Sept 60.

FIG 7

NIGERIA - UK TRADE IN PALM OIL 1956-66

(Source: Based on Table 15)
Column 5 of the Table and the "Total U.K. Imports" and "U.K. Imports from Nigeria" loci in Fig 7 show that Nigeria's share of the U.K. Palm Oil market was high but had a downward trend in 1956-1966. Nigeria's exports to the U.K. as a percentage of total exports was as high as 96.2% in 1958 but declined to 42% in 1965. Two factors were chiefly responsible. The U.K. market contracted continuously all through the period.

Secondly, Nigeria's exports to Europe – particularly the Netherlands expanded at about this time thus reducing her reliance on the U.K. However, while Nigeria's Palm Oil exports were subject to trade barriers in other international markets, they enjoyed a valuable 10% Commonwealth preference in the U.K. which by 1966 retained its position as the foremost National Market for Nigeria's Palm Oil.

Cocoa Beans

Nigeria was second only to Ghana in world production and export of raw Cocoa beans – the Federal Republic's second most important export commodity in 1963. Increasing utilisation of pesticides in African Producing particularly/Countries since the 1950's, had brought the black pod disease and Capsida under control and unleashed a production explosion which the relatively less spectacular rise in world demand has been unable to absorb. Consequently, Cocoa prices have been low especially in the 1960's. In March 1965, the London price of raw Cocoa fell below £120 per ton –

12. E.g. The E.E.C.'s Common External Tariff was 9% for edible Palm Oil and 5% on Industrial Palm Oil.
the lowest for about twenty years after an abortive attempt by the Cocoa Producers’ Alliance to raise prices through an organised embargo on supplies. In the circumstances markets have not been particularly easy to come by. The following Table indicates Nigeria’s reliance on the U.K. Cocoa Market.

**TABLE 16**

**NIGERIA - U.K. TRADE IN RAW COCOA 1956-1966**

(000 tons)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total UK-Imports</th>
<th>UK Imports the Common Wealth</th>
<th>UK Imports from Nigeria</th>
<th>Nigeria's Total Exports</th>
<th>Col 3 as % of Col 1</th>
<th>Col 3 as % of Col 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>1956</td>
<td>78</td>
<td>75</td>
<td>38</td>
<td>117</td>
<td>48.4</td>
<td>32.4</td>
</tr>
<tr>
<td>1957</td>
<td>101</td>
<td>99</td>
<td>51</td>
<td>135</td>
<td>50.4</td>
<td>37.7</td>
</tr>
<tr>
<td>1958</td>
<td>91</td>
<td>86</td>
<td>43</td>
<td>88</td>
<td>47.2</td>
<td>47.3</td>
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<tr>
<td>1959</td>
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<td>94</td>
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<td>51.1</td>
<td>30.7</td>
</tr>
<tr>
<td>1960</td>
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<td>94</td>
<td>42</td>
<td>154</td>
<td>43.3</td>
<td>27.3</td>
</tr>
<tr>
<td>1961</td>
<td>92</td>
<td>86</td>
<td>42</td>
<td>184</td>
<td>45.6</td>
<td>22.8</td>
</tr>
<tr>
<td>1962</td>
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<td>107</td>
<td>49</td>
<td>195</td>
<td>43.3</td>
<td>25.6</td>
</tr>
<tr>
<td>1963</td>
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<td>45.6</td>
<td>29.7</td>
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<td>1964</td>
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</tr>
<tr>
<td>1966</td>
<td>106</td>
<td>100</td>
<td>59</td>
<td>190</td>
<td>55.6</td>
<td>37.0</td>
</tr>
</tbody>
</table>

Note: (a) Shipments of raw Cocoa beans from Western Cameroons (formerly British South Cameroons) were included in the Nigerian Figures until September 1960

Source: Cols. 1-5 from Commonwealth Economic Committee “Plantation Crops” 1962, 1964 and 1968

13. For Membership of the Alliance See Footnote 105 Chapter 3
TABLE 8
NIGERIA-UK COCOA TRADE 1956-66

(000 Tons)

Source: based on Table 16
The proportion of U.K.'s total imports of Cocoa beans coming from Nigeria displayed a stagnating trend as revealed by Column 5 of Table 16. In terms of volume however, Nigeria’s exports to the U.K. as a percentage of her total Cocoa beans exports had a downward trend. This was mainly due to the stagnating nature of the U.K. market for raw Cocoa as seen in Column 1. On the other hand, Nigeria's total Cocoa exports displayed an upward trend during the decade 1956-1966 as increasing market diversification was resorted to. By 1964, Nigeria’s Cocoa Shipments to the Netherlands had in value terms exceeded those to the U.K. The U.K. thus lost its position as Nigeria’s most important Cocoa customer. The 3% Commonwealth preference margin on Nigerian exports to the U.K. was however of significance. This is evidenced by the fact that the U.K. drew an overwhelming proportion of its raw Cocoa imports from Commonwealth Sources (Col. 2, Table 16).

NATURAL RUBBER

Nigeria is Africa’s largest producer of and the sixth world biggest exporters of Natural Rubber which in 1963 yielded 6.2% of the Federation’s total export earnings. Between 1956 and 1965 Nigerian Rubber exports rose by 107.4% while global exports increased only 26.2%. The following Table gives details of Nigeria’s dependence on the U.K. Natural Rubber Market.
<table>
<thead>
<tr>
<th>Year</th>
<th>Total UK Imports</th>
<th>UK Imports from Nigeria</th>
<th>Nigeria's Total Exports</th>
<th>(2) as % of (1)</th>
<th>(2) as % of (3)</th>
</tr>
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<td>6.8</td>
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<tr>
<td>1961</td>
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<td>55</td>
<td>7.7</td>
<td>38.1</td>
</tr>
<tr>
<td>1962</td>
<td>231</td>
<td>22</td>
<td>60</td>
<td>9.5</td>
<td>36.6</td>
</tr>
<tr>
<td>1963</td>
<td>199</td>
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<td>25</td>
<td>72</td>
<td>12.6</td>
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<td>196</td>
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</tr>
<tr>
<td>1966</td>
<td>184</td>
<td>25</td>
<td>70</td>
<td>13.5</td>
<td>35.7</td>
</tr>
</tbody>
</table>

Note: (a) Includes shipments from West Cameroons (ex-British South Cameroons) until September 1960.

Sources: Cols 1-3 from Commonwealth Economic Committee

NIGERIA - UK TRADE IN NATURAL RUBBER
1956 - 66

Fig 9

Source: Based on Table 17
Nigeria's share of the U.K. Market appears to have a slightly rising trend from 33% in 1956 to 13.9% in 1966. Exports to the U.K. as a percentage of total exports however declined from the peak of 57.5% in 1957 to 35.7% in 1966. The decline was due mainly to contraction of the U.K. Market associated with an increased consumption of synthetic rubber. With average imports in 1955-1959 = 100, U.K. Import of Natural rubber in 1966 was 66. West Germany 115; Italy 149; Netherlands 121. On the other hand, with 1958-59 = 100, U.K. consumption of synthetic Rubber in 1966 was 358.

Nigeria's dependence on the U.K. for about a third of her Natural Rubber exports was moderate. The degree of reliance was nevertheless likely to diminish with time. Nigerian exports enjoyed no Commonwealth preferential treatment in the U.K. market which was gradually falling off. They did however have duty free access to other important West European Markets where they also had transport cost advantages over shipments from South East Asia. Moreover, since 1956 inspite of overwhelming competition from Synthetic Rubber and occasional releases from strategic stockpiles of Natural Rubber by the Governments of the U.K. and the United States, World demand for natural Rubber has outstripped supply. Given Nigeria's small share of global exports (about %) therefore, the view of G.A.T.T. that "any feasible increase in Nigerian production (of Natural Rubber) can be absorbed by the World Market at the going price" appears to be reasonable. This underlines the diminishing importance of the U.K. to Nigeria's Rubber exports.

With Nigeria's general dependence on the U.K. Market falling, all the time, the importance of Anglo-Nigerian trade relationship as a factor in Nigeria's foreign policy determination correspondingly receded.

FOREIGN PRIVATE INVESTMENTS

As with trade, the Colonial relationship between Nigeria and the U.K. was reflected in the fact that a large proportion of private foreign Capital inflow into the former at independence originated in the latter. The position is mirrored in the following Table and Graph.

**TABLE 18**

**NIGERIA: CUMULATIVE FOREIGN PRIVATE INVESTMENTS OF U.K. ORIGIN 1960 - 1966**

<table>
<thead>
<tr>
<th>Year</th>
<th>(1) Total UK Owned Foreign Private Investments (£ Million)</th>
<th>(2) Aggregate Foreign Private Investments in Nigeria (£ Million)</th>
<th>(3) Col. 1 as % of Col. 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>1960</td>
<td>118.9</td>
<td>175.9</td>
<td>67.5</td>
</tr>
<tr>
<td>1961</td>
<td>132.7</td>
<td>203.9</td>
<td>65.3</td>
</tr>
<tr>
<td>1962</td>
<td>135.6</td>
<td>220.9</td>
<td>61.4</td>
</tr>
<tr>
<td>1963</td>
<td>152.6</td>
<td>258.8</td>
<td>59.0</td>
</tr>
<tr>
<td>1964</td>
<td>180.6</td>
<td>321.8</td>
<td>56.1</td>
</tr>
<tr>
<td>1965</td>
<td>201.6</td>
<td>377.0</td>
<td>53.5</td>
</tr>
<tr>
<td>1966</td>
<td>227.2</td>
<td>426.4</td>
<td>53.3</td>
</tr>
</tbody>
</table>


Note: Figures relate to Companies wholly or largely owned by foreign Companies or non-residents but without distribution between residents and non-residents. In view of the prevalence of enterprises jointly financed by indigenous and foreign Capital with the latter being dominant, the figures overstate the volume of foreign Private Investments in Nigeria.
FIG 10
Nigeria: Cumulative Foreign Private Investments from UK, 1960-1966

(£ in million)

Source: Based on Table 18
The proportion of total foreign private investments in Nigeria which was of U.K. origin thus dwindled steadily from 67.5% in 1960 to 53.3% in 1966. This could not be attributed to any shortfall in net inflow of private investments from the U.K. Between 1960 and 1966, U.K.-owned private investments in Nigeria rose by 92%. It was rather the case that after independence, private investment inflows from non-U.K. sources increased much faster. Between 1960 and 1966, total foreign private investments in Nigeria increased by 143%. This was due partly to response to efforts by the Biafra Government to publicise Nigeria’s commercial potentialities to the Outside World in general with a view inter alia to attracting foreign private investments, and Government incentives. It was also due to the boom in the Sixties of crude petroleum exploration, production and export which was overwhelmingly foreign financed.

It is noteworthy however that in 1966, the U.K. was still by far the most important single source of foreign private investments in Nigeria, accounting for more than half the total.

**THE QUEST FOR FOREIGN INVESTMENTS AS A FACTOR IN NIGERIA’S FOREIGN POLICY**

Ronald S. May, in a survey covering 80% of British investments or about 60% of total foreign investments in Nigeria found some interesting reasons why foreign firms particularly British owned, invest.

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15. For example, in 1961 the Federal Minister of Finance headed economic missions to twenty-three countries in Asia, the Far East, Europe and North America inter alia to "encourage them to increase the flow of investment Capital into the private and public sectors of the Nigerian economy". *Federal Nigeria* Vol. 4 No. 2 April/June 1961, p. 4
in Nigeria. 16

The most important for manufacturing concerns in descending order of importance were: 17

(1) To avoid being shut out of the Nigerian Market by tariffs and other restrictions.
(2) Specific invitation or encouragement from the Nigerian Government
(3) Attractive long term prospects of the Nigerian economy
(4) To take advantage of increased effective demand in Nigeria
(5) Activities of Competitors

A later study by A.H. Hakam 18 covering a "good cross section" of industrial investors in Nigeria, confirmed May's findings that fear of being excluded from what they regard as a large and expanding Market comprising some 55 millions, with a rising National Income, weighed heavily in decisions to invest in Nigeria.

To attract foreign investors, the Nigerian Government erected a system of tax concessions, tariff protection, customs duties drawbacks and pioneer certificates 19 for any entrepreneur wishing to invest in

17. Ibid. p. 252
19. See R.S. May Op Cit. p. 244
Nigeria. To assure investors their property and capital would be safe from arbitrary interference. Chapter III, Section 30 of the Nigerian Constitution forbids compulsory acquisition of property or right over or interest in any property except by or under the provisions of a law that:

(a) requires the payment of adequate compensation therefore, and

(b) gives to any person claiming such compensation a right of access, for the determination of his interest in the property and the amount of compensation, to the High Court having jurisdiction in that part of Nigeria.

Freedom to repatriate profits without hindrance is also assured. Since most economically developing States give similar tax and tariff concessions as the Nigerians did, to foreign investors, Nigeria's success in attracting foreign investments on an appreciable scale has to be attributed to its market potential, and the confidence of foreign investors about the safety of their investments and the ability to convert currency readily. As May stated, "International business requires a certain minimum level of security and freedom of action" Other things being equal, so long as foreign policy did not lead to serious balance of payments crises which would damage confidence in the Country's financial stability, Nigeria was reasonably assured of attracting reasonable

20. The Nigeria (Constitution) Order in Council Op Cit See also Federal Ministry of Information - Statement on Industrial Policy 1964 (Lagos 1964)

21. Hakam Op Cit P. 55

22. May Op Cit P. 243
volumes of foreign investments. In her political relationship with the U.K. therefore, the need for British Private Capital did not exert a primary influence.

**FOREIGN AID**

The importance of the U.K. as a source of foreign aid to Nigeria is displayed in the following Table.

**TABLE 19**

**NIGERIA: NET TOTAL BILATERAL AID INFLOW FROM U.K. IN AGGREGATE BILATERAL AID RECEIPTS 1960-66**

<table>
<thead>
<tr>
<th>Year</th>
<th>Aid from UK (£ U.S. Millions)</th>
<th>Aggregate Aid received (£ U.S. millions)</th>
<th>Col 1 as % of Col 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>1960</td>
<td>29</td>
<td>32</td>
<td>90.6</td>
</tr>
<tr>
<td>1961</td>
<td>26</td>
<td>31</td>
<td>83.8</td>
</tr>
<tr>
<td>1962</td>
<td>16</td>
<td>29</td>
<td>55.5</td>
</tr>
<tr>
<td>1963</td>
<td>2</td>
<td>19</td>
<td>10.5</td>
</tr>
<tr>
<td>1964</td>
<td>12</td>
<td>43</td>
<td>27.9</td>
</tr>
<tr>
<td>1965</td>
<td>27</td>
<td>68</td>
<td>39.7</td>
</tr>
<tr>
<td>1966</td>
<td>16</td>
<td>72</td>
<td>22.2</td>
</tr>
</tbody>
</table>

Source: Cols 1 and 2 extracted from O.E.C.D. - Geographical distribution of financial flows to less Developed Countries (Disbursements). (O.E.C.D. PARIS) Various years.
It appears that the U.K. provided almost all Nigeria's foreign aid receipts in 1960—year of independence. This was only to be expected. According to the British Government White Paper on foreign aid, it is "customary for the British Government to offer a financial settlement at the time of independence (of a Colony); and for this settlement to include an amount which broadly reflects the aid that territory in question would have received from Colonial Development and Welfare sources, towards its current development programme, had it not become independent."

On the other hand, non-British aid sources did not begin to be available to Nigeria until after independence. The proportion of total aid coming from the U.K. was therefore inevitably diminished as new sources opened. The fact that in 1966, the U.K. still provided 22% of Nigeria's total aid receipts was a measure of the significance of London as an aid provider to Nigeria.

Apart from capital aid, Nigeria also received valuable technical assistance from the U.K. Between 1962 and 1966, the U.K. provided 731 or nearly 50% of the 1559 experts received from all sources by Nigeria. This was by far the largest single national total. In the same period the U.K. was also responsible for the largest number of Nigerian trainees. In addition, she provided Nigeria with other forms of technical assistance.

THE NEED FOR BRITISH AID AND NIGERIA'S FOREIGN POLICY

The degree to which Nigeria's requirement of British aid was influential in the Balewa Government's foreign policy, if at all, was a

23. "Aid to Developing Countries" Cmd 2147 H.M.S.O. London 1964, P.20
24. See A.T.8
25. Ibid
function, other things being equal, of Nigeria's Aids bargaining power vis-à-vis the U.K. Government. And this derived from/raised d'etre of British Aid to Nigeria.

The motives behind Britain's Aid to Nigeria were threefold:

Political

According to a British Official Pamphlet, British Aid to independent States was designed to "promote Social and Economic development, reducing poverty, and transforming the traditional Societies into modern ones". This was particularly pertinent in the case of Nigeria. London was fully aware that "the Nigerian problem was to build a system which would allow organic growth and make the unity originally superimposed from outside into a living thing". Economic development was an important route to the construction of this system. Since Britain was "deeply proud" of its Contributions towards emergence of the Nigerian State, and was eager that the Federation should "provide a shining example to a divided World of the way in which the manifold problems of a new emergent Country can be tackled without bloodshed or rancour, and with forbearance on all sides and brought to a triumphant conclusion" thereby constituting a showpiece of Britain's 'benevolent' Colonialism, the urge to extend economic

29. Mr. Richard Thompson (British Under-Secretary of State for Commonwealth relation) at the Second Reading of the Nigeria Independence Bill in July 1960. 'Hansard' 15th July 1960 Col. 1846
assistance to Nigeria was relatively strong.

Besides as Mr. Donelan has argued, Aid has "tended to become not an instrument but a precondition of diplomacy. Aid did not necessarily give an Ambassador influence with the Government of a Developing Country; all that it necessarily gave him was the likelihood of a hearing".  

Nigeria's human and physical resources imbued her with a potential for becoming one of Africa's most powerful States. It would therefore appear to have been in Britain's long term interests to perpetuate the "likelihood of a hearing if not influence" with the Nigerian Government through economic aid. As a Central Office of Information Pamphlet declared "It is not the aim of the (British) Aid programme to gain some short term political advantage. Aid is given basically because the raising of economic standards of less developed Countries is considered to be in the long term interest of Britain herself."

Moral

Britain feels a moral obligation to assist ex-Colonies like Nigeria in their endeavours to lift their economies. A British White Paper on Aid said in relation to aid to independent Commonwealth States - "Having helped these Countries to political independence it is a natural and fitting continuation of that earlier relationship that we should now assist them in their efforts to achieve balanced and self-sustaining economies." Another official publication on British Aid contends that

32. H.M. Treasury - "Aid to Developing Countries" C.M.N.O. 2147 H.M.S.O. (London 1964) P. 76
"it is morally right to help those in desperate need."  

ECONOMIC SELF INTEREST

Economic development would help to transform Nigeria's vast economic potential into a reality. Although Britain's share of Nigeria's market was on the decline, by 1966 she still accounted for as much as 29.9% of aggregate Nigerian imports. Besides, as has been seen, foreign private investments in Nigeria were largely British-owned. British interest would thus receive a fillip from an expanding Nigerian economy and vice versa.

Moreover, tied loans help to introduce British manufacturers to Nigerians thus enabling British firms establish a foothold in the Nigerian market through follow up demands for spare parts etc.

Thus in relation to aid, Nigeria's bargaining power vis-à-vis Britain was more than minuscule. The Government did not therefore have to be profusely pro-British to ensure a reasonable volume of aid receipts from Britain within the ex-Metropolitan Centre's aid giving capacity.

NIGERIA AND STERLING AREA MEMBERSHIP

Sterling Area membership, according to Guy Arnold, offers "substantial benefits; prestige; membership of a long established and loosely knit financial organisation that does not attempt rigid control of individual countries; easier access to the London Capital Market; and augmented chances of aid and financial assistance in hard times (i.e. during Britain's recurrent Sterling Crises)."

Nigeria elected to continue membership of the Sterling Area after independence. Theoretically, according to B. Thomas, this entailed the obligations:

(a) To maintain a fixed currency relationship with the Pound Sterling.
(b) To maintain their reserve in Sterling and hold these in various instruments in London.
(c) To use Sterling as a vehicle currency.

In practice, Nigeria’s position judged on the three criteria was continually modified in 1960-66.

With regard to (a), under the Central Bank Act 1958, the Nigerian pound was linked directly with Sterling. In 1962 however the Government decided that the Nigerian pound should have its own parity expressed directly in terms of gold - £N1 = 2.48828 grams of fine Gold. Chief Okotie Eboh, Federal Minister of Finance explained that the change would enable Nigeria, as an independent country, to decide for herself when necessary, what adjustments should be made in the official exchange rate between the Nigerian pound and any other currency. Consequently, when Britain devalued the pound Sterling in November 1967, Nigeria did not follow suit.

In relation to (b) Nigeria had always held its Reserve exclusively...
in Sterling but in October 1961 the Government embarked on a programme of Reserves diversification. The policy change was firstly a precautionary move against inevitable loss in the event of a Sterling devaluation. Secondly, it was a response to the growing importance of Nigeria’s trade with non-Sterling Area Countries.

The Central Bank of Nigeria was required to hold 10% of its external Reserves in Gold; 10% in U.S. dollars. The Federal Minister of Finance maintained that further diversification would be effected "whenever holdings of other freely convertible Currencies appear to be in our overall interest".

Nigeria’s Sterling balances held in various instruments in London were gradually rundown. This move was not peculiar to Nigeria since several Commonwealth Countries on attaining independence, frequently felt the urge to repatriate their Sterling balances to finance economic development programmes at home, irresistible. In Nigeria’s case, the disappointing foreign aid receipts rendered the issue more urgent. The Nigerian Authorities also encouraged institutions like the Insurance Houses, Commercial Nigeria Banks and Marketing Boards operating in London to repatriate their funds previously invested in London. The Government simultaneously established a Local Money and Capital Market to serve the needs of Nigerian Investors.

40. See A.T. 19
Sterling and other assets previously held abroad by various concerns have been centralised in the hands of the Nigerian Central Bank. In consequence of the above measures, by 1965, more than 85% of Nigeria's external Reserves and Assets were held in Lagos by the Central Bank.41

With regard to (c) Nigeria's Reserve diversification has meant a relatively less use of Sterling as a vehicle currency although it remained the major international means of exchange.

Thus Nigerian links with Sterling and the Sterling Area have gradually weakened. Although formal membership of the Sterling Area continued to provide invaluable advantages such as insulating her aid receipts from the U.K. against Sterling Crises; and affording the Nigerian Government and Public Corporations valued access to loans on the London Capital Market, it would appear that the necessity to remain a member of the Area constituted no more than a Secondary influence in Nigeria's foreign policy. After all, if Britain joined the European Economic Community the future of the Sterling Area would be in grave doubt. Yet, as seen in the succeeding Chapter, Lagos turned down the offer of Association with the E.E.C. in 1962 during Britain's membership negotiations with the Community.

CHAPTER 6

NIGERIA AND THE EUROPEAN ECONOMIC COMMUNITY (EEC) - 1

THE ECONOMICS OF ASSOCIATION

In 1962, as a result of an agreement reached in the course of Britain's negotiations to join the EEC, Nigeria, (along with other African Commonwealth member States) was offered Association with the Community under Part IV of the Treaty of Rome 1957. The Lagos Government turned it down. The matter appeared to be dead and buried. "Nigeria will in no circumstances seek Association (with the EEC)" 1 Bolewa assured Parliament in September 1962. Nevertheless, in July 1966, Nigeria entered into an Association Agreement with the EEC at the successful conclusion of negotiations spread over two years. 2

Nigeria's relationship with the EEC was influenced primarily by two sets of factors: the economic and the political. This chapter examines the former.

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1. "Mr Prime Minister: Speeches" op cit. p.70.
2. The Agreement never came into force. See the Epilogue to next chapter.
In appraising the probable economic balance sheet of Association with the EEC, the Nigerian Federal Government had to assume that the UK’s application would succeed. Consequently, that after a transitional period, the UK would have to terminate Commonwealth preferences on imports from the Commonwealth, and, like the other six EEC Member States, abolish customs duties on imports from the Community and Associated States while adopting the EEC’s Common External Tariff (CET) on trade with third countries. It also had to take into account, the fact that the country’s overwhelmingly primary products exports had frequently to compete for EEC markets with similar products from the Eighteen Associated African States (AOT’s). If it rejected Association, many a Nigerian export to the EEC would be subjected to the CET while those of her AOT competitors would eventually have free entry. The magnitude of the economic risk involved would tend to be a direct function of the degree of her reliance on EEC and UK (hereafter referred to as the “Enlarged EEC”) market. Table 20 and Fig 11 depict the position.
### TABLE 20

**Nigeria: Reliance on the EEC for Export Trade, 1956-66**

(£M Million$)

<table>
<thead>
<tr>
<th>Year</th>
<th>ESC</th>
<th>UK and EEC</th>
<th>World Total</th>
<th>Col 1 as % of Col 3</th>
<th>Col 2 as % of Col 3</th>
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<tbody>
<tr>
<td>1956</td>
<td>28</td>
<td>113</td>
<td>132</td>
<td>21.2</td>
<td>85.6</td>
</tr>
<tr>
<td>1957</td>
<td>32</td>
<td>110</td>
<td>124</td>
<td>25.8</td>
<td>88.7</td>
</tr>
<tr>
<td>1958</td>
<td>42</td>
<td>117</td>
<td>133</td>
<td>31.5</td>
<td>88.8</td>
</tr>
<tr>
<td>1959</td>
<td>55</td>
<td>157</td>
<td>161</td>
<td>34.1</td>
<td>85.0</td>
</tr>
<tr>
<td>1960</td>
<td>50</td>
<td>128</td>
<td>161</td>
<td>31.0</td>
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<tr>
<td>1961</td>
<td>58</td>
<td>134</td>
<td>170</td>
<td>34.1</td>
<td>78.8</td>
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<tr>
<td>1962</td>
<td>57</td>
<td>127</td>
<td>164</td>
<td>34.7</td>
<td>77.4</td>
</tr>
<tr>
<td>1963</td>
<td>68</td>
<td>142</td>
<td>185</td>
<td>36.7</td>
<td>76.6</td>
</tr>
<tr>
<td>1964</td>
<td>77</td>
<td>158</td>
<td>210</td>
<td>36.6</td>
<td>75.2</td>
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<td>1965</td>
<td>93</td>
<td>194</td>
<td>263</td>
<td>35.3</td>
<td>73.3</td>
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<tr>
<td>1966</td>
<td>98</td>
<td>203</td>
<td>279</td>
<td>35.1</td>
<td>72.8</td>
</tr>
</tbody>
</table>

FIG 11
NIGERIA: RELIANCE ON THE EEC FOR
EXPORT TRADE 1956-66

Source: Based on Table 20
It appears that the proportion of Nigeria's total exports that went to the EEC rose from 21.2% in 1956 to 35.1% in 1966. The "enlarged" EEC's share of Nigeria's exports however fell from 85.6% to 72.8% in the same period. The consistent fall was due mainly to the diminishing proportion accounted for by the UK, already noticed in Table 1, Chapter 5 (It is noteworthy that while Nigeria's total exports doubled between 1956 and 1966, her exports to the EEC in value terms, rose by 250% in the same period). The Country's overall dependence on the "Enlarged" EEC was never-the-less very high—in 1962 it was 77%.

CET rates however varied according to the nature of the Commodity involved. For purposes of determining its effects, Nigerian exports are divisible to (a) those on which the incidence of the CET was likely to be relatively high. (b) Commodities on which the incidence was likely to be low or negligible.

Commodities likely to be Seriously Affected by C E T

Four Nigerian Export Commodities—Raw Cocoa, Palm Oil, Groundnut Oil and Forest Products, which together accounted for about 33% of the Federation's aggregate domestic exports in 1962, had the doubtful distinction of being relatively more seriously imperilled by the CET if Nigeria chose to remain unassociated with the 'Enlarged' EEC. The prospects facing each commodity are discussed separately.

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3. See A.T. 19
RAW COCOA BEANS

Cocoa beans, as shown in Chapter 5, was one of the Federation's most important export commodities. The extent to which Nigeria depended on the EEC and UK for her Cocoa Sales is shown below.

Table 21
Nigeria: EEC Cocoa Trade 1956-66
(£ Million)

<table>
<thead>
<tr>
<th>Year</th>
<th>Exports to EEC</th>
<th>Exports to EEC + UK</th>
<th>Total Exports</th>
<th>Col 1 as % of Col 3</th>
<th>Col 2 as % of Col 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>1956</td>
<td>6</td>
<td>14</td>
<td>24</td>
<td>25</td>
<td>58.3</td>
</tr>
<tr>
<td>1957</td>
<td>9</td>
<td>20</td>
<td>26</td>
<td>34.6</td>
<td>76.9</td>
</tr>
<tr>
<td>1958</td>
<td>7</td>
<td>21</td>
<td>27</td>
<td>25.8</td>
<td>77.7</td>
</tr>
<tr>
<td>1959</td>
<td>18</td>
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<td>38</td>
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<td>37</td>
<td>37.8</td>
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<tr>
<td>1961</td>
<td>11</td>
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<td>1963</td>
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<td>40.4</td>
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<tr>
<td>1966</td>
<td>9</td>
<td>17</td>
<td>28</td>
<td>32.1</td>
<td>60.7</td>
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Sources: Col 1 - 3 from Annual Abstract of Statistics op cit.
FIG 12
NIGERIA - EEC COCOA TRADE 1956-66

<table>
<thead>
<tr>
<th>Year</th>
<th>Nigeria Total Exports</th>
<th>Nigeria Exports to the EEC + UK</th>
<th>Nigeria Exports to the EEC</th>
</tr>
</thead>
<tbody>
<tr>
<td>1956</td>
<td></td>
<td></td>
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<tr>
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</table>

SOURCE: BASED ON TABLE 21
It appears from the table and figure that the EEC accounted, on the average, for a third of Nigeria's Cocoa bean exports during the decade. The 'Enlarged' EEC took a fluctuating proportion which varied from a maximum 81.5% in 1959 to a minimum of 57.1% in 1965. In 1962, it was 60.6%. The 'Enlarged' EEC was thus the most important market for Nigeria's Cocoa. It was also the most important Cocoa importing area in the world, accounting for 46% of world total in 1962 (the proportion for EEC itself was 35%). Imports of Cocoa into the 'Enlarged' EEC grew more slowly than overall world Cocoa Imports: With 1956 = 100, world Cocoa imports in 1964 was 141, while the figure for the "Enlarged" EEC was 136. For the EEC alone, the index in 1964 was 144.4.

To Nigeria, the cost of non-association was likely to accrue from the CET of 5.4% on Cocoa beans. Previously, Nigeria's Cocoa beans entered the Netherlands, (its most important National Market) and Italy, (the 5th most important National Market) free. In West Germany (Nigeria's No. 4 Market), Cocoa was subject to a 9% tariff irrespective of source.

The CET meant that Nigeria's Cocoa beans were to face higher tariffs in Netherlands and Italy but lower rates in West Germany. This was however only one side of the picture. The other emerges when it is realised that two of Nigeria's most important competitors particularly in EEC Market were Ivory Coast and Cameroons-- both AOTs and therefore entitled to free access to the EEC. In 1962, while the Netherlands took 22% of its Cocoa beans imports from Nigeria, it took 37% from the Ivory Coast and Cameroons.

Perhaps equally serious was the fact that Nigeria would not only lose the 3% Commonwealth preference margin it had enjoyed in UK, it would in fact have to scale a 5.4% tariff wall while her AOT competitors, previously discriminated against, would have duty free entry into the UK market.

To render his product competitive in the "Enlarged" EEC, the Nigerian Cocoa exporter would have to bear the full incidence of the CET. There would tend to be a reprieve to the extent that the AOT's were unable to meet the Cocoa demands of the "Enlarged" Community. However, in view of the glut of the world Cocoa market alluded to in Chapter 5, the reprieve would tend to be marginal. Moreover, the EEC's Overseas Development Fund had as one of its aims, the expansion of productivity and production in the AOT's. To the extent that it was successful in regard to Cocoa production in the long term, the fortunes of Cocoa exports from unassociated States would suffer.

As an alternative, Nigeria could expand its sales to non-"Enlarged" EEC areas. In 1962, the United States was Nigeria's third most important market and its imports were duty free. In this market Nigeria had to contend not only with other important exporters like Ghana, Ivory Coast and Cameroons but also with the Western Hemisphere exporters like Brazil. Moreover, the US market for Cocoa was not notable for its rate of expansion. Imports in 1964 (1956=100) was 108

The Soviet Union which displayed a greater growth rate in Cocoa demand (demand in 1964 (1956=100) was 150) was another alternative. The volume of the Soviet Union's Imports was however small. In 1962 she imported a total of 45,000 tons of raw Cocoa beans or less than a quarter of Nigeria's export volume for that year

5. To be discussed later
6. Calculated from figures for World Cocoa trade provided in Gill and Duffus "Cocoa Statistics 1965"
7. Ibid
Non-association was therefore likely to do some heavy
damage to Nigeria’s Cocoa exports certainly in value and probably
in volume terms as the effects of the CET began to tell.

Palm Oil

Palm Oil was Nigeria’s sixth most important export item in
1962. Nigeria’s Palm Oil trade with the EEC is portrayed in the
following table and graph.

TABLE 22

Nigeria-EEC Trade in Palm Oil 1956-1966

<table>
<thead>
<tr>
<th>Years</th>
<th>Nigeria’s Exports to EEC</th>
<th>Nigeria’s Exports to UK &amp; EEC</th>
<th>Nigeria’s Total Exports</th>
<th>Col 1 as % of Col 3</th>
<th>Col 2 as % of Col 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>1956</td>
<td>0.3</td>
<td>14.4</td>
<td>14.9</td>
<td>2.1</td>
<td>96.6</td>
</tr>
<tr>
<td>1957</td>
<td>0.1</td>
<td>13.5</td>
<td>13.6</td>
<td>0.7</td>
<td>97.8</td>
</tr>
<tr>
<td>1958</td>
<td>1.2</td>
<td>12.0</td>
<td>12.7</td>
<td>9.4</td>
<td>94.4</td>
</tr>
<tr>
<td>1959</td>
<td>0.8</td>
<td>13.1</td>
<td>13.8</td>
<td>5.7</td>
<td>94.9</td>
</tr>
<tr>
<td>1960</td>
<td>1.7</td>
<td>13.0</td>
<td>13.9</td>
<td>12.2</td>
<td>93.5</td>
</tr>
<tr>
<td>1961</td>
<td>1.5</td>
<td>11.0</td>
<td>11.2</td>
<td>11.3</td>
<td>83.3</td>
</tr>
<tr>
<td>1962</td>
<td>1.1</td>
<td>17.4</td>
<td>18.5</td>
<td>12.3</td>
<td>79.7</td>
</tr>
<tr>
<td>1963</td>
<td>2.1</td>
<td>7.4</td>
<td>9.4</td>
<td>22.3</td>
<td>78.9</td>
</tr>
<tr>
<td>1964</td>
<td>1.9</td>
<td>7.1</td>
<td>8.9</td>
<td>17.5</td>
<td>65.7</td>
</tr>
<tr>
<td>1965</td>
<td>4.2</td>
<td>10.0</td>
<td>13.4</td>
<td>31.3</td>
<td>74.6</td>
</tr>
<tr>
<td>1966</td>
<td>1.5</td>
<td>10.9</td>
<td>10.9</td>
<td>13.7</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Cols 1-3 extracted from "Annual Abstract of Statistics" op cit.

8. See A.T. 18
FIG 13

NIGERIA-EEC TRADE IN PALM OIL 1956-66

(source: Based on Table 22)
It emerges that although the proportion of Nigeria's Palm Oil exports absorbed by the EEC States was small, that accounted for by the "Enlarged" EEC was very high-reaching 100% in 1966. This was due to Nigeria's dependence on the UK Market already noticed in Chapter 5. The EEC was however the largest Palm oil importing area in the world. In 1962, it took 44% of world imports. Together with the UK the proportion was 64%.

Nigeria, the second largest Palm Oil world exporter (after Congo Kinshasa) sent a proponderant proportion of its export to the UK. Most of the remainder went to the EEC where it had to compete with Congo (Kinshasa), Dahomey and Ivory Coast, (all AOT's), Indonesia, Malaya and Singapore. In 1962, Nigeria supplied only 9% of the EEC's total Palm oil imports; AOT's supplied 59% (in spite of political problems which interfered with supplies from Congo Kinshasa) Indonesia; 24%.

The CET on Palm Oil was to be 5% on non-edible and 9% on edible in crude form. 8% and 14% on the refined variety. Previously, the National tariff in the Netherlands, Nigeria's most important market in the EEC was 2.7 on crude Palm Oil. In West Germany- the second most important market- the rate was 6.2% on crude and 11.2 on refined Palm oil. If Nigeria was unassociated, her Palm Oil exports would therefore face higher tariff barriers while competing shipments from AOT's would enter free. Nigeria's share of the EEC market was already so small that it could easily be squeezed out of the market if AOT's experienced bumper production.

More serious for Nigeria would be the lose of the highly significant 10% preference margin its Palm Oil exports enjoyed in its major market- the UK. Nigeria would then have to face the relatively

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9. Calculated from data provided in Commonwealth Economic Committee "Vegetable Oil and Oil Seeds 1964" and "Tropical Products Quarterly", 1964.

10. Ibid.
high CET rates while, in a remarkable exchange of roles, the important AOT exporters like Congo (Kinsasha) which had previously faced a 10% tariff barrier in the UK, would have free entry.

To the extent that the AOTs were unable to meet the demands of the "Enlarged" EEC, Nigeria's exports (other things remaining unchanged) would be unaffected in volume terms. But to be competitive, Nigerian exporters would have to absorb a large proportion of the CET. As indicated in Chapter 5, Palm Oil was already losing ground badly to relatively cheaper substitutes. For Nigeria (or any non-associated producer Country) to try to pass on the incidence of the CET to purchasers in the "Enlarged" EEC would entail the risk of greater substitution for Palm Oil consumption.

Nigeria could alternately expand sales to the United States (where entry was free for all comers) or Japan (with a 10% tariff). The markets were however relatively small and competition among the unassociated producer states would be so intense that success would not be easy to achieve while prices and export values would almost certainly suffer.

**FORESTRY PRODUCTS**

This group comprises Hardwood Logs, Sawn Timber and Plywood which together earned Nigeria £N 7 million or 4% of total domestic export values in 1962. The Federation had large forest reserves covering a third of its total land area—about 123,000 square miles. Much of this was of low productivity, much was still unexplored. The reserves of exploitable Forest was however extensive and relatively well supplied with navigable rivers to facilitate transportation. The distribution of Nigeria's exports is shown in the following table.

11. A.T. 18
<table>
<thead>
<tr>
<th>Year and Product</th>
<th>UK (£M)</th>
<th>EEC (£M)</th>
<th>World Total (£M)</th>
<th>Col 1 as % of Total</th>
<th>Col 2 as % of Total</th>
<th>Col 4 +</th>
<th>Col 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>1958 Logs</td>
<td>1.6</td>
<td>2.0</td>
<td>4.1</td>
<td>39.0</td>
<td>48.7</td>
<td>87.7</td>
<td></td>
</tr>
<tr>
<td>Sawn Timber</td>
<td>1.0</td>
<td>0.1</td>
<td>1.3</td>
<td>76.9</td>
<td>0.8</td>
<td>77.7</td>
<td></td>
</tr>
<tr>
<td>Plywood</td>
<td>0.8</td>
<td>0.03</td>
<td>0.9</td>
<td>88.9</td>
<td>0.3</td>
<td>89.2</td>
<td></td>
</tr>
<tr>
<td>1960 Logs</td>
<td>1.7</td>
<td>3.9</td>
<td>6.4</td>
<td>26.5</td>
<td>60.9</td>
<td>87.4</td>
<td></td>
</tr>
<tr>
<td>Sawn Timber</td>
<td>0.8</td>
<td>0.09</td>
<td>1.2</td>
<td>66.7</td>
<td>0.08</td>
<td>66.8</td>
<td></td>
</tr>
<tr>
<td>Plywood</td>
<td>1.0</td>
<td>0.03</td>
<td>1.2</td>
<td>83.3</td>
<td>0.03</td>
<td>83.3</td>
<td></td>
</tr>
<tr>
<td>1961 Logs</td>
<td>1.4</td>
<td>3.6</td>
<td>5.9</td>
<td>23.7</td>
<td>61.0</td>
<td>84.7</td>
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<tr>
<td>Sawn Timber</td>
<td>0.9</td>
<td>0.1</td>
<td>1.4</td>
<td>64.2</td>
<td>7.1</td>
<td>71.3</td>
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</tr>
<tr>
<td>Plywood</td>
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<td>0.02</td>
<td>1.3</td>
<td>84.6</td>
<td>1.6</td>
<td>86.2</td>
<td></td>
</tr>
<tr>
<td>1962 Logs</td>
<td>1.2</td>
<td>2.9</td>
<td>4.7</td>
<td>25.5</td>
<td>61.7</td>
<td>87.2</td>
<td></td>
</tr>
<tr>
<td>Sawn Timber</td>
<td>0.9</td>
<td>0.1</td>
<td>1.4</td>
<td>64.2</td>
<td>7.1</td>
<td>71.3</td>
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<tr>
<td>Plywood</td>
<td>1.2</td>
<td>0.04</td>
<td>1.3</td>
<td>92.3</td>
<td>3.1</td>
<td>95.4</td>
<td></td>
</tr>
<tr>
<td>1963 Logs</td>
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<td>3.7</td>
<td>5.9</td>
<td>23.7</td>
<td>62.7</td>
<td>86.4</td>
<td></td>
</tr>
<tr>
<td>Sawn Timber</td>
<td>0.9</td>
<td>0.2</td>
<td>1.6</td>
<td>56.2</td>
<td>12.5</td>
<td>68.7</td>
<td></td>
</tr>
<tr>
<td>Plywood</td>
<td>0.9</td>
<td>0.05</td>
<td>1.0</td>
<td>90.0</td>
<td>5.0</td>
<td>95.0</td>
<td></td>
</tr>
<tr>
<td>1964 Logs</td>
<td>1.7</td>
<td>4.2</td>
<td>6.9</td>
<td>24.6</td>
<td>60.8</td>
<td>85.4</td>
<td></td>
</tr>
<tr>
<td>Sawn Timber</td>
<td>0.9</td>
<td>0.2</td>
<td>1.6</td>
<td>56.2</td>
<td>12.5</td>
<td>68.7</td>
<td></td>
</tr>
<tr>
<td>Plywood</td>
<td>1.0</td>
<td>0.07</td>
<td>1.1</td>
<td>90.9</td>
<td>6.4</td>
<td>97.3</td>
<td></td>
</tr>
</tbody>
</table>

It would appear that Nigeria's dependence on the EEC was relatively high for exports of Logs and relatively low for Sawn Timber and Plywood. The reverse held good in relation to the UK Market. Both markets combined accounted for an overwhelming proportion of Nigeria's forest exports. In 1962 it was 86% for logs; 71% for for Sawn Timber and 95% for Plywood.

The CET on Logs was 5%, Sawn Timber 10% and Plywood 15%. These were higher than the previous national tariffs in Netherlands and West Germany, Nigeria's most important markets inside the EEC. Non-Association would mean that Nigeria's exports would face a high tariff wall while her AOT competitors mainly Gabon, Cameroon and and Ivory Coast would have free access.

The situation in relation to the UK market would be more serious Nigeria's heavy dependence on the UK Market for her exports of Sawn Timber and Plywood was evidence of the value of the 10% Commonwealth preference her exports of these items enjoyed in the UK. Non-Association would not only cost her this margin of protection but would in fact render her liable to the stiff CET while her AOT competitors would have free access to the UK.

The magnitude of the problem Nigeria would have to face due to the CET was highlighted by the fact that despite of the significant tariff protection she enjoyed in the UK, her share of the total UK imports of Plywood in 1962 was only 4.7% - and the UK was by far her most important market. This appeared to indicate that Nigerian Forest Product exports were of relatively low quality and uncompetitively priced--characteristics that would render breaking into new markets or scaling the CET wall quite difficult. World demand for Forest products was strongly influenced by the necessity to provide living accommodation to cater for increasing urbanisation.

12. In January 1964 Tariff protection against Tropical hardwoods imported into the EEC and the UK were suspended. GATT "First Six Year Plan of Nigeria". p.133
It therefore had a tendency to expand. However the Scandinavian, Far Eastern and Latin American Plywood producers were by far more efficient than their African counterparts and could deliver shipments more cheaply in important West European Markets. Among African producers, Nigeria's competitiveness was low. According to the report of the Nigerian-American Trade Seminar held in New York in September 1964 ———In the very selective United States log and Lumber Market, the wood products from Ivory Coast and Ghana enjoy a competitive advantage (over Nigeria's). This is due to their higher original quality, better handling (which reduces the possibility of staining), and the ease with which export orders and shipments are processed. 13

Competition could compel the Nigerian producers to be more efficient but the "low original quality" could be a formidable handicap.

GROUNDNUT OIL

Groundnut oil was Nigeria's 9th most important export in 1962. There existed however vast potential to expand its export. Nigeria was the world's largest exporter of Groundnuts and in 1962, her groundnut oil represented only 26% of her Groundnut exports. 14

13. Reproduced in GATT (p.143)
## TABLE 24

**NIGERIA: Distribution of Groundnut Oil Exports**

<table>
<thead>
<tr>
<th>Year</th>
<th>BEC (£M Millions)</th>
<th>UK and EEC (£M Millions)</th>
<th>World Total (£M Millions)</th>
<th>Col 1 as % of Col 3</th>
<th>Col 2 as % of Col 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>1956</td>
<td>1.7</td>
<td>3.5</td>
<td>4.1</td>
<td>41.4</td>
<td>85.3</td>
</tr>
<tr>
<td>1957</td>
<td>1.5</td>
<td>4.2</td>
<td>4.6</td>
<td>32.6</td>
<td>91.3</td>
</tr>
<tr>
<td>1958</td>
<td>1.0</td>
<td>3.6</td>
<td>3.7</td>
<td>27.0</td>
<td>97.2</td>
</tr>
<tr>
<td>1959</td>
<td>0.5</td>
<td>4.5</td>
<td>4.6</td>
<td>10.8</td>
<td>97.8</td>
</tr>
<tr>
<td>1960</td>
<td>0.08</td>
<td>5.3</td>
<td>5.3</td>
<td>1.6</td>
<td>100</td>
</tr>
<tr>
<td>1961</td>
<td>1.3</td>
<td>4.5</td>
<td>4.9</td>
<td>26.5</td>
<td>91.8</td>
</tr>
<tr>
<td>1962</td>
<td>0.6</td>
<td>4.3</td>
<td>6.2</td>
<td>9.6</td>
<td>69.3</td>
</tr>
<tr>
<td>1963</td>
<td>0.7</td>
<td>4.0</td>
<td>6.5</td>
<td>10.7</td>
<td>61.5</td>
</tr>
<tr>
<td>1964</td>
<td>1.7</td>
<td>5.4</td>
<td>8.1</td>
<td>20.9</td>
<td>66.6</td>
</tr>
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<td>1965</td>
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<td>7.7</td>
<td>9.5</td>
<td>20.0</td>
<td>81.0</td>
</tr>
<tr>
<td>1966</td>
<td>0.5</td>
<td>8.3</td>
<td>9.7</td>
<td>5.1</td>
<td>85.5</td>
</tr>
</tbody>
</table>

*Source: "Annual Abstract of Statistics" Op Cit 1963, 4 and '68*
Fig 14
NIGERIA - EEC TRADE IN GROUND NUT OIL 1956-66

Source: Based on Table 24
Nigeria's dependence on the EEC market fluctuated as can be seen in Column 4 but on average it was small. Combined with the UK however, the degree of reliance was high. The EEC was the largest groundnut oil importer. In 1962 it took 51% of world imports. Together with the UK, it accounted for 63%.

CET was 10% for crude and 15% for refined groundnut oil for food uses and 5% and 8% for non-food uses. Non-association by Nigeria would put her at a competitive disadvantage. Her most important national markets in the EEC were Netherlands and West Germany. Previously, imports of groundnut oil from all sources were subject to a tariff of 5% on crude and 10% on edible groundnut oil in either country. Not only were the tariff rates to go up for Nigeria; her most important AOT competitor - Senegal, the largest world exporter of groundnut oil, would have free access. In France, the largest national importer of groundnut oil, Nigeria's shipments would face lower tariffs due to the CET. Previously crude groundnut oil had a tariff of 15.6% and refined 16.2%. This however might not be much of an advantage because of non-tariff restrictions.

In the UK, the Federation's most important national market, Nigeria stood to lose the hefty 15% Commonwealth tariff preference margin while Senegalese shipments would enter duty free.

To the extent that the AOTs were unable to meet the demands of the "enlarged" EEC, Nigeria's export volume like those of other unassociated states would be relatively unaffected. But export values were likely to fall. To be competitive Nigeria would have to absorb most of the CET incidence. As seen in Chapter 5, groundnut oil was also losing ground to cheaper substitutes like soya bean oil. Passing on the CET incidence would render groundnut oil even less competitive and encourage a demand switch to substitutes. The competition from substitutes would also reduce the chances of successfully diversifying Nigeria's markets to circumvent the ill effects her groundnut oil export was likely to suffer due to the CET.
Commodities with Lower or Zero CET

Some Nigerian exports were likely to be relatively unaffected by the CET. Among these the most important were Groundnut - Nigeria's second most important export in 1962. Exports to France (the No 1 Customer); Netherlands and West Germany, - Nigeria's most important EEC Markets, were free. Italy - the third largest customer had a tariff of 3.6%. CET rate on groundnut was zero. On balance therefore Nigeria would be better off as far as the EEC was concerned. In the UK, Nigeria's second most important market, she stood to lose the 10% Commonwealth preference she had enjoyed over Senegal and other AOT Competitors. This loss was however inevitable whether or not Nigeria chose dissociation given the assumption that the UK would become a member of the EEC.

Palm Kernels was Nigeria's third most important export in 1962. Again the CET was zero as was the previous national tariffs in the EEC. Again Nigeria would forfeit her 10% preference in the UK.

Natural Rubber Nigeria's fifth most important export had previously entered the EEC member states free. CET was zero. Nigeria had not enjoyed any preferential treatment in the UK so that there would be no loss here.

Raw Cotton was Nigeria's 10th most important export in 1962. Its circumstances were identical with those of Natural Rubber.

Association and Domestic Industrialisation

Domestic Industrialisation can take three forms jointly or separately: (a) Upgrading of domestic raw materials (b) Import Substitution and (c) Manufacturing for export. Each of these was likely to be affected by dissociation with EEC.
Upgrading of Domestic Raw Materials

As shown above, the EEC imports several basic raw materials free of Customs duty while imposing high CET rates on processed products. For instance, while the CET on Groundnuts was zero that on Groundnut Oil ranged between 5% and 20% depending on the degree of refinement. The nominal tariff rates on the finished products did not however represent the true protection accorded processing plants in the EEC. The true or effective protective rates have in addition to take into consideration the protection given to the upgrading stage in the EEC; this degree of protection is determined by the nominal tariff on the imported input and the relevant input-output coefficients. In a simple processing system, the effective protective rate on the processing of Commodity j can be computed using the formula:

\[
T_j = \frac{P_j (1+t_j) - P_i (1+t_i)}{P_j - P_i} - 1
\]

Where:

- \( T_j \) = Effective protective rate for the j commodity
- \( P_j \) = C.I.F. Value of commodity j
- \( P_i \) = C.I.F. Value of input i
- \( t_j \) = Nominal tariff on Commodity j
- \( t_i \) = Nominal tariff on input i

Using a similar formula and actual import values of both Groundnuts and Groundnut oil, GATT has calculated that the 10% CET on crude Groundnut oil yields an effective protective rate of 256% in the Common Market. Admittedly, \( T_j \) in this example is so high because the value added in groundnut processing is relatively small. Moreover since prices of groundnuts tend to fluctuate more than groundnut oil prices, the computation of value added is rendered imprecise. When due allowance is made for inaccuracies in calculation, the effective rate is seen to be very high.

\[15\] GATT "The First Six Year Plan of Nigeria" or cit Table 7
Other processed materials like Cocoa products; Rubber products etc. are similarly accorded very high effective protection by the cascaded nature of the CET.

While Associated States would be unaffected, Non Associated Countries exports of processed materials into the EEC would tend to be seriously hampered. The Federal Minister of Finance, Chief Okotie-Eboh had stated in 1962 that the Industrial policy of the Federal Government was "increasingly geared to the processing of our raw materials, not only for local consumption, but also for exports all over the world". From the above, it is clear that this policy was likely to encounter crippling disabilities if Nigeria rejected Association; more so if the UK became a member of the EEC. A Government Report declared that "if Nigeria remains outside the EEC—Industrialisation of raw materials, the upgrading of them to bring higher returns per ton will be seriously discouraged. We regard this as a major threat to the Nigerian industrial development (since) the upgrading of Nigeria's traditional raw materials exports constitutes one of the most promising areas for industrial growth and for improving the country's foreign exchange position".

IMPORT SUBSTITUTION

A.O.T.s are generally treaty bound to grant free access to imports from EEC Member States. Import replacement and industrialisation policies are generally backed by infant industry protectionism. Association and import substitution industrialisation would thus appear to be incompatible. However, Article 133 (3) of the Treaty of Rome allowed A.O.T.s to "levy Customs duties which correspond to the requirements of their development and to the requirements of the industrialisation which, being of a fiscal nature, have the object of contributing to their budget". This appeared to meet the requirements of infant industry protection. There was however some doubt as to what extent powers under this subsection were meant to be used.

The first principle of the attitude of the Six towards the Associated States was not necessarily altruism. Clearly they wanted tangible quid pro quo for the tariff concessions and aid extended to the A.O.T.s. The access to the markets of the A.O.T.s was one of the most significant immediate returns they could expect. In the circumstances, the opinion of the Economic Commission for Africa that the Six might not continue to offer the same advantages for the primary product exports of the A.O.T.s if the latter resorted to widespread protection against imports from the former appeared logically valid. Moreover, by 1962 no A.O.T. had invoked Article 133 (3). There thus were some suspicions that powers under Article 133 (3) were not unfettered and therefore that Association could prove an obstacle against industrialisation through import substitution in the long run.

19. UN.ECA "The impact of European Integration on African trade and development" 2/08/74/72 (New York 7-12-60.) Page 84.
It was such fears that provoked the charge that Association was devised to keep Africa a constant source of raw materials. This argument ignores the fact, seen in the previous Chapter, that Association arrangements encouraged industrialisation through the upgrading of local raw materials and that import replacement industrialisation was not without its pitfalls.

As far as the public was concerned, Association was thus an embodiment of French Euro-Africanism – the theory of the complementarity of African and European economies. In pursuance of its Euro-African ideal, France had created the Franc Zone embracing Metropolitan France and its Colonies. Within this zone, there was free movements of goods and factors while commercial intrusion by third countries was kept at bay by a complex system of tariff barriers, quotas and exchange control. To encourage the Colonies of in the production/agricultural raw materials, France had operated various price support (Suroprix) and income stabilisation schemes for their benefit. These simultaneously discouraged geographic diversification of markets and tended to perpetuate as Theresa Hayter described it "—A situation in which the Overseas Territories produce goods which are not competitive in world markets and depend on France for their ability to sell them at remunerative prices and their survival" 16 France also granted generous financial assistance to the Territories. The outcome was that the Colonies, on attainment of political independence, found themselves heavily dependent on France economically and generally had to toe the French line in their foreign policies.

neo-colonial motives and the intention behind its aims merely to advance African economies then, as Malam Aminu Sambo of the Nigerian UN Delegation wanted to know in 1961, were these same funds from being made available to the same through bilateral or multilateral arrangements not contingent upon belonging to a particular trading group? Therefore feared that Nigeria's heavy dependence on trading as shown in the previous Chapter, would render her open to political manipulation.

Besides, Association was open only to those States Metropolitan powers were EEC Members.

17. 2nd Committee. UN General Assembly 18th Oct. 1961
18. Article 58 (2) of the "Convention of Association of the African and Malagasy States associated with the EEC (The Yaounde Convention)" stipulated that Association terms as contained in the Convention would be available with "an economic structure and production comparable to Associated States" The Condition that a prospect must be a Colony or ex-Colony of an EEC Member
But Industrialisation based on Import Substitution has its drawbacks. As Paul Prabhach put it "---The protection of Industries of every kind in a closed Market [due to Import replacement industrialisation] has deprived Latin American Countries of the advantages of Specialisation and economies of Scale, and owing to the protection afforded by excessive tariff duties and restrictions, a healthy form of internal Competition has failed to develop to the detriment of efficient production." 20

Besides, Import replacement Industrialisation is, in Albert Hirschman's terminology, "highly sequential" in nature, adopting known processes, imported inputs and machines in the manufacture of predominantly consumer goods. This has robbed the Industrialisation process of much of its knowledge imparting, unemployment reducing, foreign exchange saving and balance of payments strengthening potentials. Moreover, the dynamic industrialisation impulses generated by the need to supply locally the input requirements of original import replacing manufacturing or Hirschman's "backward Linkage effects" are frequently foreclosed or seriously retarded by economic and socio-political obstacles. Fear that the domestically produced inputs would be deficient in quality; would render the location of the user industries previously reliant on imported inputs inappropriate; would be relatively highly priced, since their production would be tariff protected while users forfeit the previously enjoyed tariff concessions on imports, would tend to induce resistance against their being produced locally. On the other hand the ability of Government to break down this resistance may be circumscribed by socio-political considerations as has been the case in Latin America.22 If therefore, Association was likely to impair Import Substituting Industrialisation, it would not constitute an entirely unmitigated defect. On this point

22. Albert O. Hirschman Ibid.
the Nigerian Government Report was "not at all sure that the
development of the Nigerian economy would be harmed by an influence
which might discourage the creation of high permanent tariff. It has
been demonstrated in many countries, that excessive protection, though
apparently the easiest way to foster industrial development, inevitably
results in the creation of uneconomic industries which reduce rather
than increase the National Income."

Manufacturing for Export

Because her technology was rudimentary, Nigeria had the comparative
advantage in the production of simple manufactures which would find
a market in the technologically advanced EEC. The scope was likely to
expand as the EEC’s comparative advantage shifted towards greater
technology-intensive production. The Nigerian Government appears to
have missed this crucial point for in 1962 the Prime Minister told
Parliament "——Industrialisation [in Nigeria] would hardly succeed
if it has to rely on a market [the EEC] already saturated by the
products of Europe——."24

A formidable obstacle confronting Nigeria and other developing
countries desirous of manufacturing for export to Developed Countries
are the tariff barriers in the latter which often render uncompetitive,
the manufactures of the nascent industrialising economies. Association
with its Concomitant right of free entry into the expansive EEC
market would thus have been a boon to export-geared manufacturing in
Nigeria.

23. The EEC and the Nigerian Economy op cit. p. 28
Foreign Private Investment Inflow

An allied consideration was the inflow of foreign private investments. To the extent that Association would promote manufacturing and processing of raw materials for export, it was likely to attract into Nigeria, foreign private capital to exploit the opportunities revealed.

Foreign Aid

Under Annexes A and B of the implementing convention of the Treaty of Rome, an Overseas Development Fund was set up and endowed with 581.25 millions units of Account for the Social and Economic advancement of A.O.T.s for the period 1958-1962.\(^\text{25}\)

The amount was to be disbursed as grants. Under Article 16 of the Yaounde Convention, a second Fund was established with 730 million units of Accounts – 7666 millions of which was contributed by EEC Member States (7620 of which were to be disbursed as grants and 746 million as loans) and 764 millions by the European Investment Bank to be disbursed as loans. The 7730 millions was to be divided between projects for Social and Economic development and technical cooperation (7500 million) and diversification and production schemes (7230 millions). 750 million of the Fund’s liquid assets was to be devoted to price Stabilisation of A.O.T. export Commodities.

Every A.O.T. was entitled to receive something from the Fund—its actual receipts varying with its size and the magnitude of its needs.

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25 At the expiration of this period the provisional commitment made by the Fund amounted to a total of 7512.3 millions. The balance was fully committed by August 1965.

26 Convention of Association between the EEC and the African and Malagasy States associated with that Community and Annexed Documents—(Library Copy of the EEC information Centre, Chesham Street, London, S.W.1.)
The major characteristics of disbursements from the Fund was that they could cover both the onshore and offshore costs of projects. In drawing their Development Plans, A.O.T.'s had prior knowledge of the terms and volume of aid and the kind of projects for which they would be received. There was also the certainty that committed funds would be disbursed promptly at the appropriate times.

These were fundamentally in contradistinction to Nigeria's foreign aid experiences as seen in Chapter 1. Under the 1962-66 National Development Plan, The Federation hoped for foreign aid to the tune of £327 million (almost 50% of the proposed aggregate public capital expenditure during the Plan period). There was total uncertainty about the amount of aid that would in fact materialise and on what terms. By 1964, although Nigeria had received firm aid offers of £1216 millions only £338 millions was in fact received as disbursements. The Federal Finance Minister had often to complain about "— delays in executing new projects and in drawing down offers of external aid already made". The aid received were to cover only the offshore costs of projects leaving Nigeria with the burden of providing the sometimes relatively much larger domestic cost components.

Association would thus open to Nigeria, opportunities for increased foreign aid on relatively easy terms. Having a population about the same as the 18 A.O.T.'s put together, She was likely to receive a relatively large share of the Fund's disbursements.

28. House of Reps Debates 2-4-63 Col 537.
Moreover Contributions to the Oversea Development Fund by the EEC Member States was also partly based on size. France and Germany both contributed £200 million, or 34.4% each of the First Fund. If the UK became a Member of the EEC she was likely to bear a relatively large proportion of the contributions to the Fund. Such a responsibility would place serious constraint on her ability to maintain bilateral aid disbursements on the levels attained before EEC Membership. If Nigeria refused Association, she was therefore likely to suffer a reduction of Aid from the UK Source.

It would thus appear that on a purely economic standpoint Nigeria had very much to gain and relatively little to lose from association with the EEC.
CHAPTER 7

NIGERIA AND THE E.E.C. 11

THE POLITICS OF THE ASSOCIATION

1958 – Early 1961

That the Government was seriously concerned about the possible adverse consequences of the CET on Nigeria’s export performance was evident as long ago as 1958 when the Minister of Commerce and Industry, Dr. Njedwe informed the Federal House of Representatives it was feared that “In future, gradually as the Treaty of Rome comes into effect—some Nigeria produce may be difficult to sell”.

In early 1959, letters of protest against CET were sent to some member Governments of the Six.

At the 15th Session of GATT in Tokyo in October 1959, the new Minister of Commerce and Industry, Zumura the Hon. Balarip Biipcharma drew attention to the fact that in 1958, a third of Nigeria’s exports went to the Community States and declared: ”We are concerned at the future prospects for the greater part of this trade which is being endangered by the possibility of higher tariffs, new preferences and managed markets. Quite candidly it seems unfair to us that these six countries should be considering increased discrimination against us in favour of other African Territories when we in Nigeria do not discriminate against their exports to us”.

By early 1961 it had become clear to the Federal Government it could not blow down the walls of the CET by mere words or letters of protest.

1. NND Vol. 1. 1958/9 Session Col. 594
2. NND 12th Feb. 1959 Col. 370
In a debate on the issue in the Federal Parliament in August, 1962 MPs were unanimous in condemning Association. Why was the feeling against Association so intense?

**Fear of Neo-Colonialism**

In the first flush of independence and at a period when radical nationalism was riding high in Africa, the belief was commonplace that Africa was menaced by what Bialew has described as "a supreme danger which could shake the Continent to its foundations - the danger of economic exploitation by outside powers". This was "Neo-Colonialism". The motive force was the desire by Colonial Powers to make good the losses they had sustained by relinquishing Colonial Control over their African Colonies. World Powers which had not colonised Africa were also thought to have neo-colonial designs on the Continent. Africa's rich natural resources were an attraction.

Added to these was the impulse by either side of the Cold War to make ideological conquests among African States. Such recruits would inter alia, afford valuable support at the United Nations where newly independent States were growing in numerical strength.

The means of fostering this new-style Colonialism were foreign trade, aid and foreign Private Investments. The strategy was to render an African State so dependent on the economic goodwill of a foreign power that it becomes wide open to political manipulation by its economic "benefactors". On trade and foreign investments Bialew had said that "--- So long as the trade and industry of Africa are conducted with only one area of the world, so long will the feeling of dependency persist (to undermine political independence)."

9. Sir Abubakar in an address to delegates to the 1962 African Summit held in Lagos. 'Sir Prime Minister' p. 32.
Foreign aid was however the most effective and deadly weapon. Sir Abubakar told the African Summit at Addis Ababa in 1963 "--- I do not believe that any kind of Aid, no matter from where it comes, is without strings attached to it". Foreign powers frequently put African States "under an obligation" through aid and were capable of "more insidious infiltration through technical assistance". It was frequently the case of 'he who pays the piper trying to call the tune!

So serious was this danger of neo-Colonialism that "---Just as we (African States) have fought political domination (Colonialism), it is also important that we fight against economic domination (neo-Colonialism) by other States".

The popular view in Nigeria was that Association was designed to perpetuate dependence by the Associated Overseas Territories (AOTs) on the EEC Member States. In other words, Association was a patent instrument of neo-Colonialism. Sustaining this suspicion was the fear that free trade between the highly industrialised Six and the economically developing AOTs as envisaged under the Treaty of Rome would encourage the AOTs to specialise in agricultural production while simultaneously discouraging domestic industrialisation particularly of the import-replacement variety. Provisions under Article 133 (5) of the Rome Treaty for Infant industry protection by AOTs were seen as a ruse. The conclusions of a UN ECA Report that "there is a danger that the Treaty of Rome may tempt Associated States to prefer the short run advantages of tariff concessions to the long run gains of industrial development" were accepted as valid.

11. "Nigeria Speaks" op cit p. 161
12. Ibid p. 66
13. Ibid p. 162
15. "The impact of West European Integration on African Trade and development" op Cit p. 95.
It was such fears that provoked the charge that Association was devised to keep Africa a constant source of raw materials. This argument ignores the fact, seen in the previous Chapter, that Association arrangements encouraged industrialisation through the upgrading of local raw materials and that import replacement industrialisation was not without its pitfalls.

As far as the public was concerned, Association was thus an embodiment of French Euro-Africanism - the theory of the complementarity of African and European economies. In pursuance of its Euro-African ideal, France had created the Franc Zone embracing Metropolitan France and its Colonies. Within this zone, there was free movements of goods and factors while commercial intrusion by by third countries was kept at bay by a complex system of tariff barriers, quotas and exchange control. To encourage the Colonies in the production/agricultural raw materials, France had operated various price support (Surprix) and income Stabilisation Schemes for their benefit. These Simultaneously discouraged geographic diversification of markets and tended to perpetuate as Theresa Hayter described it "-----A situation in which the Overseas Territories produce goods which are not competitive in world markets and depend on France for their ability to sell them at remunerative prices and their survival"16 France also granted generous financial assistance to the Territories. The outcome was that the Colonies, on attainment of political independence, found themselves heavily dependent on France economically and generally had to toe the French line in their foreign policies.

The involvement of France in the EEC was enough to generate
strident opposition by the Nigerian public against Association. The
Sahara Atomic test series, the Algerian War, and Biskra had not
made France the most popular European power among Nigerians. It was
generally accepted in Nigeria that the support for France by the Franco-
phone African States on such vexed issues as the Sahara tests and
Algeria was due, in no little measure, to the ability of France to
manipulate them through stranglehold on their economies. When
Cognisance was taken of the fact that like France in Francophone
Africa, the EEC also operated price support and stabilisation
schemes and established a Development Fund to channel aid exclusively
to the AOTs, Nigerian Suspiions deepened. Sir Abubakar had often
insisted that all foreign aid had strings. If the EEC had no ulterior
neo-colonial motives and the intention behind its aid schemes was
merely to advance African economies then, as Malam Aminu Kano of
the Nigerian UN Delegation wanted to know in 1961, "What prevents
these same funds from being made available to the same countries
through bilateral or multilateral arrangements not in anyway
contingent upon belonging to a particular trading group?" It was
therefore feared that Nigeria’s heavy dependence on the EEC and Britain
as shown in the previous chapter, would render her susceptible to
political manipulation.

Besides, Association was open only to those States whose ex-
Metropolitan powers were EEC Members. 18

18. Article 58 (2) of the "Convention of Association between the EEC and
the African and Malagasy States associated with that Community
(The Yaounde Convention)" Stipulated that Association on similar
terms as contained in the Convention would be available to countries
with "an economic structure and production comparable to those of the
Associated States" The Condition that a prospective Associated State
must be a Colony or ex-Colony of an EEC Member State was thus relaxed.
The offer of Association under Part IV of the Rome Treaty to independent Nigeria had not resulted from negotiations in which her Government had actively participated but from negotiations between her ex-Colonial Overlord and the Community. In Parliament Mr. Cronsays contended that the word "Associate" was derogatory. Being an Independent Country "We are in a position to bargain with anybody. Why should we be tied to the apron strings of somebody who is bent on going into the Market?" It was therefore felt that accepting Association would be tantamount to conceding that the Country's Independence was hollow and that de facto Sovereignty continued to reside in London.

**Association and Non Alignment**

The EEC was conceived as an economic step to the eventual political union of Western Europe. As Mr. MacMillan told the House of Commons in July 1961, "--- although the Treaty of Rome is concerned with economic matters, it has an important political objective, namely to promote the unity and stability of Europe which is so essential to the struggle for freedom and progress throughout the world." Since Western Europe is an important arm of the Western Alliance which confronts the Warsaw Pact Countries in the Cold War, the EEC was therefore involved in the Cold War. As has been demonstrated, the Nigerian public believed that AOFs were susceptible to political manipulation by EEC States. In 1962 Bonn threatened it would refuse to ratify the new Association Convention if any of the 16 AOFs accorded diplomatic recognition to the German Democratic Republic. The AOFs could therefore be maneuvered into towing the EEC States, and by implication, the Western line in international political matters thus rendering futile their professed non-alignment foreign policies.

21. West Africa (London) 15-12-62
Even if no direct attempt at political manipulation of AOTs was attempted the argument that Association and Non-alignement were incompatible was sustained in the Nigeria view. Balewa had said that the objectives of the EEC were three fold: Economic, Political and military advancement of Western Europe. The three were far from being mutually exclusive. Decisions in the economic field are often coloured by political and military considerations. Establishing intimate economic relations with the Community by means of Association almost automatically involved the Country in the political and military aspects of the Community. Strengthening this view was Professor Hallstein's (EEC President) insistence in 1961 that "the ultimate motive and the most important effects of our (EEC) Association (with the 16 AOTs) are political."

In this regard it may be pointed out that Nigeria's heavy economic dependence on Western Powers depicted in Chapter 8, can equally be said to be inconsistent with non-alignement. The strong economic links with the West had however been forged before independence. While some effort was being made to reduce the degree of reliance on the West, the position at independence had to be taken as given in drawing up a foreign policy. Accepting Association would on the other hand, be a voluntary act by the Government of a Sovereign Nigeria with the full knowledge that it might well be incompatible with non-alignement. Rejecting Association would, in the context of non-alignement, actually tend to make up in part for the economic dependence on the West and so sharpen the Government's non-alignement posture.

22. "Mr Prime Minister" Op Cit P.66
23. Reproduced in "West Africa" (London) 6-6-61.
24. For instance, the Signing of Trade Pacts with several East European States after independence as shown in Chapter 9.
Besides, there was the question of participating in the new institutions of Association—Association Council, Parliamentary Conference and a Court of Arbitration Comprising Ministers and representatives of the EEC Council, Commission and the AOT Governments. Although Articles 44, 50 and 51 of the Yaounde Convention, which brought the institutions into being, imbued them with powers relating only to matters concerning the Association, Balewa expressed a widely held belief when he told Parliament in 1962, "participating in these institutions, which constitute part of the Structure of the Community, would be incompatible with Nigeria's policy of non-alignment". These institutions would tend to formalise the relationship between the AOTs and EEC which was already considered as being inconsistent with non-alignment.

ASSOCIATION AND AFRICAN UNITY

The Nigerian public was equally convinced that Association was not only an obstacle to Pan African Unity but also to Nigeria's potential role in the attainment of such Unity. Since as it believed, Association would induce African States to specialise in agricultural production, Africa's tradeable products would continue to be overwhelmingly competitive to the detriment of inter-African trade. But trade is an important means of fashioning intimacy between States.

Furthermore, the competitiveness of African economies would render an African Common Market route to Continental Unity extremely difficult.

It was also feared that Association per se, might impede the formation of Customs Unions among African States. Although Part 17 of the Treaty of Rome was silent on the issue of AOTs forming Customs Unions with third Countries,  

25. "Mr. Prime Minister" Op Cit. p.69.

26. Article 9 of the Yaounde Convention granted AOTs the right to form Customs Union's or Free trade Areas with third Countries as long as such arrangements were not incompatible with the principles and provisions of the Yaounde Convention. Much uncertainty however attached to the way the proviso would be interpreted in practice.
there was no guarantee that any future attempts by Associated and Non-Associated African States to form such a union would not be frustrated by obligations of Association. Circumventing any problems arising in this regard by having all African States become AOTs would be impossible. Not all African States could become Associated under Part IV. Some had strong ideological objections. Some like Liberia, could not qualify for Association (until the Signing of the Yaounde Convention) because they had no ex-colonial ruler who was an EEC Member.

ASSOCIATION AND NIGERIA'S ROLE IN PROMOTING UNITY

In order to lay claims to African leadership and play a significant role in promoting Continental unity, the Governments foreign policy had generally to be reasonably appealing to "Moderate" and "Militant" African States alike. The Nigerian Public was satisfied that the Country's accession to Association under Part IV could in fact alienate either group of States.

THE "MODERATE" STATES

Most of the 18 Associated African States were non-militant in their foreign policies. Nigeria could provoke their disaffection because its Association would dilute the economic advantages they derived from Association. As indicated in the previous Chapter, Nigeria and the 18 AOTs were Competitors in the export of many products. While the 14 Francophone AOTs, for instance, had been weaned with subsidised export prices and heavily sheltered Markets in Metropolitan France, Nigeria had enjoyed only relatively small Commonwealth preferential margins in the UK. Thus the AOTs would not have welcomed the entry of Nigerian exports into the Community on similar terms as their own.

Moreover, by reason of fact that her population was about the same as that of the 18 states put together, it was likely that Nigeria would receive the lion's share of the EEC's Overseas Development Fund aid.
The Community was therefore likely to become an increasingly important market for Nigeria-type exports out of which Nigeria could hardly afford to be shut out. On the other hand, the Government was fully aware it could not ride rough shod over public opinion on the issue of Association. The protests against the Anglo-Nigerian Defence Agreement had underlined the extent to which some sections of the public could carry their opposition.

In March 1962, the Federal Minister of Finance, in his budget speech confirmed that in relation to question of whether or not to dissociate, the Federal Government was having problems. Nigeria, he declared "cannot and will not contemplate any form of agreement or Association with the Community which savours of a Colonial or neo-Colonial relationship. Equally we insist that our vital interests by fully protected in a manner commensurate with our National Sovereignty. With these vital reservations, we approach the whole complex question (of Association) with a completely open mind. Many detailed studies are being made, both in Nigeria and elsewhere, but until a very much clearer picture emerges, Nigeria cannot fully determine where her true interests lie."  

By September 1962, the Government had reached the conclusion that on purely economic grounds, Association was desirable but it was equally certain, it could not carry the public with it. So it proposed a Commonwealth Solution. At the September 1962 Commonwealth Parliamentary Association Conference in London, the Nigerian Federal Minister of Establishments advocated the formation of a "Commonwealth Economic Community" as a counter to the EEC. Such a Commonwealth Community would eschew the unacceptable political implications of Association for it "would remove any semblance of dependency or neo-Colonialism."

32. H.R.D. March 29th, 1962 PP 29-30

The proposals came to nothing. The Government then saw it had to go it alone.

On his arrival for the Commonwealth Prime Minister's Conference in September, 1962, Prime Minister Balewa made it clear his Government could not accept Association but hoped "It is possible not to Associate but to negotiate the same terms as the Associated Members". Shortly after his return home, he informed Parliament that although Nigeria "will in no circumstances seek Association, his Government had decided "to open negotiations with the EEC to secure a guarantee of access to its markets and to a reasonable share in the expansion of that market for those commodities that would be particularly affected by import tariffs and quotas".

**Alternatives Forms of Agreements Available**

In 1963, the EEC Council declared its readiness to negotiate in a sympathetic spirit, agreements with any non-member Countries who so requested and whose economic structure and production were comparable to those of the Associated States. The agreement would take the form of one of the following:

(a) Adoption of Association under Article 58 of the Yaounde Convention.
(b) Association agreements under Article 238 of the treaty of Rome involving mutual rights and obligations particularly in the field of trade.
(c) Commercial agreements to facilitate and expand trade between the Community and those Countries.

The Nigerian Authorities had to choose one of the three. Alternative (a) was ruled out ab initio because it was tantamount to accepting the Association the Government had just rejected on political grounds.

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34. The Times (London) 5th September 1962.
35. Nigeria Speaks Op Cit p.148
37. Ibid.
Alternative (c) was also unsuitable. To meet Nigeria's needs a commercial agreement would have entailed the mutual granting of tariff concessions on certain commodities by Nigeria and EEC. Such concessions would have had to be extended to all countries with which the parties have a Most Favoured Nation Agreement. Under Article XXIV of the General Agreement On Tariffs and Trade (GATT), the concessions would have had to be extended to all GATT Members. Consequently, such a commercial agreement would yield substantial advantages only to the extent that the country involved held a monopoly or near-monopoly position in the world export of the commodities covered by the agreement. If in negotiating a commercial agreement, Nigeria meant to ensure that her exports vis-à-vis those from competing AOTs did not suffer discrimination in the EEC—the logical raison d'être of any such negotiations, the trade advantages of association to the AOTs, would in the circumstances, be attenuated to a degree unacceptable to the EEC and the AOTs.

Only association under Article 238 of the Treaty of Rome remained open. This differed from association under Part IV in the important respect that Nigeria would have to negotiate the terms of the agreement as an independent country. No longer was she being asked to become associated by the grace of her former colonial overlord.

Besides, certain events had rendered association less politically repugnant. In 1962, certain European countries like Austria, Sweden and Switzerland sought association with the EEC. Austria had "permanent neutrality" written into its constitution and the Soviet Union is one of the guarantors of its independence treaty.

Switzerland would not even join the UN for fear of compromising its traditional neutrality. Sweden also had long standing traditions of neutrality. If Association would not impugn their neutrality then it appeared that Association need not necessarily undermine a Country's Non-alignment foreign policy. Moreover, Association did not appear to deflect Governments of AOTs like Mali from leftist foreign policy orientation. Association thus appeared in a new light and some of the emotional opposition it had aroused in Africa evaporated.

Moreover, in January 1963, General De Gaulle effectively blocked Britain's EEC Membership bid. With Nigeria's most important national customer excluded, the degree of Nigeria's dependence on EEC Market fell considerably from the level it would had attained had the British application succeeded. Consequently, the fear that Association would Subject Nigeria to political manipulation because of her excessive trade reliance on the EEC Correspondingly Subsided.

Of great importance was the slide of radical opinion in Africa. The 1963 Addis Ababa African Summit had seen the 'Moderates' triumph over the 'Radicals' in African politics. The OAU Charter had underlined the principle that each African State was Master of its own destiny. An African State could therefore seek EEC Association without necessarily losing much face.

In addition, by this time the AG, the focus of Opposition to Association in Nigeria, was in utter disarray while the Country itself had commenced the period of 'Crisis in Series' Spotlighted in Chapter 3. Public opinion was therefore relatively less concerned with issues of external relations. Consequently, the Lagos Government had a free-hand in pursuing its policy towards the EEC.

Nigeria Commenced formal negotiations with the EEC in October, 1964 and Signed an Association Agreement in July 1966. Economic Calculations had obviously triumphed over political factors.
The Nigerian Association Agreement and Nigeria's Objections to
Association

Certain aspects of the Nigerian Association Agreement were designed
to meet Nigeria's original objections to Association.

Domestic Industrialisation

It had been feared that Association would impede domestic
industrialisation by throwing the domestic market open to relatively
cheap duty-free imports from the EEC and granting only restricted
powers for infant industry protection. Under the Nigerian Agreement,
the stipulations relating to infant industry protection were similar
to those in the Yaounde Convention. While the Yaounde Convention
(and the Original Association under Part IV of the Treaty of Rome)
provided that ACTs eventually reduce virtually to zero, Import duties
on all imports from the EEC States, the Nigerian Agreement granted
preferential duty margins ranging between 2% and 5% on only 26
items which in 1964 had a value of about 14.9% of Nigeria's total
imports in value terms. Local production of most of the 26 items would
be difficult due to non-availability of requisite materials. Thus,
import substitution industrialisation was likely to be less hampered
under the Nigerian Agreement than under the Yaounde Convention. On the
other hand while under the Yaounde Convention, all ACT(exports will
eventually enter the Community free, under the Nigerian Agreement,
eventual free access was extended to all but four major items: Cocoa,
Groundnut Oil, Plywood and Palm Oil. These products were subject to
tariff/quota arrangements to safeguard the 18 ACT export positions.

39. Articles 5 and 6 of the "Agreement establishing an Association
between the EEC and the Republic of Nigeria and Annexed documents"
(Referred to as the "Nigerian Agreement") Library Copy.EEC
Information Centre, London, S.W.1, And Articles 3 and Protocol
No 1 Article 4 of the Yaounde Convention.
41. Article 3 and Proto col No 1 of the Nigerian Agreement.
Neo-Colonialism

As perceived by Nigeria, economic aid was the foremost means of establishing neo-Colonial relationship between States. The Nigerian Agreement did not include any provisions for multilateral aid from the EEC's Overseas Development Fund.

African Unity

Stipulations about conditions for establishing Customs Unions and Free Trade Areas between an Associated State and third Countries were similar in the Nigerian and Yaounde Conventions. The Nigerian objections were apparently not met in this sphere.

Nevertheless, the concern that Nigeria would alienate the 18 AEC's by becoming Associated was modified by two considerations:

(a) Non-competition with the 18 for EEC multilateral aid.

(b) Restricted competition between Nigeria and the 18 in four important export items: Cocoa Beans, Groundnut Oil, Plywood and Palm Oil. In the Nigerian Agreement, these items were subjected to a tariff/quotas arrangement. Within the limits of the quotas, Nigerian exports were to enter the EEC on identical terms as shipments from the 18. Outside the quotas, Nigerian exports were to attract terms similar to those applicable to exports from third Countries. The four commodities were those in which competition between Nigeria and the 18 was likely to be most severe. The economic interests of the 18 were thus reasonably well protected by the terms of the Nigerian Agreement.

EPILOGUE

The Nigerian Association Agreement never became operational. Articles 30 and 31 of the Agreement stipulated ratification by the signatory States (i.e., Nigeria and the Six) as a condition precedent to its coming into force. By October, 1968, France and Luxenberk had not ratified. Since the Agreement was valid until 31st May 1969, it "Simply lapsed." Thus in the final analysis, whether or not terms of the Nigerian Agreement met Nigerian objections to Association turns out to be academic.

42. Librarian, EEC Information Centre, Chesham Street, London S.W.1. (Personal Interview)
43. Article 32 of the Nigerian Association Agreement.
44. Personal letter Ref No 600/1/5 Vol.11 of 8th March 1971 from the Nigerian High Commission, London to the Writer.
CHAPTER 8

NIGERIAN CONCEPT OF NON-ALIGNMENT

Outlining the fundamental principles to underpin his Government's foreign policy, the Prime Minister told the UN General Assembly in October 1960 "We shall not forget our old friends and we are proud to have been accepted as a member of the Commonwealth but nevertheless we do not intend to align ourselves as a matter of routine with any of the power blocs—" In her relationship with the big powers, Lagos clearly meant to adopt a pragmatic approach, the intention being to maintain adequate manoeuvrability to enable her to take some heat out of the cold war. Balewa contended that "---there should be at least some people who could tell either side (In the Cold War) that they are wrong or they are right, and that we shall do it fearlessly".

To be able to play this role effectively, Nigeria had to be accepted by both sides as being genuinely non-aligned. Given her relatively smooth path to independence, her long historical, cultural and economic attachments to the Western bloc and her own professed inclinations never to forget her old friends, there was a presumption she would tend to be biased in favour of the West in her foreign policy. Most significant in this regard was the Nigerian Defence Agreement with the UK which remained in force from November 1960 to January 1962. The Agreement was dealt with extensively in Chapter 4. A pact for mutual defence entered into with a leading member of one of the Cold War blocs was invariably tantamount to alignment with that bloc. The Nigerian Defence Minister had however maintained that the Agreement in no way derogates from the full Sovereignty and independence of action of Nigeria. The onus was squarely on the Government to prove

1. "M.R. Prime Minister-Speeches" op cit p.51
2. Ibid p. 80.
that this was in fact the case. It was up to it to cultivate the friendship of both Eastern and Western powers and to be consistently impartial in all dealings with them. The impartiality was not only to be done but had to be seen to be done.

NIGERIA’S RELATIONSHIP WITH WESTERN POWERS

THE UNITED STATES OF AMERICA ( U. S. A. )

During the 1959 eve of independence Federal Parliamentary elections, the NPC Manifests advocated that the Government of a Sovereign Nigeria should work for "Increasing friendship with the USA". It would appear that in 1960-66, Lagos strenuously avoided going out of its way to step on USA’s toes. The Nigerian Government was avowedly against racial discrimination yet when it was queried about racial discrimination against Nigerian Citizens in the United States, a Junior Minister held brief for the American Government by explaining that "It is not always easy for any Government to check the excesses of certain elements of its nationals."

COMMUNIST CHINA’S ADMISSION into the U.N.

In November, 1960, Sir Abubakar assured Parliament his Government was "going to see to it that Red China is admitted into the United Nations". This was a firm declaration that Lagos was not only opposed to Successive US Governments policy of excluding the Peoples Republic of China from the UN Membership but also intended to do something positive about it. When the issue of Peking’s admission came to the vote at the UN in 1961 however, Nigeria abstained.

5. H.R.D. 12.4.62 P. 30
The Foreign Minister explained that his Government was opposed to the idea of expelling one UN Member (Taiwan) in order to admit another (Peking). As a compromise he advocated instead that both China be members. In view of Peking's total rejection of a two China Policy, this was equivalent to backing the Status quo. In fact, the Foreign Minister later claimed that there was no indication that Red China either wanted admission into the UN or was prepared to abide by its Charter. Obviously, Lagos ought to have been aware of these reservations before the November 1960 declaration on Chinese UN Membership. The fact that the Prime Minister's statement was so unequivocal suggests that the issues subsequently raised by the Foreign Minister's were considered insignificant at the time. Advancing them later as excuses for not supporting Peking's admission thus signified a policy switch out of deference to US susceptibilities.

Significantly, the Nigerian Government was at this time engaged in tedious negotiations with Washington on certain issues directly related to US aid to Nigeria. Just before independence, Nigeria had applied to the US for aid and was assured of a favourable response. The US however requested inter alia that the Nigerian Government enter into an agreement to compensate it for any US owned assets which might be rendered useless as a result of any actions by Lagos. This was to insure against nationalisation. The Nigerian Government felt that the issue was fully covered by Chapter 3 S.30 of the Nigerian Constitution and therefore that a separate agreement of the type sought by Washington would be superfluous. In consequence, protracted negotiations ensued. It was not until July 1962 that a draft agreement was ready. Lagos delayed signing it until December.

8. Time Magazine (New York, USA) 15.12.61 p.32.
In the meantime, Sir Abubakar paid an official visit to
Washington in July, 1961. He was most favourably impressed by President
Kennedy whom he found "to be a man of understanding sympathetic and
willing to assist us in the pursuit of our aims and objectives". He was
most impressed by President Kennedy and found him "to be a man of
understanding and sympathetic and willing to assist us in the pursuit of our
aims and objectives". He was very impressed by President Kennedy and
found him "to be a man of understanding and sympathetic and willing to assist
us in the pursuit of our aims and objectives". 9

Just how willing Washington was to assist Nigeria was demonstrated
when in December 1961, the US Government announced it would provide
$225 millions to support Nigeria's 1962-68 Development Plan. 10

The policy modification on Peking's UN admission was thus meant
in part at least, as a goodwill gesture towards the US which was
Nigeria's single most important aid donor. Nigeria persistently
abstained from voting on Mainland China's UN admission until 1965
when she voted in favour. The new foreign minister designate, Nuhu
Bamali explained that "Nigeria does not think that a country whose
people constitute about a fifth of mankind and who, whether we
approve or not, now possesses atomic weapons, should be kept out of
the mainstream and deliberations of this body (i.e. the UN)." 11

Proposals to seat Red China in the UN had been gaining increasing
acceptance yearly. By 1965, many countries including important US
allies like Britain, were voting for Peking's admission. The Nigerian
Government could, in the circumstances, vote for the proposal without
necessarily incurring much US displeasure.

9. Sir Abubakar in a broadcast to the nation on his return from the
CUBA

The Nigerian Government's response to the Bay of Pigs' invasion, the US economic blockade of Cuba, and the 1962 Super Powers Missile Confrontation over the Island was muted. Nigeria did however in 1962 vote against the US on the Cuban Invasion issue at the UN. The Foreign Minister in his UN address merely stated that "Cuba should not be a chess pawn on the board of power politics." It is significant that no official Nigerian delegation ever visited Cuba.

RESUMPTION OF NUCLEAR TESTS IN THE ATMOSPHERE.

In December 1960, Nigeria had cosponsored a UN General Assembly Resolution which insisted that an agreement to stop all nuclear tests was "not only imperative but urgent" and urged all States "to refrain from further tests." In 1962, following Soviet violation of the voluntary moratorium on tests, the US Government decided to resume atmospheric nuclear tests. This decision was sanctioned by the Nigerian Government which maintained that Washington was justified in view of the Soviet breach. This response Contrasts Strongly with the Government's actions when France exploded an atom bomb in the Sahara in December 1960. As will be seen presently, Lagos broke off diplomatic relations with Paris and barred French aircrafts and ships from using Nigerian ports. The fact that Nigeria had grave fears that the Sahara tests might endanger life in Africa while no such fears arose from the US tests conducted outside Africa was influential in Government policy. But Lagos' objections to the French tests arose from its condemnation of all atomic tests in general, as

15. Morning Post (Lagos) 6.3.62.
evidenced by its Co-sponsorship of the UN Resolution referred to above, and the conduct of such tests in Africa in particular. It had condemned Russian tests in 1961. To maintain consistency it could at least have remained silent on the US decision. Endorsing it inevitably gave the impression that it was anxious to please the Super Power which apart from being the head of the Western Alliance, was the most important single bilateral aid donor to Nigeria.

**OTHER ISSUES**

On other international issues in which the US was involved, Lagos either tacitly agreed with the US stand or refrained from taking a defined position. In the Congo, the Government favoured the UN line which often corresponded with official Washington policy. As was seen in Chapter 2, Lagos speedily endorsed Mobutu’s 1965 Coup which appeared subsequently to have received Washington’s approval. Sir Abubakar was a member of the still born Commonwealth Vietnam Peace Mission but he would pass no judgement on US’s involvement in the Indo-China War.

Besides, diplomatic contact between Lagos and Washington was close. The US had a Consulate in Nigeria prior to October 1960. This was subsequently transformed into an Embassy with full diplomatic rights when Nigeria became independent. As already seen, in July 1961, less than ten months after independence, the Prime Minister paid an official visit to Washington.

**THE UNITED KINGDOM**

As shown in Chapter 4, the affinity between Lagos and London was deep although some of the formal ties were dismantled during the 1960-66 period. Nigeria even signed a Defence Agreement with the UK in 1960 but had it rescinded in 1962.

**FRANCE**

France had a Consul General in Lagos before October, 1960 but the relationship between Lagos and Paris was cool for most of the
1960-66 period. On January 5th, 1961, angered by the 3rd French atomic test in the Sahara, the Nigerian Government ordered the French Ambassador and his staff to quit the country within forty-eight hours. French aircrafts and ships were forbidden to use Nigerian airports and ports.

The ban on aircraft and shipping was lifted with effect from 18th May 1961 in response, according to a Government Statement to "representations from Dahomey, Niger, and Chad whose development plans are being retarded by the denial of Nigerian port facilities to French Shipping on which these countries largely depend for their imports of Capital goods". It was however, not until October 1965 that an agreement to resume diplomatic relations was reached between the two Governments. In the meantime, as seen in Chapter 2, Lagos openly declared support for the Algerian Provisional Government in its fight for independence but refrained from granting it diplomatic recognition. In 1961, Lagos severely reprimanded Paris for the "Massacre" of Tunisians during the Bizerta dispute.

The Stern reaction to the 3rd French tests was designed to bring home to France that Nigeria "was a force to be reckoned with within the Continent of Africa". The Nigerian public was genuinely alarmed that the tests would pollute Nigeria's and Africa's atmosphere with radio-active fall-out. Some saw the tests as a wicked plot against Africa. Jaja Wachuku, later to be Foreign Minister, regarded the tests as indicating "a desire to wipe out the black race and to make it impossible for us [Africans] to fulfill our destiny".

18. This was the main reason advanced by Dr. Azikiwe in advocating severe reprisals against France should it persist with the tests after Nigeria became independent. *Daily Times* (Lagos) 15th. October, 1959.
Another MP saw the tests as a declaration of war on Nigeria. The public was outraged by what it considered France's contemptuous disregard for the Nigerian protests against the Sahara test series even prior to the Federation becoming independent.

Lagos soon realised however that it may have over-reacted. No African Government, 'Militant' Ghana included, had taken such extreme measures against France. The ban on French aircraft and Shipping hurt Neighbouring African States while the rupture of diplomatic relations turned out to be disadvantageous to Nigeria. General De Gaulle never forgave Lagos and this was in part responsible for, among other things, France's tactics which rendered protracted and difficult, Nigeria's negotiations to become Associated with the EEC in 1964-66. Consequently, subsequent French tests in the Sahara elicited no further punitive counter action from the Nigerian Government.

OTHER WESTERN COMMITTEES

As indicated in Chapter 2, the Nigerian Government was a strong critic of Portuguese Colonialism in Africa and played an active role in the OAU's diplomatic offensive against Lisbon. It accused NATO of aiding Portugal "to use deadly weapons against defenceless Africans in Angola". The Government also took Western powers to task for allegedly supporting the South African Government economically, militarily and politically. The Nigerian Foreign Minister told a UN Special Committee that Pretoria paid little heed to UN Resolutions because it was assured that "whatever it does, it can always find friends among the Western Powers". Lagos viewed with disfavour Belgium's role in the Congo tragedy

20. Ibid Col. 1729
23. Morning Post (Lagos) 1.4.61.
but relationship with Bonn was amicable. In 1962 the Foreign Minister suggested at the UN General Assembly that East Germany should withdraw from East Berlin which should then be united with West Berlin to form a free City under UN Control. In 1963 Nigeria entered into an Agreement with West German Government for assistance in setting up an Air Force and even accepted an implied condition not to accord diplomatic recognition to the Democratic Republic of East Germany. No official Nigerian delegation visited East Germany.

**RELATIONSHIP WITH EASTERN POWERS**

The Lagos Government's relationship with Eastern (Communist) powers was perpetually cool.

**UNION OF SOVIET SOCIALIST REPUBLICS (USSR)**

At independence, Nigeria had virtually no contacts with the USSR and the Government was in no hurry to modify the position. The USSR was invited to Nigeria's independence celebrations in 1960 but her application to open an Embassy in Lagos elicited no immediate response. A 1955 Colonial Order banning the import of Communist literature remained in force. Travel to the USSR and other Communist States was highly restricted while Students were forbidden to accept awards tenable in these Countries.

Many of these restrictions were eventually lifted progressively but hesitantly. In April 1961, Lagos and Moscow reached accord on the exchange of diplomatic missions at Ambassadorial level but Soviet Embassy Staff were limited to ten persons. It took Soviet representatives another twelve months to find suitable office and residential accommodation.

24. "Federal Nigeria" Vol 5 Ch 4
25. See Chapter 4.
(Other East European Countries like Poland formally established diplomatic relations with Nigeria in 1962). On her part Nigeria did not open an Embassy in Moscow until March 1963. In November 1961, the ban on importation of Communist literature was lifted. The Prime Minister however warned that lifting the ban was an "expression of faith by the Government in the Common sense of the Nigerian People". It would be reimposed if it was found that "our faith has been misplaced and that this sort of literature directly threatens the Security of the State or the Sovereignty of our Country" 27

Restrictions on travel to Eastern Europe were relaxed in 1962 while the acceptance of Scholarships tenable in Communist Countries was not finally sanctioned until 1964. In July 1963, Nigeria signed a trade agreement with the USSR. While official Nigerian delegations visited the USSR, the Federal Prime Minister never personally went to Moscow.

In the political sphere, Lagos was rarely in agreement with Moscow. The Government condemned the Kremlin's Congo policies and regarded as intolerable any Russian military involvement in the crisis. In July 1960, Sir Ahmadu Bello, on a visit to the US, told a press conference at Knoxville, Tennessee his Country "Could not just look on and do nothing if Russian troops intervened in the Congo. 28

This contrasts sharply with Nigerian Governments approval which greeted the use of US Air Force planes to fly Belgian Paratroopers into rebel held Stanleyville to resume mainly foreign civilian hostages in November 1964. 29 Although conceived as a humanitarian exercise, it constituted nevertheless, intervention of foreign troops in the crisis. It would thus appear that the Government was demonstrating a basic pro-Western attitude.

27. H.R.D. 22.11.61 P.8.
28. Daily Times (Lagos) 23.7.60.
29. Ibid.8.12.64.
Lagos' reaction to the Soviet Troika proposals for the UN's Secretary Generalship was also unfavourable. It would not go along with this plan which was tantamount to "introducing the right of veto into the Administrative realm [of the UN],"30 and was designed to get rid of Secretary General Dag Hammarskjold. The Nigerian Government was concerned that allowing the Cold War antagonists direct veto powers in the Executive wing of the UN would gravely damage the organisation.

Balewa was therefore convinced that "there should be only one [Secretary General] a first class man who is able, honest and sincere and who will have other assistants widely representative of the nations as much as possible."31 The Government disapproved of Russia's resumption of nuclear tests in the atmosphere in 1961. A member of the 18 Nations UN Disarmament Committee, Nigeria also flatly rejected Chairman Khrushchew's proposals for a Summit Conference to discuss disarmament.32

Only on issues relating to Colonialism, minority rule and racial discrimination in Africa was there some measure of accord between the two Governments. Even here there existed differences of opinion. While Moscow demanded an immediate end to Colonialism, Lagos as has been seen advocated a gradualist approach to decolonisation.33

PEOPLES REPUBLIC of CHINA

Contact between the Nigerian Government and the Peoples Republic of China was even more tenuous and the relationship, less amicable.

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30. This was the United State's view (which gained wide acceptance) of the Troika Proposals. UN Dec 7th, A/4797 7th. July 1961 P.8.
32. Sunday Express (Lagos) 25.2.62.
33. See Chapters 2 & 3.
Peking was not invited to the 1960 Independence Celebrations and as seen above, Lagos Continuously abstained from voting on the issue of Peking's admission into the UN until 1965. There was no question of the Balewa Government extending diplomatic recognition to Chairman Mao's Government although Nigerian Economic Mission headed by the Finance Minister visited Red China in 1961.

During the 1962 Indo-Chinese War, Sir Abubakar sent a message of Support to Nehru and castigated Peking for its "aggressive tendencies". He maintained that "the Chinese theory of 'might is right' cannot be tenable and any Country that embraces it should stand condemned". The blunt reprimand to Peking about a year after the Lagos Government had shown relative indifference to the Bay of Pigs Invasion demonstrates a tendency by the Government to operate on double Standards in its relationship with the Eastern and Western Powers respectively.

**Resume**

It would appear that Nigeria's non-alignment was initially characterised by the maintenance and strengthening of formal ties with Western Powers while simultaneously keeping Communist States at arms length. This state of affairs was gradually modified as Lagos expanded contact with Eastern Powers while some of the formal attachments to the West were dismantled. This had its counterpart in the political sphere where for instance the anti-China policy was abandoned in 1965.

Generally however, the Lagos Government was strongly attracted towards the West in its foreign policy orientation. It was amicably disposed towards most Western Powers while at best, it was cool towards Eastern Powers.

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NON- ECONOMIC RATIONAL FOR NIGERIA'S PATTERN OF NON ALIGNMENT.

NATIONAL SECURITY

Encouraging the Nigerian Government not to align itself formally with either power bloc was the fact that it did not perceive any immediate threat to the Federation's security which it could not contain without extensive external military support. Nigeria's immediate neighbours - Chad, Dahomey, Niger and the Cameroons were relatively small and weak States hardly capable of posing serious threats to Nigeria. The first three depended heavily on Nigerian port facilities and were highly susceptible to economic sanctions imposed by Nigeria. The 1961 Lagos embargo on French Shipping had serious consequences on their economies.

Internally, although the situation was unstable and there were often disturbances like the 1960 Tiv riots, there was no subversion with foreign power complicity. There was thus no overriding security-induced Compulsion for Nigeria to align itself to a Power Bloc to ensure adequate military aid. As was argued in Chapter 4, Lagos did not necessarily have to enter into the 1960 Anglo-Nigerian Defence Agreement in order to enjoy the benefits stipulated therein.

While Lagos saw fit not to align itself with either of the power blocs, it was propelled towards being strongly pro-Western by two main Considerations.

LONG ASSOCIATION WITH THE WEST

Nigeria had been Colonised for over half a century by a Western Power. She had attained independence largely through negotiation and a minimum of rancour and the Colonial Power had done much to prepare her to Shoulder the burdens of independence. In the process, Nigerian Leaders had had intimate Contacts with the UK.
At independence, the Nigerian Government was convinced that the UK was a proven genuine friend with whom Sovereign Nigeria should have very close relationship.\textsuperscript{35}

Because of the UK's position in the Western Alliance, Colonial Nigeria had also had contacts with other important Western powers like the United States of America and as far as the Lagos Government was concerned, they too were good friends.

In contrast, by 1960, Federal Nigeria had had little or no contacts with Eastern Powers. In the normal course of Cold War politics, these powers had been represented by their antagonists as posing dangerous threats to the freedom of new and weak States. At independence, the Balewa Administration felt that prudence dictated extreme caution if not suspicion in any dealings with Communist States. Explaining why Western Embassies in Lagos enjoyed certain privileges denied their Eastern Counterparts, the Foreign Minister told Parliament in 1963 "People have to go from the known to the unknown——They (the Western Embassies), were here and they have had certain privileges. In the case of the \textit{\textit{now}}-Comers (Communist Embassies), it will be suicidal if this Country could open its front gates and allow \textit{\textit{now}}-Comers to flood us here and after one year we find that we have been destroyed."\textsuperscript{36}

The Prime Minister had made an identical point when he hoped that M.P.'s "will appreciate that some of these Countries that are opening (embassies) are completely new to us but others we have been in association with for a very long time."\textsuperscript{37}

\textsuperscript{35} See Chapter 4.
\textsuperscript{36} H.R.D. 2nd April 1963 Col. 1753.
\textsuperscript{37} Ibid March/April Session 1961 P. 171.
IDEOLOGICAL AFFINITY WITH THE WEST

Of great import was Nigeria's ideological affinity with the West. Nigeria operated a Western-style Parliamentary democracy based, in theory, on the Rule of Law, Fundamental Human Rights and free and fair secret ballot parliamentary elections. In practice, the system functioned with many imperfections. Elections were rarely, if ever, free and fair; the chances of successfully dislodging an incumbent Government at the polls were so slim as to be virtually non-existent while life was not always easy for many an opposition politician. Nevertheless, most Nigerians and their Governments preferred the System they had become relatively familiar with to the unknown Communist Governmental System. As Dr Okeke argued in Parliament "we cannot in a day or two or even in a matter of years dispel the principles which we have imbibed from a democratic Country like Britain and America. Certainly we are a democracy—we have been under democratic principles and institutions for over a hundred years—Russia has not been here at all—We do not know the ideology of Communism or totalitarianism yet, or any other ideology. The one we have had is democratic principles which is pro-West and there is no harm in our pro-Western attitude."

The Northern Region which occupied a dominant position in the Federations politics had strong aristocratic governmental traditions. Its ruling party, the NPC which was also the Senior Partner in the Federal Coalition Government would clearly not relish a dictatorship of the proletariat. Besides, there was the religious question. The Muslim religion and its fundamental beliefs in Allah was a most powerful all-pervading influence in the North.

It was totally irreconcilable with the atheism explicit in Communist Ideology. To many Northerners and their leaders, Collaboration with Communists bordered dangerously on the heretical.

Besides, private enterprise was deeply entrenched in Nigeria whose social traditions appeared incompatible with Communism. The Government was therefore strongly basically anti-Communist in orientation.

Nigeria's non-alignment was thus a case of being attracted towards a group whose policies were believed to be conducive to the preservation of her religious, political, economic and social systems. Significantly, during the 1959 Federal Elections, two of the three major political parties - the NPC and the AG advocated alignment with the West. The third party - the NENC, which specifically recommended a non-aligned Foreign policy, insisted on "very intimate and cordial relationship" with the United States. The NPC election Manifesto underscored the importance of ideology. It argued that "Nigeria must not fail to protect the principles which she believes to be right — it is to those countries whose policies are animated by the same beliefs as her own that Nigeria must look for real friendship and Support".

It was on the basis of this line of thought that the AG in 1958 forthrightly advocated that Independent Nigeria align itself with the West 'because — it would be suicidal for Nigeria to remain neutral when the forces of democracy are threatened as they are today'. So deep rooted was the influence of ideological preference that it over-spilled into the sphere of foreign Aid. As will be demonstrated presently, the Nigerian Government was at best, extremely unenthusiastic about receiving Aid from Communist States. In 1960, Sir Ahmadu Bello flatly rejected the idea of Nigeria receiving low interest loans from the Soviet Union.

39. NENC Election Manifesto" Daily Times (Lagos) 9.10.59.
40."NPC Election Manifesto" Op Cit.
He told a press Conference "—-that it is not our policy. We have to work with those we are accustomed to. If they were to bring Soviet technicians, they do not know how they will get on with the Nigerian people." In sharp Contrast, the Federal Minister of Economic Development Hon. Waziri Ibrahim said of US AID "——I ask myself what will America want in Nigeria if they gave us a loan or some Aid? Apart from getting a fair return from the Investments of American businessmen, America would want to see that democracy was retained in Nigeria. This is a democratic Country and my feeling is that no Hon. Member can quarrel with this if America’s intention is not to interfere but to encourage us to prove that the private enterprise system and democracy are maintained. ——We all do favours with an eye to its being returned, either from the point of view of political Ideologies or monetary return.\textsuperscript{43}

\textbf{NATIONAL COHESION.}

Soon after independence however, domestic pressures began to build up for a less overtly pro-Western and more genuinely non-aligned foreign policy. Flushed with newly gained independence, many Nigerians objected strongly to any actions which appeared to suggest that the Country had only emanculated freedom. There was a popular feeling that Nigeria’s prestige on the international plan—in general and on the African Continent in particular was being undermined by the Government’s excessive identification with the West in its foreign policy. From left, right and centre came incessant demands that the Government demonstrate its independence of the Western Bloc not only by the Severance of formal ties with the member States of that bloc but also by a Contemporaneous establishment of Contacts with Communist States.

\textsuperscript{42} Daily Times (Lagos) 19th January, 1960.
\textsuperscript{43} BND 4th April 1962 P.46.
The ban on importation of Communist literature, the restriction on travels to Communist Countries, the non-acceptability of Scholarship awards tenable in these States, the failure to exchange diplomatic representations with East European States; all came under heavy fire. The Governor General, Dr. Azikiwe in a speech which had obviously not been cleared with the Federal Cabinet, delivered at the University of Nigeria, Nsukka in November 1961, said "—-It is felt that to deny Nigerians employment because they lived or studied in Countries whose ideology is Capitalist or Socialist, or to prohibit Nigerians from importing literature in the absence of any positive act which can conceivably violate our laws is not conducive to the practice of democracy". The All Nigerian People’s Conference recommended inter alia that the Soviet Union should be granted equal diplomatic facilities to those accorded other diplomatic missions particularly the United States and the United Kingdom. The Government should desist from Communist witch hunting as exemplified by the denial of passports to Nigerian nationals wishing to travel to Eastern European Countries and China; the ban on importation of literature from East European Countries and China. The Government should establish diplomatic relations with East Germany.

The Shadow Foreign Minister maintained in Parliament that "as far as the East is concerned our policy is also disappointing; they think that we are still tied to the apron strings of the Old Colonial power. We say we are neutral; we refuse to accept Scholarships from Moscow in an age when we are short of trained personnel."

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44. Full text of the Speech was published in the Daily Times (Lagos) 16th 20th and 21st November, 1961.
46. Ibid.
We do not open diplomatic missions in some of these Countries in spite of repeated promises by the Foreign Minister to do so.\textsuperscript{47}

As public pressure mounted there were signs of impatience with many aspects of the Government's foreign policy even within the ranks of the NPC hierarchy. In November 1961, the NPC Chief Whip in the Federal House of Representatives Malam Sarkin Bai accused the Foreign Minister of having been manoeuvred into tabling his 1970 end-to-Colonialism motion at the UN.\textsuperscript{48} He charged that "Nigeria in the eyes of all African independent States is regarded today as a Stooge of Britain. There is a Strong allegation that Britain and the US have manoeuvred and succeeded in getting the Foreign Minister to stick to this date.\textsuperscript{48}

The Government got increasingly concerned that unless it took at least token steps to meet public demands, the erosion of the tenuous national cohesion would be inevitable. Moreover by mid 1962, in the aftermath of the S.S. Crisis, the domestic political situation was in general deteriorating and it became increasingly urgent for the Government to take action to promote national unity. Bowing to public pressure to strike a more genuinely non-aligned posture in world affairs was recognised as essential in the interest of domestic unity. The increased contacts with Communist States was the main outcome although this policy was executed with characteristic caution.

\textsuperscript{47} NRD 13th April 1962 Col 1047.
\textsuperscript{48} See Chapter 2.
\textsuperscript{49} NRD 20th November 1961 p.32.
THE ECONOMIC FACTOR IN NIGERIA'S RELATIONSHIP WITH THE POWER BLOCS.

EXTERNAL TRADE

The degree of Nigeria's dependence on Western and Eastern powers respectively as sources of imports and markets for her exports is demonstrated in the following two tables and graphs.

TABLE 25

Nigeria: Relative importance of Western and Eastern powers as sources of imports 1960-1966

<table>
<thead>
<tr>
<th>Year</th>
<th>Imports from Western Countries (£ Millions)</th>
<th>Imports from Eastern Europe</th>
<th>Aggregate Imports</th>
<th>Col(1) as % of Col(3)</th>
<th>Col 2 as % of Col(3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1960</td>
<td>160</td>
<td>4</td>
<td>213</td>
<td>75.1</td>
<td>1.8</td>
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<tr>
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<td>155</td>
<td>5</td>
<td>220</td>
<td>70.4</td>
<td>2.3</td>
</tr>
<tr>
<td>1962</td>
<td>144</td>
<td>6</td>
<td>201</td>
<td>71.6</td>
<td>2.9</td>
</tr>
<tr>
<td>1963</td>
<td>149</td>
<td>7</td>
<td>205</td>
<td>72.6</td>
<td>3.4</td>
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<tr>
<td>1964</td>
<td>183</td>
<td>8</td>
<td>252</td>
<td>72.5</td>
<td>3.1</td>
</tr>
<tr>
<td>1965</td>
<td>205</td>
<td>8</td>
<td>273</td>
<td>75.0</td>
<td>2.9</td>
</tr>
<tr>
<td>1966</td>
<td>202</td>
<td>7</td>
<td>254</td>
<td>79.5</td>
<td>2.7</td>
</tr>
</tbody>
</table>

Notes: (a) Western Countries Comprise Western Europe (incl. Britain) and North America.

Source: Central Bank of Nigeria "Economic and Financial Review" Vol. 6 No 1 June 1966 (Graph 0)
FIG 15

NIGERIA: RELATIVE IMPORTANCE OF WESTERN AND EASTERN POWERS AS A SOURCE OF IMPORTS 1960-66

(source: based on Table 25)
<table>
<thead>
<tr>
<th>Year</th>
<th>Exports to Western Countries (a)</th>
<th>Exports to Eastern Europe (m)</th>
<th>Total World</th>
<th>Col 1 as % of Col 3</th>
<th>Col 2 as % of Col 3</th>
</tr>
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<tr>
<td>1960</td>
<td>153</td>
<td>0.6</td>
<td>161</td>
<td>95.0</td>
<td>0.4</td>
</tr>
<tr>
<td>1961</td>
<td>154</td>
<td>0.6</td>
<td>170</td>
<td>95.8</td>
<td>0.4</td>
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<tr>
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<td>152</td>
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<td>164</td>
<td>92.7</td>
<td>1.2</td>
</tr>
<tr>
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<td>167</td>
<td>2.0</td>
<td>185</td>
<td>90.2</td>
<td>1.1</td>
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<tr>
<td>1964</td>
<td>181</td>
<td>5.0</td>
<td>210</td>
<td>86.1</td>
<td>2.4</td>
</tr>
<tr>
<td>1965</td>
<td>237</td>
<td>9.0</td>
<td>263</td>
<td>90.1</td>
<td>3.4</td>
</tr>
<tr>
<td>1966</td>
<td>241</td>
<td>4.0</td>
<td>279</td>
<td>86.0</td>
<td>1.4</td>
</tr>
</tbody>
</table>

Note: (a) Same as in Table 25
FIG 16


(IN MILLION)

Source: Based on Table 26.
As the Tables indicate, Nigeria depended heavily on Western Countries for her Imports and the Sale of her export Commodities. Between 1960 and 1966, Western Countries consistently supplied more than 70% of her imports and on the average took 90% of Nigeria's total exports yearly. In sharp contrast the Eastern bloc accounted for extremely small proportions of Nigeria's Imports and exports—the highest in either case being 3.4% (in value terms however Nigeria's trade with Eastern Europe was rising all the time)—This was due partly to the fact that for political reasons, Commercial relations between Nigeria and Communist States was discouraged during the Colonial era.

The Nigerian Authorities were however anxious to diversify their export markets after independence in an endeavour not only to beat the relative Saturation of her traditional markets and the threat to some of the markets by the protectionist policies of the EEC, but also to attain economic independence. Outlining the measures his Government would take to soften the damage that might result from non-Association with the EEC, the Prime Minister told Parliament in 1962: "At this Stage our future policy will be diverted towards a search outside the EEC for Supplementary Markets." Obviously, Eastern Europe was a major target area.

Nigeria Signed trade agreements with Poland (September 1961); Czechoslovakia (March 1962); Bulgaria (September 1962) and Hungary (June 1963). In July 1965 the Federal Government signed a trade Agreement with the USSR specifying that Columbite—a Strategic mineral used in space and nuclear devices—as one of the Commodities she could export. This carried the risk of forfeiting Aid from Nigeria's most important Aid donor—the USA in view of the latter's 1951 "Battle Act" which empowered its Government to terminate Aid to Countries
exporting such strategic materials to the USSR. Actual shipments of columbite did not in fact take place since the USSR was self-sufficient in its production.51

The capacity for expanding exports to Eastern Europe did not however appear to be very great. The Soviet Union for instance was a major producer of Sunflower Seed and Oil which provided very stiff competition for groundnuts and its oil in world markets. As had been seen, although her cocoa consumption was expanding, her total yearly purchases were small relative to Nigeria’s exports. Column five of table 26 underlines the fact that during the Balewa period Nigeria did not manage to achieve very substantial increases in exports to Eastern Europe.

### FOREIGN PRIVATE INVESTMENTS

**TABLE 27**

**Nigeria: Western Ownership (a) of Cumulative Foreign Private Investments (b) 1960 - 66.**

(£M Million)

<table>
<thead>
<tr>
<th>Year</th>
<th>Western Owned Cumulative Private Investments</th>
<th>Total Cumulative Foreign Private Investments</th>
<th>Col 1 as % of Col 2.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1960</td>
<td>162.4</td>
<td>175.9</td>
<td>92.3</td>
</tr>
<tr>
<td>1961</td>
<td>188.0</td>
<td>203.9</td>
<td>92.1</td>
</tr>
<tr>
<td>1962</td>
<td>201.8</td>
<td>220.9</td>
<td>91.3</td>
</tr>
<tr>
<td>1963</td>
<td>237.6</td>
<td>258.8</td>
<td>91.8</td>
</tr>
<tr>
<td>1964</td>
<td>295.9</td>
<td>321.8</td>
<td>91.9</td>
</tr>
<tr>
<td>1965</td>
<td>346.4</td>
<td>377.0</td>
<td>91.9</td>
</tr>
<tr>
<td>1966</td>
<td>392.8</td>
<td>426.4</td>
<td>92.1</td>
</tr>
</tbody>
</table>

**Notes:**
(a) Definition of Western Countries similar to that in Table 35.
(b) Figures for foreign private investments relate to Companies largely foreign-owned but without distribution between residents and non-residents.

**Source:** Central Bank of Nigeria "Economic and Financial Review" 1967.
FIG 17

NIGERIA: WESTERN OWNERSHIP OF
CUMULATIVE FOREIGN PRIVATE INVESTMENTS 1960-66

(EIN MILLION)

Source: Based on Table 27
It would appear from the table and accompanying graph that Nigeria was overwhelmingly dependent on Western Countries for its foreign private investments. Consistently over 90% of foreign private investments in the Federation between 1960-66 was Western-owned. The Communist Countries do not of course own investments privately at home or abroad.

The Influence of Trade and Foreign Private Investments on Nigeria's brand of non-alignment

Neither Nigeria's desire for increased trade and inflow of private investments from abroad nor her heavy dependence on Western Countries for trade and investments had more than a peripheral bearing on Nigeria's brand of non-alignment. The Federation could not hope to expand trade with the West by reason only of pursuing a pro-Western course in its foreign policy. It has been seen in Chapter 7 that its attempts to fight the CEN by protesting through friendly governments of West Germany and Italy came to nothing. On the other hand, merely by being less overtly pro-Western could not have hurt her trade. The foreign policy of Dr Nkrumah's Ghana was militant and generally not patently pro-Western. Yet, for instance, the sale of her major export—cocoa to the United States of America rose from 61,000 tons in 1959 to 124,000 tons in 1964. 52 An increase of about 103% while Ghana's total Cocoa exports rose by only 5% that is from 250,000 tons to 382,000 tons. In the same period, Nigeria's Cocoa Shipments to the United States rose from 25,000 tons to 28,000 tons an increase of about 12% while her aggregate Cocoa exports were up 26% from 143,000 tons in 1959 to 197,000 tons in 1964. 53

For reasons similar to those discussed in Chapter 5 in relation to British Investments in Nigeria, the desire for foreign private Investments from the West was no more than a secondary determinant of the Government's policy of non-alignment.

52. Commonwealth Economic Committee - Tropical Products Quarterly Various years.
53. Ibid.
**FOREIGN AID**

Nigeria's foreign aid receipts by source is shown in the following table.

**TABLE 28**

Nigeria: Official Bilateral Foreign Aid Receipts by Source 1960-66 (a)

<table>
<thead>
<tr>
<th>Year</th>
<th>From Western Countries (b)</th>
<th>Total Bilateral Aid Receipts</th>
<th>Aid from the West as % of total bilateral Receipts</th>
</tr>
</thead>
<tbody>
<tr>
<td>1960</td>
<td>32</td>
<td>32</td>
<td>100</td>
</tr>
<tr>
<td>1961</td>
<td>31</td>
<td>31</td>
<td>100</td>
</tr>
<tr>
<td>1962</td>
<td>29</td>
<td>29</td>
<td>100</td>
</tr>
<tr>
<td>1963</td>
<td>19</td>
<td>19</td>
<td>100</td>
</tr>
<tr>
<td>1964</td>
<td>41</td>
<td>43</td>
<td>97</td>
</tr>
<tr>
<td>1965</td>
<td>68</td>
<td>68</td>
<td>100</td>
</tr>
<tr>
<td>1966</td>
<td>72</td>
<td>72</td>
<td>100</td>
</tr>
</tbody>
</table>

Notes: (a) As shown in AT 25 the nearest Nigeria came to receiving capital aid from Communist Sources in 1960-66 was the Commitment by Czechoslovakia in 1965 to lend the Federal Government 25,000,000

(b) Definition of Western Countries same as in Table 25 of this Chapter.

It does appear that virtually all the bilateral capital aid received by Nigeria in 1960-66 was from Western Sources-Multilateral aid from the World Bank Group — financed predominantly by Western Countries — was also considerable. With regard to technical assistance received by Nigeria, the West was again overwhelmingly predominant as Appendix Table 8 demonstrates.

The desire for Foreign Aid and Nigeria's Non-Aligned

The potency of Nigeria's need for foreign aid as a factor determining its non-alignment policies can be gleaned from the major motives behind Western Aid efforts in Nigeria. The United States was most important single aid donor to Nigeria. In 1966, Washington provided £30 Million of the total £72 Millions of bilateral capital aid received by the Federal Republic. The US motives (together with those of the UK- Nigeria's second most important bilateral donor-discussed in Chapter 5) were fairly representative of the general objectives of Western Aid efforts in Nigeria.

Foremost of the US's objectives was the need to prevent Nigeria from straying into what it regards as the "perilous paths" of Communism in her search for economic salvation. The Clay Committee reporting to the US President in 1965 had no doubts that "...If Countries [like Nigeria] with a will to be free are to become or remain so and if their governments are to prove to their people that the democratic route to political and economic well being is the better one, some form of external assistance to their internal effort is necessary".

54. See A.T. 25

To ensure progress and insure against Communist Subversion, Nigeria needed domestic stability. This was hardly achievable unless, in the opinion of the US Aid Mission in Nigeria, "Nigeria is able to advance the well being of its citizens and create an even better world for their children." US Aid to Nigeria was thus designed first and foremost to "Strengthen the freedom and independence of Nigeria within the world community." Other subsidiary motivations like altruism or humanitarianism, and economic self interest abounded. With regard to the major one in particular, it would appear that the US Aid effort would have been a direct function of the degree of risk that Nigeria was 'going' Communist subject to the proviso that all was not lost and it was still patently possible to drag Nigeria back from the brink into the Community of the free world. The Nigerian Government was not unaware of this truism. In 1958, the Federal Minister of Finance, Chief Okotie Eboh told Parliament, "It is our impression that a Country has only to appear to be flirting with the Communist bloc and substantial financial assistance is immediately forthcoming from the Western Democracies. We in Nigeria have lasting attachments to the Western Democracies and find it difficult to understand such an attitude whereby staunch friends are ignored and waverers are given every assistance." Consequently, the desire for foreign aid did not feature very prominently in the calculations which determined Nigeria's Non-alignment policies.

56. US Information Service Program for Progress-The Story of Cooperation with Nigeria's Development Plan. (USAID Lagos nd np)
57. Ibid nd np.
Aid from Communist Countries

The almost total non-existence of aid from Socialist States to Nigeria in 1960-66 already alluded to, was due in part to the relatively small magnitude of the Communist aid effort in general. On the other hand Nigerian Government's lack of enthusiasm for aid from the East was mainly responsible. In July 1960, the Federal Minister of Information Mr. T.O.S. Benson said he did not think "Nigeria is looking forward to receiving foreign aid from Communist Countries however, enticing that may be, I think we shall be able to get the aid we want from the US and the British Commonwealth". Also in 1960, as has been seen, Sir Ahmadu Bello declared that Soliciting aid from Communist Countries was not "Our [Nigeria's] policy"

The Government had reluctantly included Eastern Europe among the Countries of Call for the World Economic Mission led by the Federal Finance Minister in 1961. One of the aims of the Mission was to find out to what extent these Countries visited "were prepared to help in monev and in teachers with the massive educational development programmes" of Nigeria. Yet, when Moscow intimated to the Mission it was ready to award a number of Scholarships tenable in Soviet institutions to Nigerians, Lagos was unenthusiastic.

59. In 1960 for instance all communist Countries together accounted for only 4% of all aid and investments Funds received by economically developing States. While the US provided 68% and Western Europe 26% "Is Moscow cutting down on foreign aid"? Eastern Europe (New York) Vol. 11 No. 12 December, 1962 pp 25-26.

60. Daily Times (Lagos) 9th July 1960.

61. Federal Nigeria (Lagos) Vol 4 No.2 April/June 1961 p.4

The reluctance to accept aid from Communist Countries was based on the fear that such aid was always extended only with a view to easing the path to the ultimate Communisation of the world. After all, had not J. Popov claimed that "A Scientific analysis of Capitalism and its Socio-economic consequences shows that it cannot solve the urgent problems of the peoples that have just won political independence"?  

In 1961, following a report in a London newspaper that a Nigerian Student on Scholarship at the Friendship University in Moscow had been recruited by the Kremlin to overthrow the Nigerian Government through Subversion by 1964, the Federal Minister of Finance declared in Parliament "We have a responsibility to keep this Country peaceful and quiet and any person cannot go out of Nigeria to get money from Ghana, from East Germany or Russia to cause a revolution in Nigeria."

However, pressure mounted on Government to open aid and trade relationships with Eastern Europe on grounds similar to those discussed above in relation to Nigeria's diplomatic contacts with Communist States. Typical was the statement by the West Africa Pilot, a Nigerian national daily newspaper that the refusal of Russian Scholarship was just another example "that we have not outgrown one of the prejudices we inherited from the old era (namely that) Students trained in Eastern Europe ——Cannot be anything but Communist agitators."

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63. J. Popov-Political Economy and African Reality (Moscow) P.68.
65. H.R.D. 16th November 1961 Cols 3017-8
Balarabe said in a lecture at the Overseas Development Institute in London in late 1962: "...at the express request of our friends in the West, we have gone to a great deal of trouble in drawing up this [National Development] Plan and are ready to proceed with its execution—[But] we find ourselves paralysed by lack of positive indications of assistance from those friends" where positive indications of assistance existed, actual disbursements, as already noted, were even more disappointing. It was not surprising therefore that the 1964 National Development Plan Progress Report intimated that "—-the Federal Government is now making strenuous attempts to attract external aid from all sources including the "Eastern Bloc" countries which have not financed Nigeria's Development Plan so far."

This signified a new era in Nigeria's aid relationship with Eastern Europe. In 1964 and 1965, the Communist bloc states made 153 scholarship awards to Nigeria. The only capital aid, however, was the promised £5 Millions loan from Czechoslovakia shortly after an official Nigerian delegation had visited Moscow in February, 1964 in connection with did. Thus by 1965, the Nigerian Government's political objections to Communist bloc aid was only just beginning to crumble. The need for Soviet bloc aid therefore hardly entered into reckoning in fashioning its foreign policy towards Communist States in 1960-66.

67. 'Nigeria Speaks', op cit p.139.
68. National Development Plan Progress Report, op cit p.34.
CHAPTER 9

CONCLUSION

Considerations of possible economic rewards or fear of economic deprivations consequent on policy had important bearing on Nigerian external relations from 1960-66. The Federal Government was deeply committed to raising the material wellbeing of its people and its strategy for the country's economic advancement was based heavily on foreign aid, foreign trade and the inflow of private investments from abroad. Under the 1962-68 National Plan half of the proposed gross public capital programme was expected to be financed by foreign aid; about 51% of estimated private capital formation was to consist of foreign private investments.

Thus, the all-party endorsement of Nigerian accession to Commonwealth membership was motivated, among other things, by expectations of economic benefits that would accrue. Commonwealth membership meant continued inclusion in the Commonwealth Preference Area and the Sterling Area. The former entitled several Nigerian exports particularly to the UK - the Federation's most important national market - to significant unrequired tariff concessions. Sterling Area membership was expected to influence favourably her receipt of aid from the UK by largely insulating aid relationship with the UK against recurrent UK balance of payments crises. It also facilitated access to the London capital market for the Nigerian government and public corporations.

The consideration of economic aid from the U.S. was a significant factor in Nigeria's adoption of a Two-China policy in 1961, and the aid agreement with Bonn in 1963 influenced Nigeria's officially unfavourable attitude to relations with the Ulbricht regime in East Germany. The Balewa government's volte face on the issue of association with the EEC
in 1963 was certainly impelled by economic calculations. The Community was turning out to be one of the fastest growing markets for Nigeria's type of exports. The Nigerian Federal government realised that it would be economically hazardous if Nigerian exports to the Six had to scale the Common External Tariffs, while shipments from most of her major African competitors had duty free access by reason of their association with the EEC.

It would, however, be patently incorrect to assign to economic factors more than a secondary determining role in Nigeria's foreign policy in the years 1960-66. Commonwealth membership is not a necessary condition for inclusion in the Commonwealth Preference and Sterling Areas. Non-Commonwealth member countries like Burma, the Irish Republic, the Republic of South Africa, South West Africa and Samoa are in the Commonwealth Preference Area. The Irish Republic, Iceland, Jordan etc. are in the Sterling Area without being Commonwealth members. In any case, in relative terms, the significance of Commonwealth tariff preferences on Nigeria's export trade declined progressively as the proportion of her aggregate exports accounted for by the UK fell consistently from 64.4% in 1956 to 37.6% in 1966. Membership of the Sterling Area was a valuable economic asset but Nigeria continuously eroded her position in the Area by a variety of policy measures such as the freeing of the Nigerian pound from its statutory links with the pound sterling in 1962; by diversifying her reserves as from October 1961 (and thereby terminating the holding of the Federation's foreign exchange reserves exclusively in sterling); and the repatriation to Nigeria of sterling balances held in London. If Britain had become a member of the EEC in 1962-3, both the Commonwealth Preference and the Sterling Areas would eventually have been jettisoned. Nevertheless, Nigeria rejected associate status while Britain was negotiating EEC membership in 1962. The UK was also an important source of aid and private investments to Nigeria: but less concord between Lagos and Whitehall would
not in itself necessarily have led to a significant curtailment in the flow
of resources from the former to the latter. African Commonwealth member
governments which carried their disagreement with the Wilson Government
over its handling of the Rhodesian UDI in 1965, to the point of rupturing
diplomatic relations with London were not penalised economically in spite
of warnings by Whitehall of possible economic retributions.¹

Nigerian trade links with other African states were minute; aid and
investment relationships were virtually nonexistent. All the same, Africa
was one of the central foci of Nigerian foreign policy. In 1961, the
Federal Government banned all trade with the Republic of South Africa in
protest against Pretoria's apartheid policies. The volume of trade at the
time of the ban was small but it had the latent capacity for considerable
expansion. Moreover, Lagos' anti-apartheid stand involved forfeiture of
possible economic aid and private investments from South Africa. In 1965,
Lagos placed a complete embargo on all commercial connections with
Rhodesia in the aftermath of Smith's UDI.

The Nigerian Government's decision to negotiate an association agree-
ment with the EEC in 1963 was demonstration of the primacy of economic
considerations but in actuality, by that time, several of Nigeria's non-
economic reservations about association had mellowed. Austria, Sweden and
Switzerland's attempts to negotiate association with the EEC largely nulli-
ified Nigerian fears that association was inconsistent with a non-aligned
foreign policy. General De Gaulle's effective veto of Britain's EEC member-
ship application in January 1963 defused the potency of the argument that
association would render Nigeria excessively economically dependent on the
enlarged Community and so lay her government open to political manipulation.
Besides, association was negotiated under Article 238 of the Treaty of Rome
as an independent state rather than under Part IV of the Treaty, as a

¹. The Times (London) 8th December 1965.
de facto dependent of the ex-colonial overlord. Significantly, although Nigeria was badly in need of economic aid, the Nigerian association agreement eschewed provisions for multilateral aid from the EEC's Overseas Development Fund because of the Balewa government's conviction that the Community's aid had unacceptable political implications.

Nigeria's brand of non-alignment reflected her pattern of external economic ties, which were overwhelmingly with Western powers. In 1966, Western countries absorbed 86% of the Federation's exports compared to 1.4% by Eastern Europe. In the same year, Western states supplied 79.5% of the country's imports, against 2.7% from Eastern Europe. Nigeria drew consistently over 91% of her foreign private investments and virtually all her foreign aid in 1960-66 from Western sources. Nevertheless, the Lagos Government was under no illusions that merely by espousing a strongly pro-Western foreign policy her trade with or inflow of aid and private investments from Western countries would be enhanced. To put the same point negatively, merely striking a less overtly pro-Western foreign policy posture could not have hurt her economically. Ghana's trade with the West was not injured by Accra's policies. Actually, the sale by Ghana of her most important export crop, cocoa, to the U.S. had an upward trend far exceeding Nigeria's in 1959-64 period. Ghana's per capita net bilateral aid receipts from OECD member Governments was $US 7; and $US 11 in 1965 and 1966 respectively. Comparable figures for Nigeria were $US 1.2 and $US 1.3 respectively. The Balewa Government was in reality aware it could succeed in enlarging the inflow of aid particularly from the U.S. by insulating in a degree of flirtation with Communist states. Moreover, as seen in Chapter 8, Lagos rejected aid from Communist states until 1965 in spite of short-falls in anticipated aid from Western powers.

2. See Chapter 8 p. 257 supra.

It therefore appears absolutely necessary to look outside the economic sphere for the decisive factors which determined the foreign policy of Nigeria's First Republic.

Nigeria's colonial history was particularly pertinent in this context. Having experienced colonialism at first hand, Nigeria's leaders had formed the view that the imposition of foreign rule on Africans or their subjugation to minority governments dominated by immigrant Europeans was at variance with African racial dignity. Added to the unanimity with which independent African states condemned colonialism, minority rule and racial discrimination in Africa, the federal government had little option but to relegate economic considerations to an obscure background in its adoption of anti-colonialism, anti-apartheid and anti-minority rule policies if it was to establish and maintain goodwill at home, on the African continent in particular and in the Afro-Asian world in general.

The trauma of colonialism experienced by Nigeria as a whole and the Northern Region in particular was relatively diluted. The Nigerian elites, familiarised with the cultures and values of a friendly colonial power, accepted British standards as ideal. The Northern Region was admirably suited to Indirect Rule, and its religion, traditions and elders were respected by the colonial administrators, and in turn the leaders developed a particularly close attachment to the British.

Moreover, in the struggle for independence, emphasis had centered largely on negotiations with a far from intransigent colonial ruler. Nigerian leaders were thus carefully groomed to take over the responsibilities of government.

Nigeria's colonial relationship with Britain significantly coloured her view of the world - her perceptions and expectations, which had important bearings on her foreign policy. In the first place, it led to the assumption that all colonial powers would emulate the British and gently ease their colonies towards "responsible" independence, if they were not
excessively pressured into precipitately relinquishing their hold on their overseas territories. The Nigerian government consequently favoured a gradualist approach to decolonisation in Africa.

Secondly, most of the members of Nigeria's immediate post-independence government were convinced that Britain was a genuine friend whose goodwill should be cultivated by the new state as it now assumed the status of independent nationhood: amity in Lagos-London relations was a major and mutual theme in Anglo-Nigerian relations.

Thirdly, reared in the British governmental traditions, most of the Nigerian elites had come to regard Western ideology as being admirably geared to the preservation of their religion, governmental, social and economic systems. Contacts with communism on the other hand had been extremely perfunctory but the elites had been schooled in the belief that it was a perilous ideology whose practitioners should be regarded with extreme caution. Consequently, after independence, the Lagos government chose to lean towards the western bloc, whose ideology it preferred and which had Britain as a member. Keeping the Communist states at arms length and even rejecting their proffered economic assistance was a natural consequence of the government's suspicions of communism.

Other considerations, however, served to modify some of the government's early post-independence policy. Foremost was the search for domestic stability. The concentration of pre-independence nationalist activities in Southern Nigeria while the North remained largely quiescent was vividly mirrored in the inclinations of the latter to favour a conservative approach to foreign policy - for instance, advocacy of close identification with Britain and the Western bloc, while the former prescribed a more nationalist and independent approach. Blending these two viewpoints was not easy. The fact that Nigeria was governed by a coalition government consisting of the 'conservative' NPC (the senior partner) and the 'progressive' NCNC which had important differences in foreign as well as domestic policy platforms and
that there was deep-rooted intertribal, interparty and inter-Regional rivalry meant that internal political management in the Federation was an even more intractable problem. The situation was aggravated by the widespread belief among Southerners that having spearheaded the drive for independence, they should 'by right' have a dominant role in ruling independent Nigeria. The attainment by one of their political parties - the NCNC, of a status merely of junior partner in the Federal Coalition Government was regarded with strong disfavour. Many felt they had been cheated of the prize they had struggled for. Hopes that the aspirations of Southern political parties to form the Federal Government alone or as senior coalition partners could be advanced through the ballot box were still-born. The allocation of parliamentary seats ensured that the NFC had only to hold Northern constituencies in a general election to be assured of a major role in any future Federal government. By 1962 the NFC in fact had an absolute majority in the Federal House of Representatives. Consequently, frustration set in. The main result was the succession of domestic crises from 1962 onward. While the southern-based political parties and various pressure groups like the 'young radicals' located mainly in the South had genuine grounds for disagreement with the Government's external policy, in the prevalent political atmosphere in Nigeria, southern frustrations increasingly found expression in and were fed by trenchant opposition to the Government's foreign policy. Most significant was public opposition to the Anglo-Nigerian Defence Agreement which culminated in the violent demonstration by University students in November 1961. This made a deep impression on the Government. It drove home the extent to which sections of the public were prepared to carry their opposition to the Government's foreign policy measures. On the other hand, the hero's welcome accorded Bala by Nigerians of all political leanings on his return home from the 1961 Commonwealth Prime Ministers' conference at which he, among others, had been instrumental in getting South Africa to withdraw from the Commonwealth because of its apartheid policies was a pointer to the unifying
potential of measures indicative of a shift by the Government towards a relatively radical foreign policy approach. The conclusion was then arrived at that accommodating the views of radicals or at least appearing to do so was a means of forging national cohesion for it tended to steal the thunder of the radicals' opposition and so reduced their disenchantment with the Nigerian political system and the threat to the survival of the Federation as one unit. Any sop to radical opinion had however to be cautious and sometime superficial not only because of the innate conservatism of the NFC dominated Government but also in deference to Northern susceptibilities. The Government had continuously to indulge in a political balancing act and to a greater degree than in many states, had to be cognisant of domestic reactions to its foreign policy measures. Thus, the domestic political situation in Nigeria in 1960-66 was basically unstable. To claim otherwise or to maintain that its foreign policy was "a reflection of that pattern of peaceful change... that had characterised Nigerian political evolution..." is to propagate a myth born largely of superficial analysis.

It was the need to placate radical opinion that partly decided the government to: give material as well as moral support to African freedom fighters in 1963; dismantle many of the formal links between Nigeria and the UK; demonstrate the country's independence and sovereign equality with other states including the ex-metropolitan country; establish diplomatic and economic contacts with Communist states; generally endeavour to be more genuinely non-aligned rendering its credentials as a non-aligned state more readily acceptable to the Cairo Conference in 1964 than to the 1961 Belgrade Conference of non-aligned states; turn down associate status under Part IV of the Rome Treaty and subsequently reject EEC aid in the Nigerian association agreement.

The difficulties of domestic political management were linked to another factor influential in Nigerian foreign policy, — the issue of the leadership of Africa. The government's initial indifference on the matter
was ended by the pressure of domestic opinion. Once it decided to take
the issue seriously, the government felt obliged to weigh more carefully
the likely consequences of its foreign policy actions on its image in
Africa. Abrogation of the Anglo-Nigerian Defence Agreement, less overt
identification with the West, increased contact with Communist states,
Nigeria's major role in bringing the Organisation of African Unity into
being and in the diplomatic offensives against Pretoria and Lisbon were
influenced in part by her African leadership aspirations. Nigeria's
domestic political problems however placed constraints on Lagos' approach
to the leadership issue. Forced into a position where it had to devote
most of its energies to domestic crisis management, the Nigerian Government
therefore had relatively little capacity to spare for external affairs. The
outcome was that in Africa, it had to promote policies, such as the func­
tional cooperation route to continental unity, likely to entail minimal
costs in terms of resources. This partly explains the fundamental differ­
ences in the approaches to the African leadership question of Lagos and
Accra. President Nkrumah, in spite of domestic problems culminating in the
preventive detention of several opposition party members and the bomb
attempt on his life at Kulugugu, encountered no difficulties from his
unitary government comparable in magnitude to Prime Minister Balewa's
headaches from the federal system of government in Nigeria.

Thus, in 1960-66, extra-economic considerations deriving from
Nigeria's colonial history, her African leadership aspirations and above
all her potential domestic political instability wielded preeminent
deterministic influences in the foreign policy of Sir Abubakar Tafawa
Balewa and his Federal Government.
## APPENDIX

### A.T.I.

**NIGERIA: Government and Private Capital Formation. 1962-3 to 1967-8**

<table>
<thead>
<tr>
<th>Description</th>
<th>£ millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Federal Statutory Corporations</td>
<td>173.3</td>
</tr>
<tr>
<td>2. Government Capital Programmes</td>
<td>471.1</td>
</tr>
<tr>
<td>3. Capital Formation out of Recurrent Expenditures</td>
<td>149.4</td>
</tr>
<tr>
<td>4. Total Government Capital Formation</td>
<td>795.8</td>
</tr>
<tr>
<td>5. Private Capital Formation</td>
<td>389.5</td>
</tr>
<tr>
<td>6. Total Gross Fixed Capital Formation</td>
<td>1183.3</td>
</tr>
</tbody>
</table>

**Notes:**
1. No underspending assumed
2. After deduction of Defence expenditure assumes underspending of 5% in Federal and 10% in Regional Capital Expenditures.
3. Row 6 less Row 4
4. Assuming that private capital formation will average no less than £72 millions yearly over the Plan period, public capital formation required to meet the Plans total Gross Capital Formation target of £1183.3 millions would fall to £751.5 millions.

**Source:** National Plan p. 36
<table>
<thead>
<tr>
<th>SOURCE</th>
<th>Federal Govt.</th>
<th>Eastern Govt.</th>
<th>Western Govt.</th>
<th>Erth Govt.</th>
<th>All RQ Turnbull</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Recurrent Budget Surpluses</td>
<td>27.0</td>
<td>6.0</td>
<td>11.5</td>
<td>16.1</td>
<td>28.4</td>
</tr>
<tr>
<td>2. Domestic Borrowing and Central Bank</td>
<td>63.7</td>
<td>-</td>
<td>-</td>
<td>12.0</td>
<td>75.7</td>
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<td>3. External Reserves and other accumulated Funds</td>
<td>30.0</td>
<td>1.7</td>
<td>3.5</td>
<td>-</td>
<td>35.2</td>
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<td>4. Internal Resources of the Statutory Corporations</td>
<td>80.0</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<td>5. Marketing Boards</td>
<td>-</td>
<td>14.1</td>
<td>10.0</td>
<td>15.0</td>
<td>39.1</td>
</tr>
<tr>
<td>6. Foreign Aid</td>
<td>203.5</td>
<td>33.9</td>
<td>45.2</td>
<td>44.5</td>
<td>27.1</td>
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<td>7. Other</td>
<td>-</td>
<td>-</td>
<td>0.2</td>
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<td>8. Uncovered Gap</td>
<td>2.7</td>
<td>12.0</td>
<td>19.9</td>
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<td>Total Capital Programme (less underspending)</td>
<td>406.9</td>
<td>67.7</td>
<td>90.3</td>
<td>88.9</td>
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Source: National Development Plan: Progress Report 1964 op cit p. 27
### NIGERIA: Composition of Imports 1960–65

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<td>Consumer Goods</td>
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<td>58</td>
<td>55</td>
<td>48</td>
<td>45</td>
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<td>21</td>
<td>22</td>
<td>23</td>
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<td>Raw Materials</td>
<td>17</td>
<td>18</td>
<td>20</td>
<td>22</td>
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<tr>
<td>Capital Goods and Raw Materials</td>
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<td>39</td>
<td>42</td>
<td>45</td>
<td>52</td>
<td>55</td>
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<td>100</td>
<td>100</td>
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</table>

### A.F. 4

**NIGERIA: Cumulative Foreign Investments Analyzed by Type of Activity, 1962-66.**

(£MILLIONS)

<table>
<thead>
<tr>
<th>Type of Activity</th>
<th>Paid up Capital</th>
<th>Other Liabilities</th>
<th>Total</th>
<th>Distribution of total</th>
<th>Investment in fixed Assets</th>
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<tr>
<td></td>
<td>Paid up Capital</td>
<td>Other Liabilities</td>
<td>Total</td>
<td>Distribution of total</td>
<td>Investment in fixed Assets</td>
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<tr>
<td></td>
<td>Capital</td>
<td>Incuding Reserves</td>
<td>Total</td>
<td>Distribution of total</td>
<td>Actual</td>
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<tr>
<td>Mining &amp; Quarrying</td>
<td>1962</td>
<td>15.2</td>
<td>65.8</td>
<td>81.0</td>
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<tr>
<td>Quarrying</td>
<td>3</td>
<td>23.1</td>
<td>70.4</td>
<td>93.5</td>
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<tr>
<td></td>
<td>4</td>
<td>43.2</td>
<td>85.6</td>
<td>129.0</td>
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<tr>
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<td>5</td>
<td>76.3</td>
<td>132.2</td>
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<tr>
<td>Manufacturing &amp; Processing</td>
<td>1962</td>
<td>20.3</td>
<td>18.0</td>
<td>38.3</td>
<td>17.3</td>
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<tr>
<td>Manufacturing &amp; Processing</td>
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<td>24.2</td>
<td>25.1</td>
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<td>Processing</td>
<td>4</td>
<td>26.2</td>
<td>30.4</td>
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<td>Agriculture &amp; Forestry &amp; Fishing</td>
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<td>3.6</td>
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<td>1.3</td>
<td>4.9</td>
<td>1.9</td>
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<td>Forestry &amp; Fishing</td>
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<td>5.4</td>
<td>1.7</td>
</tr>
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<td></td>
<td>65</td>
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<td>0.5</td>
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<td></td>
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<td>1.1</td>
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<td>Transport &amp; Communications</td>
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<td>1.9</td>
<td>2.4</td>
<td>1.1</td>
</tr>
<tr>
<td>Transport &amp; Communications</td>
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<td>1.1</td>
<td>2.6</td>
<td>1.0</td>
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<td>1.4</td>
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<td>5.8</td>
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<td>4.1</td>
<td>2.4</td>
<td>6.5</td>
<td>1.5</td>
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<tr>
<td>Building &amp; Construction</td>
<td>1962</td>
<td>3.7</td>
<td>4.8</td>
<td>8.5</td>
<td>3.8</td>
</tr>
<tr>
<td>Building &amp; Construction</td>
<td>5</td>
<td>4.9</td>
<td>6.0</td>
<td>10.9</td>
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<tr>
<td>Construction</td>
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<td>5.2</td>
<td>7.1</td>
<td>12.3</td>
<td>3.6</td>
</tr>
<tr>
<td></td>
<td>5</td>
<td>4.4</td>
<td>15.7</td>
<td>20.1</td>
<td>5.3</td>
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<tr>
<td></td>
<td>6</td>
<td>4.0</td>
<td>5.5</td>
<td>9.5</td>
<td>2.2</td>
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<td>1962</td>
<td>24.7</td>
<td>60.2</td>
<td>84.9</td>
<td>38.4</td>
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<tr>
<td>Trading &amp; Business</td>
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<td>35.0</td>
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<td>96.4</td>
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<td>Business</td>
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<td>60.7</td>
<td>101.2</td>
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<td>40.0</td>
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### NIGERIA: Degree of Interdependence in the Economy 1959–60

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<tr>
<th>Sector</th>
<th>Backward Linkage</th>
<th>Forward Linkage</th>
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<tbody>
<tr>
<td>1. Agriculture</td>
<td>0</td>
<td>7</td>
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<tr>
<td>2. Livestock, Fishing &amp; Forestry</td>
<td>1</td>
<td>14</td>
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<tr>
<td>3. Agricultural Processing</td>
<td>58</td>
<td>19</td>
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<tr>
<td>4. Textiles</td>
<td>42</td>
<td>99</td>
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<td>5. Clothing</td>
<td>33</td>
<td>1</td>
</tr>
<tr>
<td>6. Drink and Tobacco</td>
<td>8</td>
<td>0</td>
</tr>
<tr>
<td>7. Food</td>
<td>54</td>
<td>0</td>
</tr>
<tr>
<td>8. Metal Mining</td>
<td>10</td>
<td>2</td>
</tr>
<tr>
<td>9. Non-Metal Mining</td>
<td>8</td>
<td>64</td>
</tr>
<tr>
<td>10. Chemicals</td>
<td>37</td>
<td>24</td>
</tr>
<tr>
<td>11. Transport</td>
<td>12</td>
<td>21</td>
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<td>12. Utilities</td>
<td>28</td>
<td>45</td>
</tr>
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<td>13. Trade</td>
<td>7</td>
<td>20</td>
</tr>
<tr>
<td>14. Construction</td>
<td>35</td>
<td>3</td>
</tr>
<tr>
<td>15. Service</td>
<td>7</td>
<td>10</td>
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<td>16. Transport Equipment</td>
<td>14</td>
<td>76</td>
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<td>17. Non-Metallic Mineral</td>
<td>54</td>
<td>98</td>
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<td>18. Metal Manufacturing</td>
<td>18</td>
<td>25</td>
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<td>19. Wood, Leather, Etc.</td>
<td>57</td>
<td>23</td>
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<td>20. Miscellaneous Manufacturing</td>
<td>17</td>
<td>63</td>
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**Note:** Backward linkage is defined as the ratio of inputs from other industries to total output of the sector. Forward linkage is the ratio of sales to other industries to total sales.

NIGERIA: Payments to Government by the oil exploration and Production Industry 1958-59 - 1965-66

<table>
<thead>
<tr>
<th>Period</th>
<th>1958/9</th>
<th>59/60</th>
<th>60/61</th>
<th>61/62</th>
<th>62/63</th>
<th>63/64</th>
<th>64/65</th>
<th>65/66</th>
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<tr>
<td>Rentals</td>
<td>14.1</td>
<td>675.5</td>
<td>373.2</td>
<td>1691.5</td>
<td>2294.5</td>
<td>3020.0</td>
<td>3861.1</td>
<td>4395.7</td>
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<tr>
<td>Royalty</td>
<td>65.0</td>
<td>222.1</td>
<td>337.7</td>
<td>1185.7</td>
<td>1768.2</td>
<td>1997.5</td>
<td>3345.6</td>
<td>7245.9</td>
</tr>
<tr>
<td>Premium</td>
<td></td>
<td>770.7</td>
<td></td>
<td>5656.6</td>
<td>4404.1</td>
<td></td>
<td>6344.9</td>
<td>1203.3</td>
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<td>Profits Tax</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1994.4(a)</td>
<td>2861.2</td>
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<tr>
<td>Other Fees</td>
<td>0.1</td>
<td>0.7</td>
<td>0.6</td>
<td>0.7</td>
<td>1.1</td>
<td>4.4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>79.1</td>
<td>1667.6</td>
<td>1211.0</td>
<td>8554.5</td>
<td>8467.4</td>
<td>5018.2</td>
<td>8042.1</td>
<td>14587.5</td>
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Note (a) In 1964 Shell BP paid in advance £27.5Millions for tax under the Petroleum Profits Tax Ordinance.

NIGERIA: Contractor Financed Loans 1960-66

<table>
<thead>
<tr>
<th>Lender</th>
<th>Borrower</th>
<th>Purpose</th>
<th>Amount</th>
<th>Terms</th>
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</thead>
<tbody>
<tr>
<td>U.K.</td>
<td>Nigerian</td>
<td>Purchase of Ships by M.N.S.L.</td>
<td>78,000</td>
<td>Repayable 1961-68</td>
</tr>
<tr>
<td>Swan Hunter &amp; Wigan</td>
<td>National</td>
<td></td>
<td></td>
<td>Interest rate: 7½% above U.K. Bank Rate.</td>
</tr>
<tr>
<td>Crossley Palmer</td>
<td>E.C.N.</td>
<td>Purchase of equipment for Kaduna Power Station (E.N.) Sgd. March '63</td>
<td>302,000</td>
<td>Repayment period 7 yrs commencing 1963 at 4½% interest p.a.</td>
</tr>
<tr>
<td>Colonial Development Corporation</td>
<td>Nigeria Hotels Ltd</td>
<td>Redevelopment of Nigeria Hotels Ltd (C.D.C. Sgd. 20/12/63)</td>
<td>1000,000</td>
<td>Repayable over 20 yrs at 7½% p.a. interest.</td>
</tr>
<tr>
<td>Messara Gaman</td>
<td>West Regional Govt.</td>
<td>Sapele Bridge Construction (Gaman Overseas)</td>
<td>728,000</td>
<td>Repayable in 5 yrs at 5½% p.a. interest rate.</td>
</tr>
<tr>
<td>Barclays Overseas Development Corp.</td>
<td>North Regional Govt.</td>
<td>Kano Water Supply</td>
<td>140,000</td>
<td>Repayable between 1965-77 at 7½% p.a. int.</td>
</tr>
<tr>
<td>Colonial Development Corporation</td>
<td>Nigeria Hotels Ltd.</td>
<td>Redevelopment of Nigeria Hotels Ltd. Sgd 20/12/63</td>
<td>125,000</td>
<td>Repayable over 20 yrs at 7½% p.a. int.</td>
</tr>
<tr>
<td>Sterling Astaldi</td>
<td>Federal Govt.</td>
<td>Construction of Enugu Yola-Gambo Road</td>
<td>4,780,000</td>
<td>Interest at 6% above UK Bank rate Int. of 5% payable 30/6 &amp; 31/12 w.e.f 14/12/64 Repayable in 36 installments 25/9/68-25/8/71.</td>
</tr>
<tr>
<td>-----------------</td>
<td>---------------</td>
<td>---------------------------------------</td>
<td>-----------</td>
<td>----------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>John Holts</td>
<td>Federal Govt.</td>
<td>Victoria Island reclamation</td>
<td>1,245,000</td>
<td>1962-69 interest at 5½% p.a. w.e.f. 31.3.63 and every 6 months thereafter until 30.9.69. Loan repayable in 10 half yearly interest to end 30.9.69.</td>
</tr>
<tr>
<td>Westminster</td>
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<td></td>
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</tr>
<tr>
<td>Barclays Overseas Development Corp.</td>
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<td></td>
<td></td>
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<tr>
<td>Sgd. 9-7-65.</td>
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</tr>
<tr>
<td>W.S.G.</td>
<td>Western Nigeria Development Corp.</td>
<td>West African Breweries Ltd</td>
<td>660,000</td>
<td>Repayable over 5 yrs at 6½% interest.</td>
</tr>
<tr>
<td>Countinho Caro Co. March '62</td>
<td></td>
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<tr>
<td>Messers Ferrostral A.J.W.Germany 20/10/62</td>
<td>Cement Company of Northern Nigeria</td>
<td>Sekoto Cement Factory</td>
<td>2,800,000</td>
<td>Repayable over 10 yrs at 7½% p.a. interest rate.</td>
</tr>
<tr>
<td>10/9/63</td>
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<td></td>
</tr>
<tr>
<td>Countinho Caro &amp; Co. 5/5/64</td>
<td>Mid West Govt.</td>
<td>Asaba Textiles Mills</td>
<td>3,900,000</td>
<td>Repayable over 7 yrs w.e.f. 1965 at 6% p.a. interest.</td>
</tr>
<tr>
<td>Date</td>
<td>Borrower</td>
<td>Lender</td>
<td>Amount</td>
<td>Terms of Repayment</td>
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<tr>
<td>-------------</td>
<td>---------------------------</td>
<td>-------------------------</td>
<td>------------</td>
<td>-------------------------------------------</td>
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<tr>
<td>5/5/64</td>
<td>Coutinho Caro &amp; Co</td>
<td>MidWest Govt.</td>
<td>885,000</td>
<td>Repayable over 7yrs w.e.f. 1965 at 6% p.a.</td>
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<tr>
<td>14/9/64</td>
<td>Calabar Cement Co. of Eastern Nigeria</td>
<td>Calabar Cement Works</td>
<td>2,608,000</td>
<td>Repayable over 10yrs at 6% p.a. int.</td>
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<tr>
<td>March 64</td>
<td>Coutinho Caro &amp; Co</td>
<td>West Regional Govt.</td>
<td>1,300,000</td>
<td>Repayable over 7yrs at 6½% p.a. int.</td>
</tr>
<tr>
<td>N.A.</td>
<td>Midwest Govt.</td>
<td>Ukpilla Cement Factory</td>
<td>2,767,070</td>
<td>N.A.</td>
</tr>
<tr>
<td>27/7/65</td>
<td>Coutinho Caro &amp; Co</td>
<td>West Regional Govt.</td>
<td>1,513,000</td>
<td>Repayable in ten equal half yearly instalments at 7½% p.a. int.</td>
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<tr>
<td>Machinenfabrik</td>
<td>E.O.N.</td>
<td>Generating Sets for Sokoto and Kano</td>
<td>565,000</td>
<td>Repayable over 5 yrs at 6½% p.a. int.</td>
</tr>
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<td>20/8/65</td>
<td>Coutinho Caro &amp; Co</td>
<td>Northern Breweries Ltd.</td>
<td>1,041,000</td>
<td>20% down payment &amp; the balance in 10 half yearly instalments w.e.f. Feb. '66-Aug.'72 interest at 7½% p.a.</td>
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<td></td>
<td>Northern Breweries</td>
<td>Kano Brewery</td>
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<td>1965</td>
<td>Habb G.M.B.H.</td>
<td>Adamsawa Tobacco Co Ltd.</td>
<td>431,000</td>
<td>20% down payment and the balance repayable in eight half yearly instalments w.e.f. March '66 - Sept. '71</td>
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<td>31/5/66</td>
<td>Rheistahl Nordwark &amp; Cosmmersbank, A.G.</td>
<td>Nigerian National Shipping Lines Ltd.</td>
<td>5,112,857</td>
<td>3% interest during construction; 6% after delivery. Repayable half yearly Dec.'68-December '75</td>
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<tr>
<td>FRANCE</td>
<td>Societe Dumes &amp; Dumes (Nigeria) Ltd.</td>
<td>Mid West Govt.</td>
<td>Road projects in Urhobo, Warri, Agbor &amp; Western Ijaw</td>
<td>50% deferred amount repayable in 4yrs at 6% p.a. int.</td>
</tr>
<tr>
<td>Project</td>
<td>Client</td>
<td>Description</td>
<td>Amount</td>
<td>Terms</td>
</tr>
<tr>
<td>---------</td>
<td>--------</td>
<td>-------------</td>
<td>--------</td>
<td>-------</td>
</tr>
<tr>
<td>Messrs Nigeria Road 4-8-64</td>
<td>Mid West Govt.</td>
<td>Road Construction in the Mid West</td>
<td>404,500</td>
<td>50% deferred amount repayable in 4 yrs at 6% p.a. int.</td>
</tr>
<tr>
<td>Dunes</td>
<td>Federal Govt.</td>
<td>Nigar Bridge Construction</td>
<td>2,570,000</td>
<td>6% p.a. int. Repayment in 5 yearly instalments from 1/10/71. Promissory Notes issued from 1/1/62-1/1/65.</td>
</tr>
<tr>
<td>Dunes</td>
<td>Federal Govt.</td>
<td>Construction of Otta-Idioko Road</td>
<td>650,000</td>
<td>Int. at 6% p.a. issued from Feb '64 maturing 1969-69. Promissory notes issued from 1/2/64 to 1/11/65. Repayment in quarterly instalments from Feb '66 to Nov. '68.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>727,000</td>
<td>Repayable over 10 yrs Commencing 1965 at 6% p.a. int.</td>
</tr>
<tr>
<td>Holweg (Zurich) 20/7/65 West Regional Govt.</td>
<td>Swiss-Nigeria Wood Factory</td>
<td></td>
<td>400,000</td>
<td>Repayable 1967-68 at 6% p.a. int.</td>
</tr>
<tr>
<td>Israel</td>
<td>Solel Boneh's overseas</td>
<td>Premier Hotel Ibadan</td>
<td>341,000</td>
<td>Repayable 1/4/64 to 1/10/70 at 6½% p.a. interest.</td>
</tr>
<tr>
<td>Messrs Water Resources Ltd. Mid West Govt. 3/4/64</td>
<td>Mid West Water Project</td>
<td></td>
<td>450,000</td>
<td>Repayable in 5 yrs at 6% p.a. int.</td>
</tr>
<tr>
<td>Company/Project</td>
<td>Government</td>
<td>Project Details</td>
<td>Amount</td>
<td>Repayment Details</td>
</tr>
<tr>
<td>-----------------</td>
<td>------------</td>
<td>----------------</td>
<td>--------</td>
<td>------------------</td>
</tr>
<tr>
<td>Mears. Water Resources Development, April 1964</td>
<td>West Regional Govt</td>
<td>Shaki Dam Project</td>
<td>217,000</td>
<td>Repayable between 1965 - 70 at 6% p.a. int.</td>
</tr>
<tr>
<td>Federal Enterprises Ltd</td>
<td>Ditto</td>
<td>Premier Hotel Project</td>
<td>199,000</td>
<td>Repayable Dec'65 to Nov.'70</td>
</tr>
<tr>
<td>Mears. Water Resources Development Ltd</td>
<td>Ditto</td>
<td>Western State Water Project</td>
<td>1,875,000</td>
<td>Repayable in 5 yrs. at 6% p.a. int.</td>
</tr>
<tr>
<td>Mears. Soleil Bonsh's Overseas Harbour Works Co. Ltd.</td>
<td>Ditto</td>
<td>Ife University Project</td>
<td>1,250,000</td>
<td>Repayable in 3 yrs at 6% p.a. int.</td>
</tr>
<tr>
<td>Mears. Water Resources Development, 10.6.65</td>
<td>Mid West Govt.</td>
<td>Mid West Water Project</td>
<td>2,100,000</td>
<td>Repayable in 7 yrs at 6% p.a. int.</td>
</tr>
<tr>
<td>Mears. Water Resources Development, 31.8.65</td>
<td>West Regional Govt.</td>
<td>Western State Water Project</td>
<td>1,476,000</td>
<td>Repayable in 5 yrs. at 6% p.a. int.</td>
</tr>
<tr>
<td>Netherlands - Doken-Werf Maatscapy</td>
<td>Federal Govt.</td>
<td>Purchase of Frigate</td>
<td>3,227,000</td>
<td>Interest p.a. issued from Feb'64, Maturing 1968-69. Repayable in 10 years with 20 Promissory Notes each maturing 6 mths after the other w.e.f. 20.7.63. Interest free</td>
</tr>
<tr>
<td>Mears. African Construction Co. Ltd, 1.12.64</td>
<td>The Bauchi Meat Production Co. Ltd</td>
<td>Bauchi Meat Products Co.</td>
<td>1,050,000</td>
<td>Deferred element in 10 equal half yearly instalments at 6% p.a. int</td>
</tr>
<tr>
<td>Nigerian Roads and General Works Ltd.</td>
<td>Federal Govt.</td>
<td>Gusau-Sokoto Road</td>
<td>2,940,000</td>
<td>Interest at 6% p.a. payable quarterly for 5 yrs. w.e.f. 4.10.64</td>
</tr>
<tr>
<td>United States</td>
<td>E. C. N.</td>
<td>Gas Turbines for Ibadan</td>
<td>376,450</td>
<td>Repayable over 5 yrs. w.e.f. 1963 at 6½ % p.a. int.</td>
</tr>
<tr>
<td>-------------</td>
<td>--------</td>
<td>------------------------</td>
<td>--------</td>
<td>--------------------------------------------------</td>
</tr>
<tr>
<td>Export - Import Bank of America</td>
<td>E. C. N.</td>
<td>Gas Turbines for Ijora</td>
<td>1,200,000</td>
<td>Repayable in 15 yrs including 2 yr grace. 5½ % p.a. int.</td>
</tr>
<tr>
<td>Sweden</td>
<td>Nigeria Shoe &amp; Rubber Products Ltd.</td>
<td>Nigeria Shoe and Project at Ogbomosho</td>
<td>294,000</td>
<td>Repayable in eight half yrly instalments w.e.f. Mar. '67 6½ % p.a. int.</td>
</tr>
<tr>
<td>ASEA</td>
<td>Delta Power Station</td>
<td>1,200,000</td>
<td>Repayable in 10 yrs at 5½ % p.a. int. w.e.f. 1966</td>
<td></td>
</tr>
<tr>
<td>Ditto</td>
<td>Ditto</td>
<td>Ditto</td>
<td>2,297,000</td>
<td>Repayable over 10 yrs. w.e.f. 1967 at 5½ % p.a. int.</td>
</tr>
<tr>
<td>Belgium</td>
<td>Nigerian National Shipping Line Ltd</td>
<td>Purchase of 4 Ship Engines</td>
<td>605,000</td>
<td>Int. at 3 % p.a. during construction and 6½ % after delivery. Repayable 1/2 yearly from Feb. '69 to Feb. '77</td>
</tr>
<tr>
<td>Italy</td>
<td>Mid West Govt.</td>
<td>Palm Kernel &amp; Cocoa Industry Mid West</td>
<td>840,000</td>
<td>Repayable in 10 yrs. commencing 6 mths after completion of projects 6 % p.a. int.</td>
</tr>
<tr>
<td>GRUPPO Industries</td>
<td>E. C. N.</td>
<td>Ughelli Transmission Switch Gear</td>
<td>674,000</td>
<td>Repayable over 5 yrs at 6% p.a. int w.e.f. 1963</td>
</tr>
</tbody>
</table>

Source: Federal Ministry of Finance, Lagos, Nigeria
### NIGERIA: Monetary Value of Technical Assistance Received 1962-6

<table>
<thead>
<tr>
<th>Donor Country</th>
<th>EXPERTS</th>
<th>Number</th>
<th>Cost £</th>
<th>TRAINERS</th>
<th>Number</th>
<th>Cost £</th>
<th>Cost of Equipment</th>
<th>Total £</th>
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</thead>
<tbody>
<tr>
<td>Australia</td>
<td>8</td>
<td>36666</td>
<td>88</td>
<td>173366</td>
<td>11628</td>
<td>221660</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brasil</td>
<td>-</td>
<td>-</td>
<td>6</td>
<td>9000</td>
<td>-</td>
<td>9000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bulgaria</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>1000</td>
<td>-</td>
<td>1000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Canada</td>
<td>255</td>
<td>1373140</td>
<td>150</td>
<td>607270</td>
<td>4917</td>
<td>2025827</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Denmark</td>
<td>6</td>
<td>30333</td>
<td>30</td>
<td>87500</td>
<td>24360</td>
<td>142193</td>
<td></td>
<td></td>
</tr>
<tr>
<td>India</td>
<td>1</td>
<td>724</td>
<td>44</td>
<td>26589</td>
<td>-</td>
<td>27313</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Israel</td>
<td>50</td>
<td>203831</td>
<td>569</td>
<td>896000</td>
<td>-</td>
<td>1099831</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Italy</td>
<td>1</td>
<td>5100</td>
<td>38</td>
<td>114000</td>
<td>-</td>
<td>119100</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Japan</td>
<td>13</td>
<td>75000</td>
<td>50</td>
<td>148375</td>
<td>7107</td>
<td>230482</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lebanon</td>
<td>-</td>
<td>-</td>
<td>6</td>
<td>8000</td>
<td>-</td>
<td>8000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Netherlands</td>
<td>17</td>
<td>117249</td>
<td>55</td>
<td>165000</td>
<td>171000</td>
<td>453249</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pakistan</td>
<td>-</td>
<td>-</td>
<td>35</td>
<td>89625</td>
<td>-</td>
<td>89625</td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.K.</td>
<td>731</td>
<td>1,495,060</td>
<td>947</td>
<td>1857558</td>
<td>451,400</td>
<td>3,825,618</td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S.A.</td>
<td>327</td>
<td>2,613,067</td>
<td>913</td>
<td>3,651,997</td>
<td>2,442,823</td>
<td>8,707,887</td>
<td></td>
<td></td>
</tr>
<tr>
<td>United Nations</td>
<td>132</td>
<td>969,779</td>
<td>300</td>
<td>2,413,500</td>
<td>623,928</td>
<td>4,003,727</td>
<td></td>
<td></td>
</tr>
<tr>
<td>West Germany</td>
<td>18</td>
<td>112,884</td>
<td>205</td>
<td>615,125</td>
<td>55,000</td>
<td>783,009</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Grand Total:** 22,057,521

### Key To Evaluation

<table>
<thead>
<tr>
<th>Country</th>
<th>One Expert</th>
<th>One Trainee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>£5,000</td>
<td>£2,000</td>
</tr>
<tr>
<td>Israel</td>
<td>£5,000</td>
<td>£2,000</td>
</tr>
<tr>
<td>India</td>
<td>£3,000</td>
<td>£1,500</td>
</tr>
<tr>
<td>Japan</td>
<td>£6,000</td>
<td>£3,000</td>
</tr>
<tr>
<td>Netherlands</td>
<td>£7,000</td>
<td>£3,000</td>
</tr>
<tr>
<td>U.K.</td>
<td>£6,000</td>
<td>£2,000</td>
</tr>
<tr>
<td>U.S.A.</td>
<td>£8,000</td>
<td>£4,000</td>
</tr>
<tr>
<td>U.N.</td>
<td>£80,000</td>
<td>£5,000</td>
</tr>
<tr>
<td>W. Germany</td>
<td>£7,000</td>
<td>£3,000</td>
</tr>
</tbody>
</table>

### NIGERIA: Trade With the Republic of South Africa 1958-65

<table>
<thead>
<tr>
<th>Year</th>
<th>Imports £000's</th>
<th>Exports £000's</th>
</tr>
</thead>
<tbody>
<tr>
<td>1958</td>
<td>751</td>
<td>171</td>
</tr>
<tr>
<td>1959</td>
<td>996</td>
<td>216</td>
</tr>
<tr>
<td>1960</td>
<td>1019</td>
<td>113</td>
</tr>
<tr>
<td>1961</td>
<td>98</td>
<td>18</td>
</tr>
<tr>
<td>1962</td>
<td>43</td>
<td>.20</td>
</tr>
<tr>
<td>1963</td>
<td>5</td>
<td>13</td>
</tr>
<tr>
<td>1964</td>
<td>3</td>
<td>19</td>
</tr>
<tr>
<td>1965</td>
<td>16</td>
<td>39</td>
</tr>
</tbody>
</table>

*Source: United Nations - International Trade Statistics (Various Years)*
### Nigeria: Pupil Enrolments in Primary and Secondary Schools 1960-66

<table>
<thead>
<tr>
<th>Year</th>
<th>Northern Region Primary</th>
<th>Northern Region Secondary</th>
<th>Eastern Region Primary</th>
<th>Eastern Region Secondary</th>
<th>Western Region Primary</th>
<th>Western Region Secondary</th>
<th>Mid-West Region Primary</th>
<th>Mid-West Region Secondary</th>
<th>Lagos Primary</th>
<th>Lagos Secondary</th>
<th>Total Primary</th>
<th>Total Secondary</th>
</tr>
</thead>
<tbody>
<tr>
<td>1960</td>
<td>282,848</td>
<td>6,334</td>
<td>1,430,514</td>
<td>22,137</td>
<td>1,124,786</td>
<td>101,249</td>
<td></td>
<td></td>
<td>74,468</td>
<td>5,714</td>
<td>2,912,618</td>
<td>13,543</td>
</tr>
<tr>
<td>1</td>
<td>316,264</td>
<td>6,487</td>
<td>1,274,363</td>
<td>25,908</td>
<td>1,131,409</td>
<td>128,751</td>
<td></td>
<td></td>
<td>81,780</td>
<td>7,092</td>
<td>2,803,836</td>
<td>16,623</td>
</tr>
<tr>
<td>2</td>
<td>359,954</td>
<td>7,995</td>
<td>1,266,566</td>
<td>32,712</td>
<td>1,108,939</td>
<td>144,734</td>
<td></td>
<td></td>
<td>98,511</td>
<td>10,058</td>
<td>2,834,010</td>
<td>19,549</td>
</tr>
<tr>
<td>3</td>
<td>410,706</td>
<td>9,861</td>
<td>1,278,706</td>
<td>39,958</td>
<td>1,099,418</td>
<td>150,688</td>
<td></td>
<td></td>
<td>107,552</td>
<td>11,372</td>
<td>2,896,382</td>
<td>21,187</td>
</tr>
<tr>
<td>4</td>
<td>452,519</td>
<td>12,685</td>
<td>1,173,277</td>
<td>47,806</td>
<td>733,170</td>
<td>92,339</td>
<td>371,709</td>
<td>39,349</td>
<td>119,013</td>
<td>12,633</td>
<td>2,849,488</td>
<td>20,501</td>
</tr>
<tr>
<td>5</td>
<td>492,829</td>
<td>15,276</td>
<td>1,199,692</td>
<td>58,556</td>
<td>737,148</td>
<td>88,874</td>
<td>352,179</td>
<td>32,774</td>
<td>129,894</td>
<td>13,535</td>
<td>2,911,742</td>
<td>20,901</td>
</tr>
<tr>
<td>6</td>
<td>518,864</td>
<td>17,700</td>
<td>1,236,872</td>
<td>68,737</td>
<td>740,997</td>
<td>82,299</td>
<td>357,130</td>
<td>28,481</td>
<td>142,118</td>
<td>14,088</td>
<td>3,025,981</td>
<td>21,130</td>
</tr>
</tbody>
</table>

**Notes:**
2. Western Region includes Mid-West State up to 1963.

**Source:** Federal Ministry of Education- Statistics of Education in Nigeria, (Lagos) Various years.
### A.T. 11

**Three Elections in the North, 1959–64**

<table>
<thead>
<tr>
<th>PARTY</th>
<th>December 1959 (69.2% Polling)</th>
<th>May 1961 (66% Polling)</th>
<th>December 1964 (a) (57% Polling) (b)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>% Votes</td>
<td>% Seats</td>
<td>% Votes</td>
</tr>
<tr>
<td>NPC</td>
<td>60.8</td>
<td>77</td>
<td>69.2</td>
</tr>
<tr>
<td>AG</td>
<td>17.3</td>
<td>14.3</td>
<td>14.6</td>
</tr>
<tr>
<td>Nepu-NCHC</td>
<td>16.1</td>
<td>4.6</td>
<td>14.2</td>
</tr>
<tr>
<td>Others</td>
<td>5.7</td>
<td>4</td>
<td>1.8</td>
</tr>
</tbody>
</table>

Note (a) At the close of nominations on 19th December, 64 NPC Candidates were declared returned unopposed.

(b) This is the percentage poll in the Seats contested.

Source: Adopted from J.P. Mackintosh et al. -Nigeria Govt. and Politics (London 1966) P. 559.

### A.T. 12

**Three Elections in the East 1959–65**

<table>
<thead>
<tr>
<th>PARTY</th>
<th>December 1959 (74.4% Polling)</th>
<th>Nov. 1961 (57% Polling)</th>
<th>March 1965 (a) (47% Polling)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>% Votes</td>
<td>% Seats</td>
<td>% Votes</td>
</tr>
<tr>
<td>N.C.N.C.</td>
<td>64.6</td>
<td>79.4</td>
<td>79.2</td>
</tr>
<tr>
<td>A.O. &amp; Allies</td>
<td>3.0</td>
<td>19.1</td>
<td>15.5</td>
</tr>
<tr>
<td>Others</td>
<td>12.3</td>
<td>1.4</td>
<td>5.0 (26.4)</td>
</tr>
</tbody>
</table>

Notes: (a) This was the mini election held in March 1965 because of the boycott of the Federal Elections in December '64. Four seats were conceded to the AG by agreement with the NCHC. The low poll may be due in part to inaccuracy of the totals in the Register and in part to the absence of any real conflict.

(b) Figures if Independents are subtracted from the NCHC.

(c) Figures if Independents are added to others.

Source: J.P. Mackintosh ibid P. 527.
### A.T. 13

**NIGERIA: Trade Agreements with Foreign Countries 1960-66**

<table>
<thead>
<tr>
<th>Country</th>
<th>Date Signed</th>
<th>Date of Coming into effect</th>
<th>Date of Expiration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poland</td>
<td>23/9/61</td>
<td>16/1/62</td>
<td>16/1/67</td>
</tr>
<tr>
<td>Czechoslovakia</td>
<td>19/3/62</td>
<td>18/1/62</td>
<td>18/1/67</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>28/9/62</td>
<td>5/6/63</td>
<td>5/6/66</td>
</tr>
<tr>
<td>Mali</td>
<td>6/10/62</td>
<td>24/1/63</td>
<td>24/1/67</td>
</tr>
<tr>
<td>UAR</td>
<td>15/10/62</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Camerouns</td>
<td>6/2/63</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>West Germany</td>
<td>25/3/63</td>
<td>1/11/63</td>
<td>1/11/68</td>
</tr>
<tr>
<td>Hungary</td>
<td>28/6/63</td>
<td>28/6/63</td>
<td>28/6/68</td>
</tr>
<tr>
<td>USSR</td>
<td>2/7/63</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Yugoslavia</td>
<td>22/6/64</td>
<td>-</td>
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</tr>
<tr>
<td>Senegal</td>
<td>5/9/64</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Togo</td>
<td>4/5/66</td>
<td>-</td>
<td>-</td>
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### A.T. 14

**NIGERIA: Amounts received by the Regions from the Federation by Type of Tax Receipts 1959/60 - 1964/5.**

(£000's)

<table>
<thead>
<tr>
<th>Source</th>
<th>Region</th>
<th>1959/60</th>
<th>1960/1</th>
<th>1961/2</th>
<th>1962/3</th>
<th>1963/4</th>
<th>1964/5 (4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Import</td>
<td>Northern</td>
<td>516</td>
<td>506</td>
<td>480</td>
<td>435</td>
<td>410</td>
<td>439</td>
</tr>
<tr>
<td>Duty (tobacco)</td>
<td>Western</td>
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### Table: Allocation of Revenue (1959-60 to 1964-65)

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</table>

Notes:
(a) Estimates only
(b) Receipts from both mining and general import elements in the Distributable pool lumped together.

## UNITED AFRICA COMPANY: SECTORAL BREAKDOWN OF GROSS INVESTMENTS, 1956-64

### £000's

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<tr>
<th>Year ended 30th Sept.</th>
<th>Distribution</th>
<th>Industry</th>
<th>Transportation</th>
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<td>296</td>
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<td>1957</td>
<td>1624</td>
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<td>209</td>
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<td>1958</td>
<td>1351</td>
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<td>563</td>
<td>263</td>
<td>334</td>
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<td>1960</td>
<td>1074</td>
<td>1224</td>
<td>40</td>
<td>479</td>
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<tr>
<td>1961</td>
<td>1403</td>
<td>736</td>
<td>82</td>
<td>124</td>
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<tr>
<td>1962</td>
<td>1368</td>
<td>1267</td>
<td>48</td>
<td>2</td>
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<tr>
<td>1963</td>
<td>1293</td>
<td>3018</td>
<td>37</td>
<td>51</td>
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<tr>
<td>1964</td>
<td>742</td>
<td>1558</td>
<td>303</td>
<td>74</td>
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Source: United Africa Co - Statistics and Economic Review (Various Years)
## A.F. 16


<table>
<thead>
<tr>
<th>Commodity</th>
<th>E.E.C.</th>
<th>UK</th>
<th>USA</th>
<th>Western Europe</th>
<th>Commonwealth excluding UK</th>
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<tbody>
<tr>
<td>Groundnuts, Oil &amp; Cake</td>
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<td>16,605</td>
<td>16,044</td>
<td>12,878</td>
<td>14,978</td>
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<td>14,061</td>
<td>12,447</td>
<td>18,553</td>
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<td>8,000</td>
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<td>8,000</td>
<td>10,792</td>
<td>14,713</td>
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<td>8,671</td>
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<td>3,792</td>
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<td>1,685</td>
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<td>4,916</td>
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<td>1,850</td>
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<tr>
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<td>1,430</td>
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</tr>
<tr>
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<td>355</td>
<td>569</td>
<td>201</td>
<td>24</td>
<td>101</td>
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<td>Columbite</td>
<td>494</td>
<td>232</td>
<td>376</td>
<td>466</td>
<td>412</td>
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<tr>
<td>Timber (Sawn)</td>
<td>95</td>
<td>107</td>
<td>235</td>
<td>796</td>
<td>868</td>
</tr>
<tr>
<td>Plywood</td>
<td>31</td>
<td>44</td>
<td>94</td>
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<td>Tin Ores and Metals</td>
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<td>8,392</td>
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<td>3,246</td>
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<td>3,777</td>
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**Total**

| 51,220 | 56,677 | 76,666 | 79,682 | 70,386 | 80,657 | 15,874 | 18,104 | 14,316 | 6,096 | 5,033 | 7,642 | 3,276 | 4,722 | 9859 |

Notes: (a) Total refers to domestic exports only and excludes re-exports.
(---)Less than £500.
Sources: Nigeria Trade Summary (Various years), Trade Journal (Various years), UN Commodity Trade Statistics 1964.
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<td>29,735</td>
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<tr>
<td></td>
<td>36,712</td>
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<tr>
<td></td>
<td>26,062</td>
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<td></td>
<td>4,406</td>
</tr>
<tr>
<td></td>
<td>5,207</td>
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<tr>
<td>1962</td>
<td>41,054</td>
</tr>
<tr>
<td></td>
<td>33,547</td>
</tr>
<tr>
<td></td>
<td>16,687</td>
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<tr>
<td></td>
<td>16,739</td>
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<td></td>
<td>32,056</td>
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<td>6,105</td>
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(a) = (b) + (c)
### Commodity

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<th>N.F.N. Duty Rate</th>
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<td>14s. per cwt.</td>
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<td>Ground Nuts</td>
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<td>10%</td>
</tr>
<tr>
<td>Ground Nut Cake</td>
<td>Free</td>
<td>15%</td>
</tr>
<tr>
<td>Ground Nut Cake</td>
<td>Free</td>
<td>10%</td>
</tr>
<tr>
<td>Palm Kernels</td>
<td>Free</td>
<td>10%</td>
</tr>
<tr>
<td>Palm Kernel Oil</td>
<td>Free</td>
<td>10%</td>
</tr>
<tr>
<td>Palm Oil Edible</td>
<td>Free</td>
<td>10%</td>
</tr>
<tr>
<td>Palm Oil Inedible</td>
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</tr>
<tr>
<td>Raw Cotton</td>
<td>Free</td>
<td>Free</td>
</tr>
<tr>
<td>Cotton Seed</td>
<td>Free</td>
<td>Free</td>
</tr>
<tr>
<td>Hides and Skins</td>
<td>Free</td>
<td>Free</td>
</tr>
<tr>
<td>Sheep and Lambkins</td>
<td>Free</td>
<td>Free</td>
</tr>
<tr>
<td>Goat Skin</td>
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<td>10%</td>
</tr>
<tr>
<td>Reptile Skins</td>
<td>Free</td>
<td>Free</td>
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<tr>
<td>Fur Skins</td>
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<td>Free</td>
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<tr>
<td>Natural Rubber Crepe</td>
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<td>Timber Logs (all Species)</td>
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<td>Plywood Veneer</td>
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<tr>
<td>Columbite</td>
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<tr>
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<td>10%</td>
</tr>
<tr>
<td>Castor Oil</td>
<td>Free</td>
<td>7-5%</td>
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Source: Federal Ministry of Commerce and Industries (Lagos)
### Nigeria: Exports of Major Commodity 1956-66

(£ N. Million)

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<tbody>
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<td>27.5</td>
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<td>32.2</td>
<td>32.4</td>
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<td>34.3</td>
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<td>3.7</td>
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<td>5.3</td>
<td>5.0</td>
<td>6.2</td>
<td>6.6</td>
<td>8.1</td>
<td>10.0</td>
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<td>1.7</td>
<td>1.9</td>
<td>2.5</td>
<td>2.7</td>
<td>4.6</td>
<td>5.3</td>
<td>4.7</td>
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<td>13.8</td>
<td>14.8</td>
<td>13.2</td>
<td>8.9</td>
<td>9.4</td>
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<td>127.6</td>
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<td>169.7</td>
<td>173.7</td>
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Sources: Annual Abstract of Statistics op cit various issues.
Federal Office of Statistics-Economic Indicators (Lagos) May 1967
## NIGERIA: STERLING BALANCES 1954 - 64

### (£ Millions)

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<td><strong>Total Official</strong></td>
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<th>Post Office Saving Bank and Net Balances due Banks from Abroad</th>
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<th>90.2&lt;sup&gt;e&lt;/sup&gt;</th>
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**Notes**
- (a) Excludes Lagos Town Council
- (b) Excludes Post Office Savings Bank which was included with Federal Government
- (c) Includes Central Bank Overseas Assets

**Source**
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<th>Commodity</th>
<th>From EEC</th>
<th>From World</th>
<th>Total (000)</th>
<th>EEC as % of World</th>
<th>Tariff Margin for EEC</th>
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<td>(6) Brandy</td>
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<td>(7) Bitters &amp; Liqueurs</td>
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<td>(9) Beads</td>
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<td>(21) Other Prepared Fish</td>
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<td>189.6</td>
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<td>(22) Tomato Paste &amp; Puree</td>
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**Total** | 2142.7 | 3189.4 | 5352.1 | 36.3 | - |

**Notes:** Total imports of the 26 commodities from the E.E.C. constituted only 1.3% of Nigeria's aggregate imports from all sources in 1964. Total imports of the 26 commodities from all sources was only 3.5% of aggregate Nigerian imports in 1964.

**Source:** Okagbo P.C.N. - Africa and the Common Market (London 1967) P. 135
### International Financial Institutions

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<th>Source and Details</th>
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<td>Electricity Cooperation of Nigeria (EGN) Transmission Lines</td>
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<tr>
<td>Nigeria Port Authority (Apapa Extension)</td>
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### National Governments

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<td>Poland</td>
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<table>
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<td>Bony Bar Sterling Loan Stock (Nigerian Ports Authority)</td>
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**Total** 171.72

**Note**: (1) Includes £1.5 million special export credits and £13 million General Development Loan.

**Source**: National Development Plan Progress Report op cit p.31.
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<th>Foreign Aid (2) Component</th>
<th>Col 2 as % of Col 1. (3)</th>
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<td><strong>150.3</strong></td>
<td><strong>18.5</strong></td>
<td><strong>12.3</strong></td>
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Note: When technical assistance received in the period (estimated at £29.9 Millions) is taken into account, the proportions of foreign aid in total Government Capital expenditure rises from 12.3% to 20.9%.

Source: 'Progress Report' op cit p.33.
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<td>Apapa Wharf Extension</td>
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<td>Niger Dam</td>
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<td>ECN Transmission Lines</td>
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<td>Western Nigeria</td>
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<td>IDA Education Project</td>
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<td>North Regional Govt.</td>
<td>Credit for Northern Nigeria Rd. Project</td>
<td>5,536,000</td>
<td>Repayable in 50 yrs incl. 10 yrs grace credit charge 2%of 1%</td>
</tr>
<tr>
<td>IFC Sept. '63</td>
<td>Nigerian Industrial Development Bank</td>
<td>IFC Share Subscription</td>
<td>499,827</td>
<td></td>
</tr>
<tr>
<td>IFC March 1964</td>
<td>Arewa Textile Mills</td>
<td>IFC Investment</td>
<td>117,000</td>
<td></td>
</tr>
<tr>
<td><strong>NATIONAL GOVE.</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>US AID August '61</td>
<td>Nigeria Railway Corporation</td>
<td>Railway Track Relay</td>
<td>£1,070,000</td>
<td>Repayable over 20 yrs at 3% p.a. interest.</td>
</tr>
<tr>
<td>Lender</td>
<td>Borrower</td>
<td>Purpose</td>
<td>Amount</td>
<td>Terms</td>
</tr>
<tr>
<td>----------</td>
<td>---------------------------</td>
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<td>---------</td>
<td>----------------------------------------------------------------------</td>
</tr>
<tr>
<td>U.S. Aid</td>
<td>Western Region Govt.</td>
<td>Thadan Water Supply</td>
<td>4,300,000</td>
<td>Repayable over 30 yrs excl. 10 yrs grace period at 3% interest rate.</td>
</tr>
<tr>
<td>U.S. Aid</td>
<td>Eastern Region Govt.</td>
<td>Calabar/Ikom Road</td>
<td>3,071,000</td>
<td>Same as Above.</td>
</tr>
<tr>
<td>U.S. Aid</td>
<td>Niger Dams Authority</td>
<td>Niger Dams Project</td>
<td>£5 millions</td>
<td>Repayable in 10 yrs at 5% int. rate for first 10 yrs and 2% thereafter.</td>
</tr>
<tr>
<td>U.S. Aid</td>
<td>Eastern Region Govt.</td>
<td>Port Harcourt Comprehensive School</td>
<td>643,000</td>
<td>Repayable in 40 yrs incl. 10 yrs grace. Interest at 3% for 1st 10 yrs and 2% thereafter.</td>
</tr>
<tr>
<td>U.S. Aid</td>
<td>Federal Govt.</td>
<td>Telecomms Project</td>
<td>1,143,000</td>
<td>Repayable over 40 yrs incl. 10 yrs grace. Interest at 1% for 1st 10 yrs and 2% for 30 yrs.</td>
</tr>
<tr>
<td>U.S. Aid</td>
<td>East Regional Govt.</td>
<td>Agricultural Centre at Usudike</td>
<td>1,000,000</td>
<td>Same as Above.</td>
</tr>
<tr>
<td>U.S. Aid</td>
<td>East Regional Govt.</td>
<td>Port Harcourt Umuasala Road Project</td>
<td>2,700,000</td>
<td>Same as Above.</td>
</tr>
<tr>
<td>U.S. Aid</td>
<td>North Regional Govt.</td>
<td>Northern Teacher Training School Project</td>
<td>1,400,000</td>
<td>Repayable over 40 yrs incl. 10 yrs grace int. at 1% p.a. for first 10 yrs and 2% p.a. for 30 yrs.</td>
</tr>
<tr>
<td>U.S. Aid</td>
<td>Federal Govt.</td>
<td>Telephone Instruments</td>
<td>538,000</td>
<td>Same as Above.</td>
</tr>
<tr>
<td>U.S. Aid</td>
<td></td>
<td>Agape Motor Rd.</td>
<td>1,100,000</td>
<td>Same as Above.</td>
</tr>
<tr>
<td>UK Govt.</td>
<td>Federal Govt.</td>
<td>UK Exchequer Loan</td>
<td>£3 millions</td>
<td>Repayable over 25 yrs @ 6% p.a. interest.</td>
</tr>
<tr>
<td>Commonwealth</td>
<td>Commonwealth Assistance</td>
<td>£12,000,000</td>
<td>Repayable in 20 yrs Variable interest rate.</td>
<td></td>
</tr>
<tr>
<td>CDC</td>
<td>LEEDB</td>
<td>Apapa Industrial Estate</td>
<td>£1,250,000</td>
<td>Interest only first 10 yrs. Then repayable in 30 equal annual instalments.</td>
</tr>
</tbody>
</table>
### A.T. 22 Continued

<table>
<thead>
<tr>
<th>Lender</th>
<th>Borrower</th>
<th>Purpose</th>
<th>Amount</th>
<th>Terms</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>U.K.</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>UK Govt.</td>
<td>Federal Govt.</td>
<td>All Purpose Credit</td>
<td>10,000,000</td>
<td>Repayable up to 1968 in 40 half yearly instalments. Interest half yearly on 30/6 and 30/12 w.e.f. 31/12/67 and last instalment of £240,000 on 31/12/87</td>
</tr>
<tr>
<td>1963</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>UK Govt.</td>
<td>Nigerian Railway</td>
<td>HRC purchase of Steel rails and accessories</td>
<td>£1.5 millions</td>
<td>Repayable up to 1964 in 40 half yearly instalments of £35,000 w.e.f. 30/6/64</td>
</tr>
<tr>
<td>Sept. 63</td>
<td>Corporation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>UK Govt.</td>
<td>Niger Dams Authority</td>
<td>Niger Dams Loan</td>
<td>£5 million</td>
<td>Repayable by May 1969. Interest rate 3% over UK Treasury rate w.e.f. 3/1/69</td>
</tr>
<tr>
<td>22/6/64</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>UK Govt.</td>
<td>Federal Govt.</td>
<td>Expansion of Telecomms System</td>
<td>£1.6 Million</td>
<td>Repayable over 25 yrs at rate of interest 3% above UK Treasury rate.</td>
</tr>
<tr>
<td>Dec 1964</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>UK Govt.</td>
<td>&quot;</td>
<td>Telecomms Phase 11</td>
<td>£2.7 M.</td>
<td>Repayable over 25 yrs with 5 yrs interest free period. Interest to vary between 3½% and 6½% p.a.</td>
</tr>
<tr>
<td>3/8/65</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>

### CANADA

<table>
<thead>
<tr>
<th>Canadian Govt.</th>
<th>Federal Govt.</th>
<th>Telecomms Phase 11</th>
<th>£1.2 M.</th>
<th>Repayable over 25 yrs incl. 5 yr. grace at 6% p.a. interest rate.</th>
</tr>
</thead>
<tbody>
<tr>
<td>8/11/65</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### NETHERLANDS

<table>
<thead>
<tr>
<th>Netherlands Govt.</th>
<th>Niger Dams Authority</th>
<th>Niger Dams Loan</th>
<th>£1 M.</th>
<th>Repayable over 25 yrs incl. 7 yrs of grace. Interest rate is 5½% p.a.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec 64</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Netherlands Govt.</th>
<th>&quot;</th>
<th>Escravos Bar Project</th>
<th>£1 M.</th>
<th>&quot;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec 64</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Netherlands Govt.</th>
<th>Federal Govt.</th>
<th>Telecomms equipment for Civil Aviation</th>
<th>£234,814</th>
<th>Repayable over 10 yrs at an int. rate of 7½% and a Commit- ment charge of 3½%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
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</table>

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<table>
<thead>
<tr>
<th>Lender</th>
<th>Borrower</th>
<th>Purpose</th>
<th>Amount</th>
<th>Terms</th>
</tr>
</thead>
<tbody>
<tr>
<td>Italian Govt.</td>
<td>Niger Dam Authority</td>
<td>Niger Dam Project</td>
<td>9,336,000</td>
<td>Repayable between 1964-88 at 5.45% pa. Interest.</td>
</tr>
<tr>
<td>Czech Govt.</td>
<td>Federal Govt.</td>
<td></td>
<td>£5 Million</td>
<td>Repayable in 10 yrs at 3¾ p.a. interest.</td>
</tr>
</tbody>
</table>

Source: Federal Ministry of Finance, Lagos.
### GHANA: Net Official Bilateral Aid received from all O.E.C.D. Member Governments 1960 - 66.

<table>
<thead>
<tr>
<th>Year</th>
<th>Aggregate bilateral Aid from OECD member States $ US Millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1960</td>
<td>2.55</td>
</tr>
<tr>
<td>1961</td>
<td>2.61</td>
</tr>
<tr>
<td>1962</td>
<td>5.55</td>
</tr>
<tr>
<td>1963</td>
<td>17.18</td>
</tr>
<tr>
<td>1964</td>
<td>19.11</td>
</tr>
<tr>
<td>1965</td>
<td>44.63</td>
</tr>
<tr>
<td>1966</td>
<td>76.50</td>
</tr>
</tbody>
</table>

Source: *Geographical Distribution of financial flows* op cit.
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<tr>
<th>Author(s)</th>
<th>Title and Source</th>
</tr>
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<tbody>
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<td>&quot;The future of Pan Africanism&quot; (London 1961)</td>
</tr>
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<td>CLAUDE, I.L.</td>
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<td>&quot;Documents and Speeches on Commonwealth Affairs&quot; 1952-62 (London 1965)</td>
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<table>
<thead>
<tr>
<th>Author</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
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<td>&quot;Discord and Collaboration&quot; Essays in International Politics (Baltimore 1962)</td>
</tr>
<tr>
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