

OYO STATE COUNCIL FOR ARTS AND CULTURE

CULTURAL CENTRE ROAD, MOKOLA,
IBADAN NIGERIA

ARCHIVES

	FILE NO.	VOLUME NO.
	SUBJECT NIGERIA FIBRE INDUSTRIES (LTD)	
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CAC 0028

ARCHIVES OF OYSCAC

CONFIDENTIAL

WGP 2151

OFFICE OF THE
MILITARY GOVERNOR

FILE NO.

SP/C 124/5

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~~CAC 2.36.1~~

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FILE NO.
SP/C 124/5

CONFIDENTIAL

Office of the Military Governor,
Agodi,
Ibadan,

23rd May, 1967.

To: ALL PERMANENT SECRETARIES,
HEADS OF DEPARTMENTS AND
CHAIRMEN OF STATUTORY
CORPORATIONS AND BOARDS.

Minutes of Board of Directors of Corporations and
their subsidiaries

I am directed by His Excellency the Military Governor to request all Permanent Secretaries, Heads of Departments and Chairmen of Corporations who are in charge of Statutory Corporations and Boards to forward to this Office a copy of the minutes of the Board of Directors as often as meetings are held. They should also send the minutes of all subsidiary companies no matter what percentage Government's shareholding may be.

2. It is suggested that instead of individual subsidiary sending their own minutes direct, the Ministry should get them should get enough copies to supply the one copy required by this Office.

3. It should be explained that the purpose of this directive is to keep His Excellency informed of the policy decisions of the Corporations and their subsidiaries. The minutes should be sent under confidential cover and the same treatment will be given to them in this Office.

J. M. Beckley
(J. M. Beckley),
Permanent Secretary (Pol. & Admin.).



MINISTRY OF TRADE

AND INDUSTRY

ADMINISTRATION AND GENERAL

IBADAN · WESTERN NIGERIA

Your Ref. No.....
All communications to be addressed
to the Permanent Secretary quoting
Our Ref. No. INV. 577/282

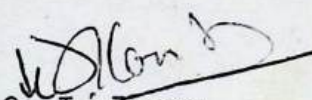
Date. 14 June, 1966.

Secretary to the Military
Government & Head of Service,
Office of the Military Governor,
Ibadan.

JUTE BAG FACTORY

I forward a copy of a letter addressed to me by the acting General Manager of Western Provinces Marketing Board in which he has queried the source of my authority for approaching him to extend the credit guarantee Number 288 which I referred to him. You will recall that I did say in our telephone conversation that I did not have any authority to approach Marketing Board on this matter and I should be grateful if you would now advise the acting General Manager that it is in order for him to approach the National Bank extend the credit guarantee for £112,000.

2. I request you to seek an appointment with you so that they can explain the reference which the acting General Manager made to the credit guarantee Number 288 having lapsed.


J. O. I. Longe,
Permanent Secretary.

/Copied/

CONFIDENTIAL

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WESTERN PROVINCES MARKETING BOARD,
P. M. B. No. 5032,
IBADAN, NIGERIA.

Ref. No. C/W.2961/Vol.II/24

13th June, 1966.

The Permanent Secretary,
Ministry of Trade & Industry,
IBADAN.

JUTE BAG PROJECT

I refer to your letter No. INV.577/277 of 11th June 1966, directing that certain instructions be issued to the National Bank of Nigeria Limited to extend a credit guarantee for £112,000 in favour of Soc. Coll. Adriano Gardella & F.lli of Genoa, Italy. I have to advise that investigation has shown that neither the management of the Bank nor the Office of the Secretary to the Military Government and the Office of Service to which the Board is directly responsible is aware of the direction given by you.

2. According to records in this office the particular Credit Guarantee No. 288 referred to by you, has already lapsed having been duly discharged by payment on presentation of documents covering the goods for which it had been opened. In the circumstance, therefore, it will be necessary for you to clarify the direction further as to its source and the actual credit guarantee it is desired to extend. It will, also be necessary for the Bank's prior consent to have been obtained.

3. Please let me hear from you as soon as possible to enable further necessary action to be taken in the matter.

(Sgd.) E. K. K. Pecku,
Ag. General Manager,
WESTERN PROVINCES MARKETING BOARD.

EKKP/'WALE:

ARCHIVE
P. 14

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3

SP/S.308/T/3.

June, 1966.

The Permanent Secretary,
Ministry of Trade and Industry,
Western Provinces,
Ibadan.

Jute Bag Factory

With reference to your letter No. INV.577/282 of 14th June, 1966, I was not privileged to see a copy of your letter No. INV.577/277 dated 11th June, 1966, referred to in the letter of the Acting General-Manager, Western Provinces Marketing Board, No. C/W.2961/Vol.II/24 dated 13th June, 1966, attached to your above letter, but if the statement in the General-Manager's letter to the effect that you directed "that certain instructions be issued to the National Bank of Nigeria Limited to extend a credit guarantee for £112,000 in favour of Soc. Coll. Adriano Gardella" etc. is correct, then I must say that I do not understand how you came by this decision. When you discussed the matter with me, I made it clear that I did not think either His Excellency or myself would be in a position to give direction to the National Bank in a matter like this, but that you might approach the Managing-Director of the Bank or its Chairman with the proposal you had in mind, which you told me was a request for the Marketing Board to give a guarantee similar to those which the Board had given on a number of occasions, and that if you felt that the Marketing Board was unreasonably difficult in this matter, I was prepared to intervene. I still stand by this undertaking.

Despatched

~~100~~
15/6

(P. T. Odamosu),
Secretary to the Military
Government.

P.A.

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MINISTRY OF TRADE AND INDUSTRY

ADMINISTRATION AND GENERAL

IBADAN · WESTERN NIGERIA

Your Ref. No.....
All communications to be addressed
to the Permanent Secretary quoting
Our Ref. No. INV. 577/285.

Date... 15 June, 1966.

Secretary to the Military
Government & Head of Service,
Office of the Military Governor,
Ibadan.



Jute Bag Factory

With reference to your letter No. SP/S.308/
T/3 of 15th June, 1966, I forward a copy of my letter
No. INV.577/277 of 11th June, 1966 to the acting
General Manager, Western Provinces Marketing Board in
which you would find precisely what I requested the
Marketing Board to do.

2. I am afraid that it is not necessary for me
to make further comments on your assumptions.

J. O. I. Longe
J. O. I. Longe,
Permanent Secretary.

Matter discussed with Messrs,
Becken, Oduntan and Adedisa
in my office today. Agreement
reached. K.I.V. for Mr. Becken's
letter.

A 17/6

18/6

INV.577/277

11th June, 1966.

The General Manager,
Western Provinces Marketing Board,
Ibadan.

Credit Guarantee by the National Bank

With reference to your minute to me on the subject of the loan of £200,000 for the NIFINCO, I understand the financial situation of the Marketing Board which has made it impracticable to provide this loan.

2. As you are aware, from my minute to His Excellency the Military Governor in the file which I passed on to you the position of the Jute Bag Factory at Badagry is such that factory work there has come to a stand-still. The only other alternative as referred to in my minute to His Excellency is to authorise the National Bank of Nigeria Limited to provide an extension of the credit guarantee, No. DC 288 established on the 22nd October, 1965 of £112,000 in favour of Soc. Coll. Adriano Gardella & F.ilo of Genoa, Italy.

3. I have already discussed your minute with the Secretary to the Military Government and Head of Service and it has been suggested that the contact with the National Bank should be made through you so that the National Bank could in turn cable the extension of the guarantee as urgently as possible.

4. I am attaching the draft of a letter which I am informed should be signed by you to the General Manager, National Bank to enable them to take immediate action.

See P. ~~44~~ 4

(Sgd.) J. O. I. Longe,
Permanent Secretary,
Ministry of Trade and Industry.

ARCHIVED



MINISTRY OF TRADE AND INDUSTRY

ADMINISTRATIVE AND GENERAL DIVISION
IBADAN · WESTERN NIGERIA

Your Ref. No.....
All communications to be addressed
to the Permanent Secretary quoting
Our Ref. No. INV. 577/286.

SP/S.308

Date 17th June, 1966...

The Secretary to the Military
Governor and Head of Service,
Office of the Military Governor,
Ibadan.



Nigerian Fibre Industries Company
Limited.

~~7-8~~
7-8

I am directed to forward herewith the attached Notes on the meeting held in your office this morning in connection with the guarantee for the loan of £112,000 being raised by the above-named Company. A copy of the Notes has also been forwarded to the Western Provinces Marketing Board for information and further action.

2. I wish to confirm that in pursuance of paragraph 2(d) of the Notes, the representatives of Messrs. Soc. Coll. Adriano Gardella and F. llo have been informed of the present arrangements. They assured me that they would take up further action with the National Bank of Nigeria Limited immediately.

J. A. Adediran
(J. A. Adediran),
for Permanent Secretary,
Ministry of Trade and Industry.

AS (ExH)

Pls, ack.
receipt of above
and send the
writer of my correct title.
186

CR file + submit early
186

7 ~~47~~

NOTES ON THE MEETING HELD IN THE OFFICE OF THE
SECRETARY TO THE MILITARY GOVERNOR AND HEAD OF
SERVICE ON FRIDAY, 17TH JUNE, 1966, TO DISCUSS
THE GUARANTEE FOR THE LOAN OF £112,000 BEING
RAISED FROM ITALY BY THE NIGERIAN FIBRE
INDUSTRIES COMPANY LIMITED.

Present:

- Mr. P.T. Odumosu - Secretary to the Military Governor and Head of Service.
- Mr. B.A. Oduntan - Ag. Under-Secretary, Ministry of Trade and Industry.
- Mr. E.E. Pecku - Ag. General Manager, Western Provinces Marketing Board.

In Attendance:

- Mr. J.A. Adediran - Assistant Secretary (Investments), Ministry of Trade and Industry.

With the Secretary to the Military Governor and Head of Service leading the discussion, the facts of the matter were outlined briefly as follows:-

- (a) The amount of £112,000 being raised as loan from Italy is required for the working capital of the Nigerian Fibre Industries Company Limited.
- (b) As Government holds 72.5% of the share capital of the Company, it is obliged to provide the bulk of the working capital which is now needed.
- (c) The sum of £112,000 will be under strict control of the Board of Directors of the Company in which Government is represented by five senior officials who form the majority group. Specific disbursements from the amount will be authorised by the Chairman of the Board who is a nominee of the Government. It is noted that there are in these arrangements adequate safeguards to ensure that the money is spent for only the purpose for which it is intended.
- (d) The Western Provinces Marketing Board is required to instruct the National Bank of Nigeria Limited to extend the Credit Note covering the original loans granted to the Nigerian Fibre Industries Company Limited.

8 ~~11~~

- (e) Some amendments were considered necessary in the credit-guarantee form previously forwarded to the Marketing Board by the Permanent Secretary, Ministry of Trade and Industry.

2. The meeting was informed by the Secretary to the Military Governor and Head of Service that Government had agreed to give the guarantee required. It was unanimously decided that action should be taken immediately as follows:-

- (a) The Marketing Board should give instructions to the National Bank of Nigeria Limited to extend the original guarantee to cover the new loan of £112,000.
- (b) The Marketing Board should amend the guarantee note suitably and forward it to the National Bank of Nigeria Limited for urgent action.
- (c) The Marketing Board should write a letter to the Permanent Secretary, Ministry of Trade and Industry forwarding a copy of the guarantee note as amended, and informing the Ministry of the action taken to implement the Government's decision. A copy of the letter should be endorsed to the Secretary to the Military Governor and Head of Service.
- (d) The Ministry of Trade and Industry should inform the representatives of Messrs. Soc. Coll. Adriano Gardella & F. llo., the Technical Partners in the Project, about the arrangements made for the guarantee so that they can proceed immediately to obtain the loan.

3. To expedite action, it was noted that the Marketing Board would issue instructions by telephone to the National Bank of Nigeria Limited within two hours from the time of the meeting which was a little past 10.00 a.m. to give the guarantee immediately. The telephone instruction would be confirmed by a letter afterwards.

SP/S.308/T/9

18th June, 1966.

The Permanent Secretary,
Ministry of Trade and Industry,
(Administrative and General Division),
Ibadan.

Nigerian Fibre Industries Company
Limited.

I am directed to acknowledge the receipt of your letter No. INV.577/286 of 17th June, 1966, and its attachment. I am also to remind you that the correct title of the Head of Service is 'Secretary to the Military Government and Head of Service.

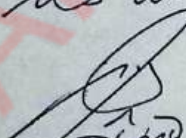


(E. S. Sorinmade),
for Secretary to the Military
Government.

CR. All kir. pp 6-8 with pp. 4 & 5
as directed by SMG.

Bu. 25/6/66
(Page 4)
Bu. 25/6/66

CONFIDENTIAL


25/6/66

F.322/65/130

21 June, 1966.

The General Manager,
Western Provinces Marketing Board,
Private Mail Bag 5032,
Ibadan.

Jute Bag Project: Confirmed Letter of Credit

Further to my letter No. F.322/65/82 of 6th October, 1965, I have to request that you should kindly instruct the General Manager, National Bank of Nigeria Limited to extend the Credit No.288 for another sum of £112,000 (One Hundred and Twelve Thousand Pounds) by means of an irrevocable letter of credit in favour of Soc. Coll. Adriano Gardella & F. llo, Piazza della Vittoria 11, Genoa, Italy. The total amount of £112,000 is payable by means of accepted drafts drawn on the National Bank against shipping documents covering the shipment effected in May 1966 per S/S. "ALBERTA" of machinery and equipment for Kenaf Decorticating Units, Twelve Pressing Centres, One Central Refining Factory as per "Kenaf Processing Scheme" of Soc. Coll. Adriano Gardella & F. llo dated 31st January, 1965.

2. Each of the following drafts is payable plus interest at $7\frac{1}{2}\%$ per annum from the date of issue to date of maturity of draft:-

One draft of	£28,981	Os. Od.	plus interest at $7\frac{1}{2}\%$ per annum due on 10th February, 1969.
One draft of	£41,509	10s. Od.	plus interest at $7\frac{1}{2}\%$ per annum due on 10th August, 1969.
One draft of	£41,509	10s. Od.	plus interest at $7\frac{1}{2}\%$ per annum due on 10th February, 1970.
	<hr/>		
	£112,000	Os. Od.	
	<hr/>		

3. I should be glad if you would instruct the National Bank to open the letter of credit through their London Branch accordingly and arrange to notify the Gardella Company in Genoa

of the above arrangements through the Italian Bank of Banco di Sicilia, Genoa; the confirmation of this bank is not required.

4. It will be appreciated if you will kindly advise me as soon as action has been taken on this matter.

(a)

(I. O. Dina),
Permanent Secretary,
Ministry of Finance.



SECRET

Ref. No. F.322/65/131
Ibadan. 21 June, 1966.

Copy to:-

Secretary to the Military Government,
Office of the Military Governor,
Ibadan.

The Permanent Secretary,
Ministry of Trade and Industry,
Ibadan.

For information with reference to the Permanent Secretary,
Ministry of Trade and Industry's letter No. INV.577/290 of
20th June, 1966, a copy of which is attached for the information
of the Secretary to the Military Government. I wish to say that
I take exception to the fact that matters relating to external
loan were discussed without the representative of this Ministry
being present.

I. O. Dina

(I. O. Dina),
Permanent Secretary,
Ministry of Finance.

SECRET

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P. 12
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CONFIDENTIAL

Our Ref. No. INV.577/290

20th June, 1966.

The Permanent Secretary,
Ministry of Finance,
Ibadan.

(For the attention of Mr. T. A. Akinyele)

Nigeria Fibre Industries Company Limited

I am directed to inform you that His Excellency the Military Governor has approved that the Western Provinces Marketing Board should issue instructions to the National Bank of Nigeria Limited to extend Credit No. 288 for another sum of £112,000 (One Hundred and Twelve Thousand Pounds) being raised for the above-named Company by Messrs. Soc. Coll. Adriano Gardella & F.llo.

--- 2. I attach herewith a copy of the Notes of the meeting held on the subject in the Office of the Secretary to the Military Government and Head of Service on Friday, 17th June, 1966. Steps were taken immediately by this Ministry and the Marketing Board to implement the decisions in paragraph 2 of the Notes. I also attach for your record a copy of a letter No. INV.577/286 dated 17th June, 1966, which was later addressed to the Secretary to the Military Government and Head of Service on the matter.

--- 3. You will find attached a separate Note from the Western Provinces Marketing Board indicating the actions so far taken by the Board to implement the Government's directives on the matter. As you will observe in Section 3 of the Board's Note, the Central Bank of Nigeria requires a letter from this Government supporting the application for the loan, before it can be approved. I am told by the representatives of the Technical Partners who held discussions with the Officials of the Central Bank that there is no objection whatsoever to the proposed loan. What is required is that evidence should be given that the loan is supported by this Government.

4. I understand that the normal procedure is for your Ministry to write a letter to the Marketing Board authorising it to extend the original credit by another sum of £112,000. You may wish to refer to your letters Nos. F.322/65/72 of 5th October, and F.322/65/82 of 6th October, 1965, respectively which, I understand, dealt with previous loans arranged for the Nigeria Fibre Industries Company Limited from the same source.

5. I should be grateful if you would be kind enough to issue a letter as a matter of urgency to the Western Provinces Marketing Board conveying Government's support for the extension of the credit as stated in paragraph 4 above.

see P. 11

(Sgd.) J. A. Adediran,
for Permanent Secretary.

SP/C.33/13

22 June, 1966.

The Permanent Secretary,
Ministry of Trade and Industry,
Western Provinces,
Ibadan.

(For the personal attention of Mr. B.A. Oduntan)

Nigerian Fibre Industries Company Limited

With reference to your letter No. INV.577/286 of 17th June, 1966, I shall be grateful if you will invite the attention of the officer who signed this letter to the correct title of my office, as reflected in various official documents and particularly in circular letter No. SP/C.42/55 dated 10th May, 1966.

2. The statement in paragraph 2 of the Note of the meeting held in my office on the 17th June, forwarded with your above letter, that I indicated "that Government had agreed to give the guarantee required" is quite incorrect, and must have come from the imagination of the writer of the Note. There was no question of what Government was or was not going to do. The object of the meeting was to persuade the Nigerian Marketing Board to agree to guarantee the credit for the sum of £112,000 which the Nigerian Fibre Industries Company Limited was seeking with the National Bank of Nigeria Limited, and this was made clear not only at the meeting but also from earlier correspondence, ending with Mr. Longe's letter No. INV.577/285 dated 15th June, 1966. It was after Mr. Pecku had agreed that the Marketing Board was prepared to grant this assistance that he was asked what procedure he intended to adopt to give effect to the undertaking in view of the urgency of the matter, and the actions indicated in paragraph 2(a)-(d) as well as paragraph 3 of the Note were agreed upon.

3. I have also observed from paragraph 1 of your letter No. INV.577/290 dated 20th June, 1966, addressed to the Permanent Secretary, Ministry of Finance (copied to me by the latter), that you claimed that "His Excellency the Military Governor" that the Western Provinces Marketing Board should approach the National Bank of Nigeria Limited to extend a loan. The name of His Excellency was never brought in the meeting which took place in this office, and I would be surprised if the writer of that letter came by the reference to the Military Governor.

e
(P. T. Odumosu),
Secretary to the Military
Government.

Sent 22/6
Cao

14

Ref. No. SP/G.33/14.
Ibadan, 23 June, 1966.

Copy to:

The General Manager,
Western Nigeria Marketing Board,
Ibadan.

For information.

P. TAIWO ODUMOSU

(P. T. Odumosu),
Secretary to the Military
Government.

Despatched
888
23/6

CONFIDENTIAL

ARC

THINKS OF SCAC

3/22 1966

SP/C.33/14.

22 June, 1966.

The Permanent Secretary,
Ministry of Finance,
Western Provinces,
Ibadan.

Nigerian Fibre Industries Company Limited

With reference to your endorsement No. F.322/65/131 dated 21st June, 1966, I think your objection should be directed to the Permanent Secretary, Ministry of Trade and Industry, who ought to provide an answer to the point about which you complained. As far as I am concerned, the exercise in which I took part was to persuade the Western Provinces Marketing Board to agree to guarantee credit facility for the sum of £112,000 to the Nigerian Fibre Industries Company Limited with the National Bank of Nigeria Limited, and not to decide whether or not any external loan should be raised. You may be interested to see the attached copy of my letter No. SP/C.33/13 of today's date, addressed to the Permanent Secretary, Ministry of Trade and Industry on this subject.

(P. T. Odumosu),
Secretary to the Military
Government.

Sent a/c
22/6

CONFIDENTIAL

No.C/W.2961/Vol.II/32.

21st June, 1966.

The Permanent Secretary,
Ministry of Trade & Industry,
IBADAN.

(For the attention of Mr. B.A. Oduntan)

JUTE BAG PROJECT: EXTENSION OF CREDIT
NO. DC. 288 FOR £112,000 IN FAVOUR OF
SOC. COLL. ADRIANO GARDELLA F' LLO, GENOA

Further to my letter No.C/W.2961/Vol.II/24 of 13th June, 1966 on the above in reply to yours No.INV.577/277 of 11th June, 1966 and subsequent to the meeting held at the office of the Secretary to the Military Governor on Friday, 17th June, 1966 at which the Ministry was represented by Messrs B.A. Oduntan and J.A. Adediran, I wish to advise that in accordance with the decision reached at the meeting the Board was able to telephone immediately after the meeting the necessary instructions for extension of the Credit facility to the National Bank of Nigeria Limited. The instructions were confirmed later the same day by letter which was despatched by hand to the Bank. As you are aware, a Nigerian Exchange Control permit is required for transactions of this nature. The relevant application forms for the permit had been obtained in advance and after completion were taken to Lagos personally by the Board's Ag. Chief Accountant (Mr. M.A. Adekoya) who was to complete further necessary action at the Central Bank in the morning of Saturday 18th June and notify National Bank of the permit particulars (Licence No.) before returning to Ibadan later the same morning. I should explain here that the Exchange Control permit is vital to the implementation of the instructions which National Bank, Lagos was to issue to its London Branch for extension of the Credit. Without the permit, any transaction entered into in the matter in London would be illegal.

2. I regret to advise that the Board's expectation of obtaining the permit quickly on Saturday 18th June did not prove successful. In spite of all the vigorous effort made by the Board's Ag. Chief Accountant in the matter in Lagos, the Exchange Control Authority refused to grant a permit without the support of Government for the transaction in writing as was done in previous cases. The backing of Government in the manner suggested is normally necessary in external financial dealings of this nature but it had been hoped in this instance that the requirement would be dispensed with as the application was only for an extension of a previous Credit. The Central Bank was however of the opinion that since additional finance was involved a fresh written support for it from Government was essential.

3. As it is, the permit would not be forthcoming without Government's intervention and it is the Board's view that the initiative in the matter should best be taken by the Ministry of Trade & Industry by virtue of its position in relation to Government vis-a-vis the jute bag project. What is needed is an approach to Government preferably through the Ministry of Finance, which had dealt with applications of similar nature in the past, for support to the Central Bank for the Exchange Control permit.

4. I would be glad if you would arrange to take up the matter as quickly as possible with Government as indicated and advise me early of the outcome so that further necessary action could be taken to conclude the credit extension requested for.

(E.K.K. PECKU),
Ag. GENERAL MANAGER,
WESTERN NIGERIA MARKETING BOARD.

EKKP/'WALE:



No.C/W.2961/Vol.II/32A
Western Nigeria Marketing Board,
Ibadan. 21st June, 1966.

cc: Secretary to the Military Government &
Head of Service,
Ibadan.

For information reference the meeting on the subject which was held in your office on Friday 17th June, 1966.

p. 17

2. Enclosed for retention is a copy of the letter addressed by the Board to the National Bank of Nigeria Limited after the said meeting in accordance with the decision taken thereat.

(E.K.K. PECKU),
Ag. GENERAL MANAGER,
WESTERN NIGERIA MARKETING BOARD.

EKKP/'WALE:

CONFIDENTIAL

No. G/W. 2964/Vol. II/25.

17th June, 1966.

The General Manager,
National Bank of Nigeria Ltd.,
Broad Street,
LAGOS.

Dear Sir,

JUTE BAG PROJECT: EXTENSION OF CREDIT
NO. IN. 288 FOR \$112,000 IN FAVOUR OF
DOC. COLL. ADRIANO GARDELLA & P'LLIO, GENOVA

I refer to our telephone conversation (Alhadji Duroshola/E.K.K. Pecku) of this morning regarding the extension of Credit No. DC. 288 for \$112,000 in favour of Soc. Coll. Adriano Gardella & P'LLIO, Piazza della Vittoria 11, Genoa, Italy.

2. As stated, the Board requires that the Credit facility be extended and necessary action is to be taken by you to ensure that this is arranged as quickly as possible. I enclose in this connection, a copy of the usual instructions for your London branch.

3. An application has been made to the Central Bank of Nigeria, Lagos, for the necessary Foreign Exchange and the Board's Acting Chief Accountant, Mr. M.A. Adekoya, who is in Lagos specially for this purpose will personally advise you of the Nigerian Exchange Control Licence Number by tomorrow Saturday 18th June, 1966.

4. I would be grateful if you would take further necessary action soonest and advise me of the completion of the arrangements as soon as possible.

Yours faithfully,

(E.K.K. PECKU),
AG. GENERAL MANAGER,
WESTERN NIGERIA MARKETING BOARD.

BKRP/WALE:

SMG

CONFIDENTIAL

Handwritten notes: p 15-17 2. fi. w.r.t. yr minute at foot
2. I propose to K.I.V. for a reply to p. 13 pl
23/6/66 CR

MINISTRY OF TRADE AND INDUSTRY



ADMINISTRATIVE AND GENERAL DIVISION

IBADAN WESTERN PROVINCES OF NIGERIA

Your Ref. No.
All communications to be addressed
to the Permanent Secretary quoting
Our Ref. No. INV.577/269....



Date... ⁸¹² 8 July, 1966....

The Secretary to the Military
Government,
Office of the Military Governor,
Ibadan.

SP/C.33



Nigerian Fibre Industries Company Limited

I am directed to refer to your letter No. SP/C.33/13 of 22nd June, 1966 and to apologise for the manner in which your title was written in my letter INV.577/286 of 17th June, 1966 and for associating the name of 'His Excellency' and the 'Government' with the discussions. The attention of the officer who signed the letter has been drawn to the errors.

2. It will be recalled that the original loan of £220,076 was approved by the former Executive Council, vide section (5) of Conclusion No. SGEN 39(65)9 of 16th December, 1965. This loan was obtained under credit No. 288 established by the Marketing Board through the National Bank of Nigeria Limited. Our understanding right from the beginning is that any further extension of the credit, being an external loan, is to be approved by the Government, having regard to the fact that the original loan is a decision of the former Executive Council. This was why we addressed a minute on the subject through you to His Excellency the Military Governor on 9th June, 1966, recommending, among other things, that His Excellency be requested to authorise the Marketing Board to take the credit of £112,000 from Messrs. Soc. Coll Adriano Gardella and F.110, Genoa, Italy, for transmission to the above-named company. When, therefore, you mentioned at the meeting of 17th June, that it had been agreed that the guarantee be given, it was assumed that you were referring to His Excellency the Military Governor's agreement. In this connection, you may wish to be aware that the General Manager, Western Provinces Marketing Board, informed me in his letter No. C/W.2961/Vol.II/32 of 21st June, 1966 that the Central Bank would not allow the credit to be obtained unless evidence is shown that this Government supports it.

3. It will also be recalled that the Marketing Board had, at its meeting held on 12th May, 1966, found itself unable to grant a loan in the amount required and it is therefore doubtful if the General Manager of the Marketing Board could, by himself and without further reference to his Board, have been persuaded to issue instructions to the National Bank to extend the credit by £112,000 unless as was assumed both by us and presumably by the General Manager, the directive had come from the Government. If, as it now appears, this assumption is incorrect, it will, in my view, be prudent, in the interest of all concerned, to obtain His Excellency's covering approval for the action taken, particularly as Mr. Pecku informs me that neither the General Manager nor even

the Board could have committed the funds of the Board in the manner described without the permission of the Governor - in - Council.

4. In the circumstances, I should be grateful if, in order to regularise the position, you would confirm that His Excellency's approval is required and, if so, whether I should submit an Executive Committee Memorandum accordingly, Alternatively, you may wish to consider that a minute submitted through you to His Excellency seeking his covering approval for the action taken will be sufficient.

B. A. Oduntan

(B. A. Oduntan)
for Permanent Secretary,
Ministry of Trade and Industry.

U.S.

*pls. reply, asking suggesting a
min. - para. & refer.*

*A
9/7*

see p 20

ARCHIVES

SP/C.33/20

20
11 July, 1966

The Permanent Secretary,
Ministry of Trade & Industry,
Ibadan.

Nigerian Fibre Industries
Company Limited

P. 15
I am directed to refer to your letter
No. INV.577/269 of 8th July, 1966 and suggest that
you make your submission on this matter by a minute
through the Secretary to the Military Government to
His Excellency the Military Governor in the appropriate
file of your Ministry.

J. M. Akinola

(J. M. Akinola)
for Secretary to the Military
Government.

Sent
12/7/66
e.x. Pa.

MINISTRY OF
LOCAL GOVERNMENTAND
CHIEFTAINCY AFFAIRSDIVISIONAL OFFICE
ILARO · WESTERN NIGERIA

Your Ref. No.....
Further communications should be
addressed to the Permanent Secretary
quoting
Our Ref. No. 964/55.....

Date. 2nd Sept. 1966.....

The Secretary to the Military Government
and Head of the Service,
Secretariat,
Ibadan.



Address for His Excellency, the
Military Governor.

I forward herewith an advance copy of an address
to be presented tomorrow to His Excellency, the
Military Governor by the chiefs in Badagry Division
on the occasion of the opening of the Jute Bag Factory
in Badagry.

2. The address does not call for any special comments.

Note

Ag: Senior Divisional Adviser,
Ilaro.

I telephoned one Mr. ~~Abdullah~~ Otemoh of the
Div. office, Ilaro who informed me that
Mr. Aboaba had gone on tour to

Badagry in connexion with
 the impending Jan of H.F. I however
 informed Mr. O that he shd
 let Mr. Aboaba know that the
 draft ^{speech} abc was O.K. and that
 it is believed that the speech
 wd appear to ~~require~~ call for
 no comments or reply by H.F.,
 and that if however he felt
 that H.F. shd reply formally,
 he ^(Mr. Aboaba) shd get ~~one~~ a draft
 reply ready for the occasion.

D 2/9/66.

U.S.

Please the "Note" overleaf
 and above for. wrt to yr verbal
 instruction to me this afternoon.

D 2/9/66.
 CR.

Thank you. me 2/9/66. PA.

CONFIDENTIAL

TELEGRAMS: PERMIND

TELEPHONE NO.: IBADAN 21011/471

DIRECT LINE: 24111

MINISTRY OF TRADE AND INDUSTRY



IBADAN · WESTERN NIGERIA

Your Ref. No.....
All communications to be addressed
to the Permanent Secretary quoting

Our Ref. No..... INV.577/344



Date: 31 August, 1966.

Secretary to the Military Government,
Office of the Military Governor,
Ibadan.

Nigeria Fibre Industry Company
Limited: Opening Ceremony

I forward herewith one copy of the draft
speech to be delivered by His Excellency the
Military Governor at the formal opening of the
above factory at Badagry on 3rd September, 1966.

2. I shall be glad if you will bring it to
the urgent notice of His Excellency for his
consideration.

J.O.I. Longe

(J.O.I. Longe),
Permanent Secretary,
Ministry of Trade and Industry.

W.S.

Miss Thomas

F.n.a.

31/8

CONFIDENTIAL

Please deal away.
File
21/9/66

PP. 24-32

ARCHIVED

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SPEECH TO BE DELIVERED BY HIS EXCELLENCY THE
MILITARY GOVERNOR OF WESTERN NIGERIA, COLONEL
ROBERT ADEYINKA ADEBAYO ON THE OCCASION OF THE
OPENING OF THE BADAGRY FIBRE FACTORY ON SATUR-
DAY, 3RD SEPTEMBER, 1966

Your Excellencies,

Members of the Diplomatic Corps,

Ladies and Gentlemen,

It is with the greatest pleasure that I ~~have~~ accepted the invitation of the Board of Directors of the Nigeria Fibre Industries Company Limited, otherwise known as NIFINCO, to be present here this morning to perform the official opening of this £2 million ultra-modern factory.

2. This ceremony provides a strong evidence of the abiding confidence which the government and the people of Italy have in the stability of this country. It is a vindication of our ability to pull through and to overcome the difficulties confronting us as a young nation.

In spite of all that ~~has~~ ^{has} happened to us in the last few months, it is very reassuring that our friends from Europe and America have stood firmly by our side.

Nigeria will
I am ~~glad~~ always glad to welcome industrialists and investors who have come to the country to see the situation in

the country for themselves. What is happening to us is nothing strange nor different from what has happened to many countries before us. Our community remains undaunted and resolute and by the Grace of God, we will pull through.

3. Nigeria is a country ^{developing} ~~that wants to develop~~ in a hurry, ~~and so~~ therefore all available resources are being mobilized towards the achievement of this goal. In a predominantly agricultural country, it is important that we diversify our ^{crops as much} ~~cropping~~ as best as possible and that every effort should be made to improve our agricultural technology in order to increase the productivity of our farmers. It is also known all the world over that for a rapid economic development to be achieved even in an agricultural country industrialization should also be vigorously pursued in order to provide the necessary stimulus to the pursuit of improved agriculture. The literature on economic development of under-developed nations of the world is replete with information that has tested and proved this hypothesis and there are several important guidelines for industrial growth in developing countries

such as ours. One very important one is the establishment of industries for which raw materials are available locally and the end products of which have assured local markets.

4. In Nigeria, about forty million fibre bags are imported annually from overseas at a cost of about ~~£5,000,000~~ ^{million} sterling. This has been a serious drain on our economy as much needed foreign exchange is being utilised for this importation. Our Agricultural Research has shown that the raw material for the production of bags can be grown profitably in this country and there is a very large local demand for bags. It is therefore most gratifying that a project of this nature which is integrating agriculture with industry and producing goods that are hitherto imported should be embarked upon.

5. Every effort is being made to encourage local farmers to plant the fibre crop which forms the basic raw material for the factory. An adequate supply of seeds is maintained for distribution, while Agricultural Officers provide advisory services which will enable

farmers to acquire planting and management techniques. NIFINCO Company is also establishing a 25,000 acre plantation of its own to ensure that the factory obtains an adequate supply of fibre in its early years of existence before the farmers are skilled in growing it. Any fibre produced which is surplus to the requirement of the factory can be exported.

6. At present, the Nigeria Fibre Company Limited is paying £30 per ton for raw fibre which can be obtained from an acre. The Western Nigeria farmers can therefore obtain a gross income of ^{£300,000} ~~three hundred thousand pounds (£300,000)~~ from the cultivation of ^{ten} ~~three~~ thousand acres of kenaf. This is a much needed additional income for our farmers particularly in the Savannah areas where there are as yet very few important cash crops. This new industry ^{provides} a great opportunity for our farmers and I appeal to them to take the fullest advantage of it. The farmers themselves and the Marketing Board which exports some of their produce will also provide the market for the bags to be produced by the factory. The whole factory, by

Promoting sales of its products overseas will also be increasing the country's foreign exchange earnings and the income of the farmer.

7. At this time when the problem of unemployment is staring us in the face, it is important that I should mention how happy I am to note the employment opportunities that the establishment of this factory has provided. Apart from the employment of about six hundred workers at the factory-site it has also opened a new line of agricultural production to our farmers, as I stated earlier. Although most of the senior technical positions in the establishment are at present held by expatriates, I am satisfied that the Company has prepared a training programme which will be intensified and will enable Nigerians to take over from them as soon as possible.

8. I must however sound a note of warning which the Board of Directors will no doubt, seriously heed. The slow pace at which many of our established industries are 'Nigerianising' their top management posts, has given considerable cause for alarm throughout the

Country. It is the earnest view of the National Military Government that our technical partners should stop paying a lip-service to this important aspect of our industrial policy. Our Universities and Colleges of technology are annually producing graduates who are anxious to find employment in industries. It is my sincere hope that our technical partners in cooperation with their Board of Directors will make every effort to implement their training programmes and fill many of their management posts with suitable Nigerians.

9. This Badagry bag factory is perhaps the first substantial effort to implement this Government's policy of dispersing industries outside Ikeja and Ibadan areas. The practice of concentrating industries in a few localities has led to a pronounced drift of youths from the rural areas to a few urban centres. It is accepted that the location of industries must have full regard for those economic factors dictated by the nature of the industry. Even so, it is recognised that not all industries need to be located in proximity to the port. My Government is actively considering the

development of industrial estates in selected areas throughout the Region. Before these are fully ready, the Military Government, through appropriate legislations, can acquire compulsorily any land required for industries anywhere in the Region. The Government will also cooperate in providing the industrial climate and infrastructure which will ensure the viability of the industry.

10. The Military Government has repeatedly stressed in the last few months that it welcomes honest investors with open arms. We require industrial development in order to diversify our economy and to increase our national wealth. There is a tremendous scope for the establishment of industries based on the processing of our agricultural products and it is therefore hoped that our expatriate friends will come to our aid to establish more agriculturally based industries in an attempt to boost the income of our farmers and of the country. I can hardly over-emphasize that the prosperity of this country will for a long time depend on the prosperity of its farmers.

● I offer my very hearty congratulations to all those who are connected with the establishment of this factory, more especially, to our technical partners - the firm of Adriano Gardella and Fratello - a world famous industrial^{ist} based in Italy, which has contributed thirty per cent of the equity capital and has assisted the Company in raising the loan capital. The firm of Adriano Gardella and Fratello is also responsible for the technical management of the factory. I will like also to thank the Italian Government through the visiting Minister of Trade whose presence has graced this occasion. Through him and His Excellency the Italian Ambassador, I like, on behalf of the National Military Government of Nigeria, to thank the Italian Government for the generous loan granted to the Company for establishing this factory. I understand that the establishment of this factory was preceded by a series of contracts made with leading industrialists in Europe as well as by detailed on-the-spot study of fibre industries in Italy, Germany, France, Belgium and the United Kingdom. It was therefore, after mature consideration that the

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Decision was taken to establish this factory in association with our technical partners for the manufacture of fibre bags and allied products. I look forward with keen interest to an expansion of the industry to cover the manufacture of ropes, twines, tarpaulin and other allied products.

Finally, Ladies and Gentlemen, I should like to congratulate the Ministry of Trade & Industry, the Chairman and members of the Board of Directors of the Company for the good work that they have done to-date and for the excellent arrangements they have made for this formal opening. I wish this enterprise of mutual collaboration between Western Nigeria and Italy every success. I have great pleasure in formally declaring the factory of the Nigeria Fibre Industries Company Limited open, and I pray that God may bless our efforts.

AN ADDRESS OF WELCOME PRESENTED TO HIS
EXCELLENCY THE ACTING MILITARY GOVERNOR
COLONEL ROBERT ADEYINKA ADEBAYO BY OBAS
AND CHIEFS OF BADAGRY DIVISION ON THE OCCASION
OF THE OFFICIAL OPENING OF THE JUTE BAG FACTORY
ON 3RD SEPTEMBER, 1966
=====

YOUR HONOURABLE SIR,

We, the undersigned Obas and Chiefs representing the entire members of the Badagry Division wholeheartedly welcome Your Excellency the Military Governor to this historic town - Badagry.

We, on behalf of our Oba, Oba C.D. Akran, Aholu Jiwa II of Badagry thank Your Excellency and the Head of the Military Government of Nigeria and the Supreme Commander of the Nigerian Armed Forces who have thought it expedient to allow the establishment of the £1.5 million Jute Bag Factory in Badagry, the Factory which is one of its first kind in West Africa. The opening of this Factory today is a thing of joy to everyone of us both at home and abroad. Our sincere thanks also go to Mr. Adriano Gardella, President of Gardella Group in Italy, Technical Partners in the venture, who are the brains behind the jute weaving, spinning and bag factory in Badagry.

We have to seize this golden opportunity to show our appreciation to His Excellency the Supreme Commander for granting amnesty to all Political prisoners and those who were in Detention in particular, our Oba, Oba C.D. Akran during the last arisis in the Republic.

Our thanks would be inadequate if mention is not made of the modern Tourist Inn built in our Division because of its historical significance where people from all sphere of life come to enjoy their holidays and to see those memorable antiquities which brought the town into the limelight of history.

We re-affirm our loyalty to the Military Government and honestly declare our full co-operation in all its undertakings. We pray to witness many projects of this kind in Badagry Division.

We are,

- | | |
|--|--|
|
Chief Wheze Agoloto of Badagry |
Chief Gbeyon Jengen of Badagry |
|
Chief J.O.O. Samuel, M.B.E., J.P. |
Oba Belo Ayilara, Olojo of Ojo |
|
Oba Ashafa Adeoye, Osolu of Irewe |
Chief Salami Bakare, Bale of Araromi. |

PA.



CONFIDENTIAL

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125/4
SP/C - 103

Ministry of Home Affairs
and Information

ADMINISTRATION AND GENERAL DIVISION
IBADAN WESTERN NIGERIA

Telephone: 21011

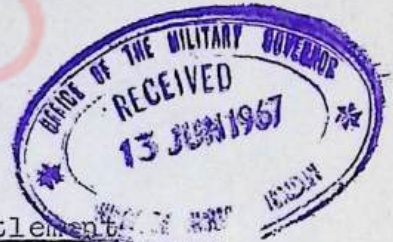
Telegrams: PERMHOME IBADAN PRIVATE MAIL BAG NO. 5180

Your Ref. No.

Our Ref. No. C.EST.8/311

13th June, 1967.

The Secretary to the Military
Government,
Office of the Military Governor,
Ibadan.



Senior Staff Leave Entitlement

I forward herewith for your information copies of letters exchanged between the Chairman of the Western Nigeria Government Broadcasting Corporation and this Ministry on the above subject.

McKali
(W. P. Daniel-Kalio),
Ag. Permanent Secretary.

10.35-36
2-3

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CONFIDENTIAL

C. EST. 8/308

1st June, 1967.

Mr. A. Adedeji,
Chairman,
W.N.G.B.C.,
Ibadan.

Senior Staff Leave Entitlement

We recently discussed various matters relating to the W.N.G.B.C. and I have since been furnished with a copy of the leave roster of all the senior staff of the W.N.G.B.C. I observe that most Heads of Departments and other senior staff have to their credit earned leave ranging from 47 days to 196 days. I also understand that it has been decided by the Board of the Corporation that all such accrued leave should be taken within the next 5 years or lapse.

2. I consider that arrangements should now be made for officials of the Corporation to take the accrued leave to which they are entitled as early as possible so that you can speedily place the Corporation on the system of leave now operating in the Civil Service. I observe that the longest leave period - 196 days - has been earned by Mr. S. F. Ayo-Vaughan head of the News Division and I therefore suggest that to begin with Mr. Ayo-Vaughan should be sent on his 196 days leave with immediate effect.

3. I leave the details of the arrangements for leave of the other senior staff to yourself but shall be grateful if you inform me in due course of the arrangements you have made.

(Sgd.) W. P. Daniel-Kalio,
Ag. Permanent Secretary.

CONFIDENTIAL

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W.N.G.B.C.,
Television House,
P.O. Box 1460,
Ibadan.
9th June, 1967.

SPF.8A/27

C O N F I D E N T I A L

The Permanent Secretary,
Ministry of Home Affairs
and Information,
Ibadan.

Senior Staff Leave Entitlement

With reference to your letter No. G.Est.8/308 of 1st June, 1967, and to our (Kalio/Adedeji) subsequent telephone conversation, I wish to confirm that Mr. S. F. Ayo-Vaughan, Head of the News Division of the Corporation, proceeded on leave on June 5th, 1967, His accumulated leave is 151 days and not 196 days as contained in your letter under reference.

2. Arrangements will be made in due course for the other members of the senior staff of the Corporation who have accumulated their leave over the years to take them.

(Sgd.) Adebayo Adedeji,
Chairman.

Smt
SAS(G)

from p. 1 of pl.

19/6/67
OK
21/6/67

P. A. K 21/6

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SP/C 124/5

MINISTRY OF TRADE



AND INDUSTRY

DEVELOPMENT DIVISION
IBADAN · WESTERN NIGERIA

Your Ref. No.....
All communications should be
to the Permanent Secretary quoting
Our Ref. No...C.822/1/...8.....

CONFIDENTIAL

Date..... 13 July, 1967



The Permanent Secretary,
(Political and Administration),
Office of the Military Governor,
Agodi,
Ibadan.

Minutes of Boards of Directors of Companies
and their subsidiaries

I am directed to refer to your circular-letter
No. SP/C.119/760 of 23rd May, 1967, and to forward
herewith a copy of the minutes of an emergency meeting
of the Board of Directors of Nigeria Fibre Industries
Company Limited held on 23rd June, 1967 as requested.

O. A. Farowora
O. A. Farowora,
for Permanent Secretary,
Ministry of Trade and Industry.

17/7

Pages 38-45

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MINUTES OF THE EMERGENCY MEETING OF THE
BOARD OF DIRECTORS OF NIGERIA FIBRE IN-
DUSTRIES COMPANY LIMITED HELD ON FRIDAY
23RD JUNE, 1967, IN THE BOARD ROOM OF
THE COMPANY ON THE 23RD FLOOR OF COCOA
HOUSE, IBADAN.

PRESENT

- Mr. T. S. B. Aribisala - Chairman
- Mr. I. E. Frandi' - Director (Managing)
- Mrs. F. M. Ighodalo - Director
- Mr. T. A. Akinyele - Director
- Mr. E. O. Elemide - Director

ABSENT

- Mr. A. Gardella - Vice Chairman
- Mr. B. O. E. Amon - Director
- Chief Moyo Aboderin - Director

IN ATTENDANCE

- Mr. O. Glutayo - Secretary
- Mr. O. A. Bello - Assistant Secretary

The meeting started at 4.40 p.m with the Chairman directing that notice of the meetings of the Board of Directors be always sent to Mr. George Taylor in line with a letter earlier received in this connection.

ADOPTION OF THE MINUTES OF PREVIOUS MEETINGS:

2. The minutes of the 5th meeting of the Board of Directors held on 7th February, 1967 was then considered and adopted with the following two amendments by Mr. E. O. Elemide:

- (i) That on paragraph 8 on "Pricing Policy" the statement "Mr. Elemide gave the price at which the Marketing Board was currently purchasing the imported bags as £47 . 19 . 6d per 300 bags i.e. 3/2 per bag c.i.f. Lagos" should read "On enquiry, Mr. Elemide gave figures of

39 4

the amount paid by the Marketing Board for "B" TWILL jute bags recently imported as follows:-

Landed Lagos c.i.f. per bale of 300 bags =	£43.12.-
Handling charge, custom duties per bale =	4 7 6
Total	£47.19. 6

He mentioned that the above cost was inclusive of duties which might not be applicable in respect of bags produced locally at Badagry Factory and that this fact should be taken into account in fixing the selling price for NIFINCO bags."

ii. That the following sentence in the 3rd line of paragraph 13 be deleted.

"He added that unless there was improvement, it might ^{be} necessary for the Western Nigerian Marketing Board to look for Market elsewhere."

3. The minute of the emergency sixth meeting of the Board of Directors held on 29th March, 1967 was considered next and adopted with the following two amendments by Mrs. F.M. Ighodalo.

i. That the statement contained in paragraph 2 of page 4 should read:-

"Mrs Ighodalo who spoke next supported the view expressed by the Chairman and pleaded that the Marketing Board should encourage NIFINCO which have shown all signs of being a Company with a bright future."

ii. That a final sentence be added to paragraph 4 on the same page as follows:-

"Mr. Akintomide left the meeting at this stage".

4. The next minutes considered were those of the emergency 7th meeting of the Board of Directors held on the 11th May, 1967 and they were adopted without amendment.

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MATTERS ARISING

CERTIFICATE TO CARRY ON BUSINESS AND FIXING OF PRODUCTION DAY:

4. The Chairman directed that the Assistant Secretary should invite the Company's Auditors to his office on Wednesday, and that the Assistant Secretary too should accompany the Auditors. The Chairman would then speak to them on the speeding up of the auditing of the Company's Account, as the delay was unduly affecting the carrying out of certain accounts duties, one of which was inability to submit the statement of Capital Expenditure for the purpose of granting Income Tax Relief to the Company.

PRICING POLICY

5. The Board noted the receipt of the periodicals of current market prices. The Chairman indicated that he could guide the Assistant Secretary in how to prepare graphs showing the world market trends in the selling prices of fibre bags. Mr. Elemide was also requested to help in providing guide to the Assistant Secretary in carrying out this duty.

£23,000 OWED BY THE GOVERNMENT:

6. The Chairman disclosed that the Military Governor had already directed that the £23,000 which the Government is owing the Company for its shareholding in it be paid.. The Board then requested Mr. Akinyele to assist in the early payment of the money by the Government to the Company.

HOUSING FOR EXPATRIATE STAFF AT BADAGRY:

7. The Board had earlier directed the Managing Director to write a letter to Mr. S. Nagaty requesting him to submit all the documents and papers of the Company in his possession before relinquishing his post with the Company. This is with a view to obtaining documents relating to the provision of housing facility for the Company's staff at Badagry. The Managing Director reported that there had been no reply to the letter he wrote to Mr. Nagaty. The Secretary, Mr. O. Olutayo was requested to contact Mr. J. A. Adediran in the same connection the Board decided that the Company should rent the Tourist Centre with the amenities provided so far and then furnish

41 6

it. The Assistant Secretary was therefore directed to put up a letter to this effect to the Ministry of Trade and Industry. The letter would be signed by the Chairman.

ACQUISITION OF LAND AT BADAGRY FOR NIFINCO:

The Board considered the need to acquire an area of the size of 120 acres for the NIFINCO at Badagry. Among the reasons put forward are :

- i. Total area already occupied by the NIFINCO projects at Badagry.
- ii. The immediate and future expansion of the factory.
- iii. The area required in building senior staff quarters.
- iv. Provision of houses near the factory for workers as they have to do night shift.
- v. Provision of recreation facilities.

The Board considered it wise to acquire the land without delay in the light of known developments and directed the Managing Director in consultation with the Chairman to write to the Ministry of Trade and Industry in order to acquire for NIFINCO the 120 acres of land already surveyed by the Ministry of lands and Housing.

DELIVERY OF KENAF PURCHASE OVER SEAS:

8. The Managing Director reported that the whole quantity of kenaf which Mr. Gardella said was yet to be delivered had then been delivered and that more had also been received from Mr. Gardella at the factory. He further stated that 50 bales of kenaf were approximately 9 tons in weight and informed the Board that Mr. Gardella had been authorised by the Board to purchase up to 1,300 tons of kenaf for the Company.

LETTER OF THANKS TO THE GOVERNOR:

9. The Chairman spoke on the letter of thanks to the Governor which was not written because at the time it was ready, it was considered too late for its purpose.

TRANSPORTATION OF KENAF:

10. The Managing Director's proposal for purchasing in August, 1967 the five 10 tons lorries required for the transportation of kenaf

was accepted by the Board.

PLANTATION PROJECT

11. The Plantation Manager, Mr. A. Oderinde had submitted before the meeting a memorandum on the labour and financial requirement for establishing 6,000 acres of kenaf plantation at Wasimi. Copies of the memorandum were distributed to the members for their studying and consideration at a later meeting.

PAYMENT OF DIRECTORS

12. The payment of remuneration due to directors was deferred for another six months.

CHANGE OF SECRETARY AND DIRECTORS

13. The Board noted the action taken by the Assistant Secretary as indicated in his report that the letter of thanks directed to be written to Mr. J.A. Adediran, an erstwhile Secretary of the Company had been sent to him and that the removal of Mr. S. Nagaty and the appointment of Mr. I.E. Prandi as the Managing Director of the Company had been filed with the Registrar of Companies in Lagos.

STATUTORY GENERAL MEETING

14. The Board noted the statement by the Assistant Secretary that the statutory report is yet to be filed, when the Auditors of the Company should have completed auditing the Company's accounts.

WAGES ADJUSTMENT:

15. The meeting noted with satisfaction ^{the} ~~and~~ various actions taken during the wages dispute by the workers in the Company's factory and retting centre at Badagry.

PLANTATIONS

16. The Board observed that if sufficient quantity of kenaf was made available locally, or while that was still not possible, sufficient fund was provided to purchase a sizeable quantity of kenaf overseas, the Company could produce sufficient bags for the Marketing Board and still had some available for export. It therefore, considered the proposition whereby the Marketing Board could lend the Company the money with which it could have imported more bags from overseas where the Company was not able to produce sufficient bags.

43 8

to meet the demand of the Marketing Board. The loan would then be spent in providing sufficient kenaf to produce locally, all the bags that the Marketing Board required.

They enumerated the advantages of the proposition as follows:

1. There ~~will~~ ^{will} be saving in foreign payments.
- ii. There will be more employment opportunity in the Company.

OVERDRAFT FROM BANK:

17. The Managing Director reported that the United Bank for Africa was willing to grant £100,000 overdraft facility to the Company. The Chairman also spoke of the letter he received from the Barclays Bank approving £60,000 overdraft to the Company. The copies of the letters received from the two Banks stating the terms for the overdraft were distributed to members. Consideration was given to the terms of the two Banks which are as follows:-

CONDITIONS FOR GRANTING THE OVERDRAFT BY THE BARCLAYS BANK:

- i. Overdraft is limited to £60,000.
- ii. It will bear $8\frac{1}{2}\%$ interest.
- iii. It will expire by 31st December, 1967.
- iv. The Secretary to the Military Governor will sign a letter confirming that the signatory to the guarantee has been duly authorised.
- v. Government will guarantee the overdraft.
- vi. Instruction to be given to Marketing Board to pay direct to Barclays Bank money for bags supplied to the Board.
- vii. Request for Audited Balance Sheet of the Company.
- viii. It was also understood that the negotiation for the overdraft could take more than a year.
- ix. The Company will be expected to lodge its Insurance Policy over building and stock with the Bank.

CONDITIONS FOR GRANTING THE OVERDRAFT BY THE U.B.A

- i. Overdraft is limited to £100,000.
- ii. It will bear interest, which can be reduced to $7\frac{1}{2}\%$
- iii. It will expire by 30th June, 1968.
- iv. Government will guarantee the overdraft.
- v. It was understood that the negotiation for the overdraft would take less than a month.

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On a motion by Mrs. F.M. Ighodalo and seconded by Mr. I.E. Prandi the Board then resolved:-

"That this Company should accept the overdraft of £100,000 approved by the United Bank for Africa at the interest of 7½%."

19. It is to be noted that the Board only expressed a preference for the interest on the overdraft to be 7½%, it did not make it a condition for the Company in accepting the overdraft. It however directed the Managing Director to endeavour to secure the 7½% rate of interest for the overdraft.

RATIFICATION OF THE PREVIOUS ACTIONS OF THE MANAGEMENT COMMITTEE

20. The following actions of the Management Committees were ratified by the Board.

- i. The appointment of Mr. J.A. Morakinyo as the Accountant of the Company.
- ii. The appointment of the firm of B.O. Olusola & Co as the legal retainer for the Company with effect from 1st April, 1967.
- iii. The fixing of the salaries of the expatriate staff at Badagry and the giving provisionally of certain salaries to the three Nigerian Senior Technical staff and the two Confidential Secretaries, all as contained in the minutes of the meeting of the Management Committee held on 31st March, 1967
- iv. The fixing of £240 per annum as entertainment allowance for the Managing Director for playing host to the members of the expatriate staff whenever they are on duty visit to Ibadan.

MINUTES OF BOARD MEETINGS TO THE MINISTRY OF TRADE & INDUSTRY

21. The Board directed the Assistant Secretary to comply with the letter from the Ministry of Trade and Industry asking that two copies of the minutes of the Board meetings be always sent to the Ministry.

FIBRE BAGS DONATION TO THE RESETTLEMENT COMMITTEE

22. The Board ratified the action of the Managing Director in donating 30 fibre bags to the Western Nigeria Resettlement Committee.

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APPOINTMENTS:

23. The Board directed that the 6 expatriate staff at Badagry be invited for interview in the Company's office in Ibadan at 12 p.m. on Sunday, 25th June, 1967. The Board decided Sunday for the meeting in order not to disrupt working in the Factory.

24. It further directed that the candidates for the posts of an Assistant Accountant and the Confidential Secretaries be invited for interview on Monday 26th June, 1967, at 4.30 p.m.

25. The Board also decided to tidy up the various appointments of the Company and to this end, it directed the Assistant Secretary to bring up for formal appointments; the various employees of the Company other than the Accountant and the Assistant Secretary.

SIGNING OF CHEQUES:

26. On the question of signing of the cheques drawn by the Company, raised by the Managing Director, the Chairman explained that it was important that he should still continue to sign the cheques of the Company. He said that he would consider giving up doing so, after a proper budget of expenditure has been drawn up.

SALES OF BAGS TO MINISTRY OF DEFENCE:

27. The Managing Director was authorised to proceed with the sale of bags to the Federal Ministry of Defence as requested by them, and that the bags should be sold at 2/3d each as they were small in size. The Board further directed that if the bags were not delivered at the Factory, the Federal Ministry of Defence would be responsible for their transportation to any other point of delivery.

SUBMISSIONS ON THE ACCOUNTS OF THE COMPANY:

28. The Board considered the submissions on the Accounts of the Company as at 31st December, 1966 made by the Accountant, and asked him to make another submissions with particular reference to the creditors of the Company, that would reflect the accounts position of the Company as at present.

29. With a motion unanimously adopted, the meeting closed at 8.40 p.m

OAB/OWA



MINISTRY OF TRADE AND INDUSTRY

DEVELOPMENT DIVISION
IBADAN · WESTERN NIGERIA

Your Ref. No.....
All communications should be
to the Permanent Secretary quoting
Our Ref. No..... C.822/1/12

SP/C 124/s

Date..... 19 July, 1967.

The Permanent Secretary,
(Political and Administration),
Office of the Military Governor,
Agodi, Ibadan.



Minutes of Board of Directors of Companies
and their subsidiaries

47-57
Page 12/10

I am directed to forward herewith a copy of the minutes of the Board of Directors of Nigeria Fibre Industries company Limited, held in Ibadan on Thursday, 13th July, 1967. Your circular-letter No. SP/C.119/760 of 23rd May, 1967 refers.

P.1

M/21/7

O A Fafowora
O. A. Fafowora,
for Permanent Secretary,
Ministry of Trade and Industry.

ARCHIVING

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MINUTES OF THE 9TH MEETING OF THE BOARD OF DIRECTORS OF NIGERIA FIBRE INDUSTRIES COMPANY LIMITED HELD ON THURSDAY 13TH JULY, 1967, IN THE BOARD ROOM OF THE COMPANY ON THE 23RD FLOOR OF COCOA HOUSE, IBADAN

PRESENT

- Mr. T.S.B. Aribisala - Chairman
- Mr. I.E. Prandi - Director (Managing)
- Mr. N.O. George-Taylor - Director
- Mr. T.A. Akinyele - Director
- Mr. B.O.E. Amon - Director
- Mr. E.O. Elemide - Director

ABSENT

- Mr. A. Gardella - Vice Chairman
- Chief Moyo Aboderin - Director

IN ATTENDANCE

- Mr. Olu. Olutayo - Secretary
- Mr. O.A. Bello - Assistant Secretary

The meeting started at 12.54 p.m. with Mr. B.O.E. Amon presiding because the Chairman, Mr. T.S.B. Aribisala had not arrived.

CHANGE OF DIRECTORS

2. The next ~~item~~^{item} was the formal removal of Mrs. F.M. Ighodalo from the Board of Directors of the Company by a motion moved by Mr. E.O. Elemide and seconded by Mr. B.O.E. Amon. The motion was unanimously adopted. Another motion "That Mr. N.O. George-Taylor be appointed a director of the Company" was moved by Mr. B.O.E. Amon and seconded by Mr. E.O. Elemide. That motion too was unanimously adopted. Thus the provision of the Articles of Association of the Company, Article 77 (2) on the removal of Directors and Article 79 on the appointment of Directors was complied with.

3. The Chairman, Mr. B.O.E. Amon then formally introduced Mr. George Taylor as a new director of the Company. In his introductory speech, he referred to the Company as one of the best run. In his response, Mr. George-Taylor promised to contribute to the success of the Company. He remarked that he would be failing in his duty, as regards his office, if he did not contribute to the progress of the Company.

The Board expressed appreciation for the good services rendered by Mrs. F.M. Ighodalo while she was on the Board of the Company. In consequence, they unanimously resolved that a letter of thanks be written to her.

ADOPTION OF THE MINUTES OF THE LAST MEETING OF THE BOARD

4. The minutes of the Board of Directors held on 23rd June, 1967 was considered. It was unanimously adopted without amendment.

INCOME TAX RELIEF

5. The Board appreciated the need to submit in time the statements of Capital Expenditure of the Company prior to the production day, for the purpose of receiving Tax Relief for the Company. It directed that the Auditors of the Company be requested to take quick action in auditing the accounts of the Company so that the necessary statements of accounts might be available for obtaining the tax relief for the Company. The Assistant Secretary was asked to write to the Federal Commissioner of Income Tax to obtain a specific date for the extension of time being requested.

£8,000 OWED BY THE GOVERNMENT

6. The Board noted that the Government has now paid £15,000 out of the £23,000 it was owing the Company for its share-holding. They expressed appreciation for the assistance which Mr. Akinyele had rendered in obtaining the £15,000 and requested him for further help in the payment of the balance by the Government.

BUILDINGS OCCUPIED AT BADAGRY BY THE EXPATRIATE STAFF

The Secretary, Mr. Olutayo reported that he had contacted Mr. S. Nagaty as he was directed during the last meeting. He said that Mr. Nagaty informed him that he was not having the documents of Company in his possession any more. Mr. Nagaty then asked that a letter be written to him to ask for any specific documents. Then he would check up if he had such documents or direct the Company to where such documents might be found. At this stage, the Chairman, Mr. Aribisala arrived and took over from Mr. Amon who had presided over the meeting hitherto. Mr. Aribisala then remarked that by writing a letter to ask for specific documents from Mr. Nagaty no documents would be obtained.

The Board then requested Mr. George-Taylor who they observed, was in frequent contacts with Mr. Nagaty, to approach him for the documents of the Company still in his possession.

ACCOUNTS OF THE COMPANY

8. On the accounts of the Company, the Chairman reported that the Accountant was building up the accounts of the Company to enable the members of the Board to have a clear picture of the accounts position of the Company. He said that as the Company's Auditors are also the Auditors of the Marketing Board, they were able to discover that the Marketing Board made certain payments to the Company. This payment was not shown in the accounts record available in the Company. Also the Marketing Board had been directed to keep certain sum of money to be paid to the Company in due course for the Government shareholding in it. He believed that the accounts to be prepared would reveal many other records of payments not yet known.

TOURIST CENTRE

7. What was still delaying the occupation of the Tourist Centre at Badagry was the supply of light and pipe-borne water. The Board therefore decided to take up the centre as at present and provide water and light. The cost of providing them would then be deducted by Company from the rent due for occupying the centre. The Chairman undertook to obtain a copy of the letter written by the Ministry of Trade and Industry in asking the Ministry of Works and Transport to provide light and water at the centre. He would then discuss the decision of the Board that the Company should take up Tourist Centre as at present, with the Permanent Secretary of Ministry of Trade and Industry.

ACQUISITION OF LAND AT BADAGRY

8. The Chairman reported that he had written the letter for the acquisition of 120 acres of land by the Company to the Ministry of Trade and Industry.

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KENAF PLANTATION

9. The Kenaf Plantation project was considered to be very important. The Board therefore decided that another meeting be called at 11 a.m. on Thursday 20th July, 1967 to discuss the subject exhaustively. Meanwhile the Board decided to invite Dr. Schoudhuri to advise the Company on the Kenaf Plantation Project.

Mr. George-Taylor mentioned, in passing, that the Government had asked him to look into the £112,000 spent in the purchase of kenaf for the Company. He added that he was already working on the assignment.

MINUTES OF BOARD OF DIRECTORS MEETING TO THE MINISTRY OF T. & IND.

10. The Assistant Secretary reported that he had already started to comply with the instruction of the Board that two copies of the minutes of every meeting of the Board of Directors be sent to the Ministry of Trade & Industry.

INTERVIEW OF EXPATRIATE STAFF AT BADAGRY & 3 NIGERIA TECH. STAFF

11. The Board expressed dissatisfaction with the attitude of the expatriate staff at Badagry for refusing to come to Ibadan to be interviewed for formal appointment on Sunday 25th June, 1967 as instructed by the Board. The Board said that they should realize that they the Italians were employees of the Company.

The Board subsequently put on record that "The attitude of the expatriate staff on this matter is very cheeky and it is a bluff". The Managing Director was thus asked to write to Mr. Gardella to inform him of what the Italian staff at Badagry had done. Mr. George-Taylor was requested to assist in finding technically qualified people to understudy the expatriate staff at Badagry.

SALES OF BAGS TO FEDERAL MINISTRY OF DEFENCE

12. The Managing Director reported that the Federal Ministry of Defence had not followed up their request for the purchase of sand-bags. He added that the Accountant went to Lagos to deliver a letter on the matter (together with the samples of bags) to the

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Ministry of Defence but there had been no reply. The Board decided that the transaction should be conducted through the Area Command in Ibadan.

REMUNERATION OF MEMBERS OF THE BOARD OF DIRECTORS

13. The Board considered a letter received from the Ministry of Trade and Industry asking for a downward review of the salaries of the Chairman and the Vice Chairman. With a motion moved by Mr. George-Taylor and seconded by Mr. Prandi, the remunerations of the Members of the Board of Directors were decided as follows:-

Chairman	-	£1,200	per annum
Vice Chairman	-	£1,000	" "
Every Other director	-	£ 600	" "

The Board also agreed that the post of the Vice-Chairman be retained on the Board as a concession to Mr. Gardella.

OVERDRAFT FROM BANKS

14. The Chairman informed the Company of the development that had taken place after the Board had decided to obtain overdraft facility from the United Bank for Africa. He said that the Barclays Bank had now decided to review the various conditions it gave earlier for the grant of overdraft facility by the Bank. He added that the negotiation for the overdraft facility had started from the inception of the Company. He also pointed out that the Bank had all along helped the Company. He, therefore, asked the Board to consider obtaining £60,000 loan from the Barclays Bank and £40,000 from the United Bank for Africa. Finally, Mr. George-Taylor moved "That overdraft facility of £60,000 and £40,000 be obtained from the Barclays Bank and the United Bank for Africa respectively. That the Board expressed their appreciation for the previous service rendered by the United Bank for Africa and look forward to doing more business with the Bank in the future".

At this stage a motion that was unanimously adopted was passed to bring the meeting to a close. The meeting ended at 3.59 p.m.

P.S. (P+A)

Please see form 37.

add
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C.P.10.

You are now a Director of this Co. and you were present at the last meeting. Nevertheless I would like your comment on the proceedings as they are here recorded.

Beatty
PS(P+A)
27/2/67

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MINISTRY OF TRADE AND INDUSTRY

DEVELOPMENT DIVISION
IBADAN · WESTERN NIGERIA

Your Ref. No.....
All communications should be
to the Permanent Secretary quoting
Our Ref. No. C.822/1/14

SP/C 119
SP/C 124/5

Date 28 July, 1967

The Permanent Secretary,
(Political and Administration),
Office of the Military Governor,
Agodi, Ibadan.



Minutes of Board of Directors of
Companies and their Subsidiaries

Pages 58-58
28/7/67

I am directed to forward herewith a copy of the minutes of the Board of Directors of NIFINCO held in Ibadan on Thursday, 20th July, 1967. Your circular-letter No. SP/C.119/760 of 23rd May, 1967 refers.

P.1

14/1/8

O A Fawora
O. A. Fawora,
for Permanent Secretary,
Ministry of Trade and Industry.

ARCHIVED

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MINUTES OF THE 10TH MEETING OF THE BOARD OF DIRECTORS
OF NIGERIA FIBRE INDUSTRIES COMPANY LIMITED HELD ON
THURSDAY 20TH JULY, 1967 IN THE BOARD ROOM OF THE COM-
PANY, ON THE 23RD FLOOR OF COCOA HOUSE, IBADAN

PRESENT

Mr. T.S.B. Aribisala	-	Chairman
Mr. I.E. Prandi	-	Director (Managing)
Mr. B.O.E. Amon	-	Director

ABSENT

Mr. A. Gardella	-	Vice Chairman
Mr. N.O. George-Taylor	-	Director
Mr. T.A. Akinyele	-	Director
Mr. E.O. Elemide	-	Director
Chief Moyo Aboderin	-	Director

IN ATTENDANCE

Mr. O. Olutayo	-	Secretary
Mr. O.A. Bello	-	Asst. Secretary

The meeting started at 12.09 p.m. with the Chairman, Mr. T.S.B. Aribisala presiding. The minutes of the 9th Meeting of the Board of Directors of Thursday 13th July, 1967 were considered for adoption. After the amendments as stated below, proposed by Mr. Amon had been accepted, the minutes were unanimously adopted. The amendments are as follows:-

2. That the opening sentence of the second paragraph should read "The formal removal of Mrs. F.M. Ighodalo from the Board of Directors was done by a motion moved by Mr. Elemide and seconded by Mr. Amon."
3. That paragraph three should contain the word temporary, with the result that the sentence now reads "The temporary Chairman, Mr. Amon, then formally introduced Mr. George-Taylor as a new director of the Company." He further proposed that the next sentence should read "In his introductory speech, he referred to the Company as one run with sincere motives and whose Directors cooperate actively in a spirit of give and take. It is a Company capable of immense success."
4. That the last sentence of paragraph five should read "The Assistant Secretary was asked to write to the Federal Commissioner of Income Tax to enquire about duration of the extension of time being requested by the Company and the date of expiration."
5. That the opening paragraph of paragraph eight should read "On the accounts of the Company, the Chairman reported that the Accountant was working on the records of the accounts of the Company,....." In the same paragraph the phrase "accounts record available in the Company" should read "record of accounts of the Company."
6. That the end of the first half of paragraph nine should read "Meanwhile the Board decided to invite Dr. Choudhuri, an Indian Fibre

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expert now in Canada to take up appointment in the Company as Plantation Manager."

7. That the first sentence of the second half of paragraph eleven should end with"..... is very cheeky and constitutes a bluff to be called off."

£8,000 OWED BY THE GOVERNMENT

8. The Chairman said that he, the Managing Director and the Secretary Mr. Olutayo would continue to press for the payment of the balance of £8,000 still owed by the Government for its share-holding in the Company.

BUILDINGS OCCUPIED AT BADAGRY BY THE EXPATRIATE STAFF

9. Mr. N.O. George-Taylor was requested to contact Mr. Nagaty in order to collect the documents of the Company still in his possession. Some of the documents are believed to contain facts on the transaction in respect of some of the buildings occupied by the expatriate staff of ^{the} Company, at Badagry. As Mr. George-Taylor was not present at the meeting, the matter was deferred for another meeting.

TOURIST CENTRE

10. The Chairman reported that the Ministry of Trade and Industry was working on the letter written to the Ministry in which the Company expressed its intention to rent the Tourist Centre as at present.

ACQUISITION OF LAND AT BADAGRY

11. Mr. O. Olutayo reported that the Ministry of Trade and Industry had accepted the reasons given by the Company for wanting to acquire 120 acres of land at Badagry. He said that action was proceeding on the matter.

VISIT TO BADAGRY AND INTERVIEW OF THE SIX EXPATRIATE AND THREE NIGERIAN MEMBERS OF THE TECHNICAL STAFF

12. The Board fixed Wednesday 2nd August, 1967 for the visit of the Members of the Company's Board of Directors to Badagry. The six expatriate and the three Nigerian Members of the Technical Staff of the Company would be interviewed by the Management Committee on that same day, at Badagry.

OVERDRAFT FROM BANK

13. The Chairman disclosed that after the Board had taken the decision on the manner in which the Company was to enjoy overdraft facility from both the Barclays Bank and the United Bank for Africa, it had become known that the Barclays' Bank was not going to review the conditions it had earlier laid down for granting overdraft facility to the Company. It was prepared only to reduce the rate of interest for the overdraft. In the light of the above the Chairman asked ~~the~~ the Board to consider getting the £100,000 overdraft from the United Bank for Africa alone. The Board finally unanimously resolved to enjoy the £100,000 overdraft facility from the United Bank for Africa only. The Chairman then informed the meeting that the signing of the

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necessary documents for the overdraft from the United Bank for Africa by Chief I.O. Dina would soon be completed, and that within a week from the time of the meeting, the documents duly signed would get to the Managing Director."

CONTRACT WORK AT WASIMI

14. With the Accountant, Mr. Morakinyo in attendance, the Board considered the list submitted on the contract work done on the Kenaf Plantation of the Company, at Wasimi. The contents of the list were discussed exhaustively. Among other things, the list showed that the stumping and clearing of new area was carried out at three different rates of pay viz. £5, £7, and £9 per acre, depending on the thickness of the area of land cleared. The area of land so cleared amounts to 3,491.9 acres, costing £23,380 2/-. The area of land re-cleared this year covers 1,366 acres and at £2.10/- per acre it costs £3,415 to re-clear. Some plots already cleared but not yet passed are 200 acres and would involve a payment of £1,400 to the contractors in due course. The total area of land thus cleared with stumps removed is 5,057 acres and costs £28,195.

Other expenses are shown as follows:-

Wages of labourers and Tractor Operators	-	£3,548.	1.	3
Petrol		1,409	17	4
Plank Houses		420	-	-
Tarpaulin		344	9	1
Spare parts, stabilizer, snails polish, etc.		800	-	-
With the total cost of stumping and clearing w.				
	which is	28,195	-	-

The total expenditure on Wasimi Plantation to date is therefore £34,717 7 8

15. Other statements of accounts submitted are a list of creditors of the Company and an Interim Manufacturing, Trading and Profit and loss Account for a period of six months ending on 30th June, 1967. The interim report showed that on the average, 2,150 bags were produced daily. With such a low production, the cost per unit of bags was 8/8d resulting in a loss of 5/5d on every bag. The note added to the interim statement of account pointed out that until the production of bags was stepped up to the neighbourhood of 10,000 bags a day, the Company might not find it easy to pay its way. Copies of the list of creditors of the Company and the interim Manufacturing Trading and Profit and Loss accounts earlier distributed to members, were retained by them for further studying.

KENAF PLANTATION PROJECT

16. During the discussion on this item, Mr. Akin. Oderinde was in attendance. The removing of stumps and clearing at Wasimi, as revealed by the report on clearing contract done at Wasimi submitted earlier, showed that more area of land than could be reasonably planted with kenaf this year had been cleared. In order to utilized the rest of the cleared land not planted with kenaf, the Board decided, after much deliberation, that such

...../8

57 41

area not planted with kenaf should be used in planting late maize, ~~CASSAVA~~ and guinea corn. Mr. Oderinde was directed to consult Mr. Amon for necessary assistance in carrying out the planting of late maize. Mr. Amon advised that it was late to start planting guinea corn, then, the idea of planting it was dropped.

17. At this stage, the Chairman stated that he wanted certain points to be borne in mind namely:-

- i. That the cost of stumping and clearing is a capital expenditure.
- ii. That the cost is to be amortized over a number of years.
- iii. That all the area of land already cleared should be utilized economically.
- iv. That there should be no more clearing until the area of land already cleared has been planted with kenaf.
- v. That the company has to find money for its Kenaf Plantation project.

18. The Chairman disclosed that the land on which the Company now cultivates kenaf is only on rent to the Company. He, therefore advised that the Company should purchase it then, as it would cost the Company more money to acquire the land when the owners of it **would** have become more conscious of the value of the land. While still on this item, Mr. Oderinde called the attention of the Board to certain quantity of fertilizer which the firm supplying it to the Company had diverted to the Northern States, presumably in error. He added that such a situation could affect the planting programme for the plantation as there would be shortage of fertilizer. The Board directed him to pursue the matter seriously.

PURCHASE OF DECORTICATORS

19. The Board reviewed what happened during harvesting period last year and recalled that sufficient decorticators were not made available in time. The result was that much of the planted fibre could not be decorticated in ~~time~~ to yield good ribbons. In order to guard against similar bottle-neck this year, the Board then decided on buying 20 more decorticators to the 61 which the Company has already. From the list shown to the Meeting by the Accountant, the allocation of the 61 decorticators was indicated as follows:-

<u>STATION</u>	<u>No. of Decorticators</u>
Iloria	4
Ogbomosho	4
River Valley	2
Washangari	6
Wasimi	13
Ipokia	1
Ado-Odo	1
Eruwa	9

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<u>STATION</u>	<u>No. of Decorticators</u>
Idi-Iya	3
Ajowa	2
Ishua	1
Igbogila	1
Ibara-Orile	1
Ikenne	1
On Wasimi Road	1
Badagry	7
Badagry not in good condition	2
Fashola not in good condition	2
	<u>61</u>

20. The Managing Director introduced to the Meeting the letter he received from Mr. Gardella on the purchase of forty more decorticators. The letter stated that each decorticator would be sold along with 11 to 12 tons of kenaf. The Managing Director explained that the Italian Government would allow payment for decorticators to be spread over five years, as the Gardella was proposing to do, only if they were sold with some quantity of fibre. The Board, however, re-affirmed that the Company would buy only 20 decorticators, but accepted to purchase all the fibre that would have been sold with 40 decorticators i.e. 447 tons of kenaf. Thus the need for additional quantity of fibre to supplement that being produced locally, would be considerably reduced. During the course of the discussion on this item, the Managing Director gave certain information which was considered to be very useful i.e. "1,000 tons of fibre will produce one million bags."

21. A memorandum titled "NIFINCO PLANTATION AT WASIMI" submitted by Mr. Oderinde, was discussed. The memorandum contains details of the labour and the material required to cultivate 6,000 acres of kenaf Plantation by the Company. The Board expressed appreciation for the effort of Mr. Oderinde in preparing the memorandum and asked him to effect some amendments to it. In addition, he was directed to produce another memorandum covering the cultivation of 12,000 acres of kenaf plantation by the Company.

Before bringing the meeting to an end, the Board fixed 17th August, 1967 for the next meeting of the Board of Directors and directed the Managing Director to write a letter to Mr. Gardella to request him to attend the meeting.

Thus, the meeting came to an end at 2.44 p.m. after a motion to bring the meeting to a close had been unanimously adopted.

CPIO
~~SA 2 (A)~~

CR 31/7

Pages 53-58 submitted fl.
 2. See also P.S (Part) min. at p.52 please.

O.A. BELLO
 ASSISTANT SECRETARY

C O P Y

CONFIDENTIAL

MINISTRY OF TRADE AND INDUSTRY

ADMINISTRATION AND GENERAL DIVISION.

IBADAN. WESTERN STATE.

Your Ref. No.

Our Ref. No. C.822/1/16

Date 15th Aug., 1967.

The Permanent Secretary,
(Political and Administration),
Office of the Military Governor,
Agodi, Ibadan.

Minutes of Board of Directors of Corporations
and their Subsidiaries.

With reference to your Circular Letter No. SP/C.119/760 of
23rd May, 1967, I am directed to forward herewith copies of minutes
listed hereunder:

- PP.60-64
- (i) Minutes of the 1st - 4th meetings of the Board of Directors of Westexinco held on the 5th, 21st, 31st July, and 5th August, 1967, respectively.
 - (ii) Minutes of the 1st and 2nd Statutory Meetings of Westexinco held on the 5th and 21st of July, 1967.
 - (iii) Minutes of the 11th meeting of the Board of Directors of NIFINCO held on the 3rd of August, 1967.

(Sgd.) J.B. Alakuro
for Ag. Permanent Secretary,
Ministry of Trade and Industry.

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THE REPORT ON THE VISIT OF THE BOARD OF DIRECTORS OF
NIGERIA FIBRE INDUSTRIES COMPANY LIMITED TO BADAGRY
ON THURSDAY 3RD AUGUST, 1967 AND THE MINUTES OF THE
MEETING OF THE BOARD HELD ON THE SAME DAY IN THE ROOM
OF THE MANAGING DIRECTOR AT THE FACTORY, AT BADAGRY

PRESENT

Mr. T.S.B. Aribisala	-	Chairman
Mr. I.E. Prandi	-	Director (Managing)
Mr. T.A. Akinyele	-	Director
Mr. E.O. Elemide	-	Director
Mr. B.O.E. Amon	-	Director
Chief Moyo Aboderin	-	Director

ABSENT

Mr. A. Gardella	-	Vice Chairman
Mr. N.O. George-Taylor	-	Director

IN ATTENDANCE

Mr. Adebajo	-	Secretary
Mr. O.A. Bello	-	Asst. Secretary

It would be recalled that at the meeting of the Board of Directors of the Company held on Thursday, 20th July, 1967, the decision was taken that the members of the Board would visit Badagry to see the various activities of the Company and to interview the six Italian and the three Nigerian members of the technical staff of the Company, for formal appointments. In consequence, the members of the Board as shown above arrived at the Company's Factory at Badagry on the morning of Thursday 3rd August, 1967.

2. On the arrival, the members were conducted round the various offices in the factory by the Assistant Secretary while the Factory Manager took them round the factory which was then in working session and he explained the different phases of the Factory operations to the members. Among the places visited by the members of the Board are, the Factory including the separate apartment for the Power House, the Retting Centre, the storage for decorticated kenaf, and the Tourist Centre.

3. At 2.10 p.m. one of the main purposes of the Board's visit to the factory, that is the conducting of interview for the six Italian and the three Nigerian members of the technical staff, for the purpose of formally offering them appointments began.

4. In his introduction at the beginning of the interview, the Chairman pointed out that the interview was a formality to regularize the appointment of the people concerned as they had all been working for the Company.

5. The person interviewed first was the Factory Manager, Mr. Aldo Lagostena. During the interview, he gave the following information about himself: That he was born at Genoa in 15th July, 1926. He is married and has two male children. In 1948, he obtained a degree from a Technical

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Industrial College. He underwent Textile training with the Gardella Company from 1949-51.

6. Mr. Lagostena's experience comprises his working for Itemcoop Jute Mills, in Manilla Philippines as head of Spinning and Preparation section for (600 looms) during the years 1952-59. He was also responsible for erection of Textile Mills, abroad on behalf of the Gardella Company. From 1960-62 he was a Technical Manager of Shahi Jute Mill in Iran with Machinery supplied by the Gardella Company, and he was from 1962-64, a Technical Manager of Dofitei Jute Mills, in Saigon, Vietnam. He was responsible for the erection of the NIFINCO's Factory at Badagry. Thereafter, he has been working as the Factory Manager for the Company.

7. Mr. Giovanni Devincenzi - who was next interviewed is the Assistant to the Factory Manager. He was born at Genoa in Italy on 25th January, 1911. He is married and has two male children. He obtained a degree from the Technical Industrial College.

8. As regards experience, he was employed as Assistant to the Head of Weaving Section in Costa Jute Mill, Genova between 1931-33. From 1933-50 he was the head of the weaving section of a Jute Mill. He worked as a Technical Manager in Phillipines Fibre Processing Company in Manilla between 1951-61. The average number of looms operated in each of the places he worked in, is 300. He was the Assistant Technical Manager in ~~in~~ ~~Intifid~~ e. Canapificio di Plazzola Brenta - Padova, Italy from 1962-66. He has been in charge of the training of weavers in the NIFINCO Factory at Badagry.

9. Mr. Valdo Arrigoni - who was interviewed next was born at Laspezia (Italy) in 8th April, 1937. He is married and has a child, now four years old. He was an Assistant Technician of the weaving section of 700 looms for Jute bags of the Monte-Catini Jute Mills at Laspezia. In 1965 he participated in the erection of the Company's factory at Badagry and has, after that, been working as the head of the Spinning Section for the factory.

10. Mr. Mario Manca - According to the information made available at the interview, he was born in Genoa Italy on 15th July, 1925. He is married and has an 11 year old child. He obtained a degree in the Technical Industrial College. He was employed by the Gardella Company as a specialist in erection of spinning plants overseas. He was in Nigeria from 1965 for the erection of Company's Factory at Badagry and has thereafter been working in the Factory as the head of the spinning section.

11. Mr. Edoardo Manfredi - was born in Italy on 3rd February, 1924. He is a bachelor. He was employed for over ten years by Industria Juta of Aquata Scrivia, Italy as a loom tester for 300 looms. He came to Nigeria on 3rd October, 1966 for the erection of the factory at Badagry and has since been working in the factory as a loom tester.

12. Mr. Claudio Guglielmini - was the last of the six Italian Technicians to be interviewed on the day. At the interview he gave the following information about himself: That he was born at Aquata Scrivia in Italy, on 22nd May, 1913. He is not married. He worked for Industria Juta of Aquata Scrivia in Italy from 1937-50. Between 1950-55 he was employed by the Itencop Jute Mill Manilla and from 1956-66 he was back with Industria Juta (Jute Mill) as a loom tester. He has been at Badagry since 3rd October, 1966 as a loom tester in the Company's factory.

13. When the six Italians at Badagry had all been interviewed, the three Nigerian Members of the Technical staff were next interviewed in turn.

Mr. M.B. Ayeni - was the first to be interviewed in the next group. He, who at present is in charge of the electrical installations in the Factory at Badagry, gave the following information during the interview: That he was born at Badagry on 1st May, 1943 and he attended St. Gregory's College where he obtained a Grade III School Certificate. He also attended the Federal School of Science Lagos to study Physics Pure Mathematics and applied mathematics in 1964.

14. Later on the acceptance of his application to work in the proposed factory of the Company, on 15th March, 1965 he was sent to the Gardella Training School of Genoa, Italy for Textile Technology, Mechanical and Electrical maintenance of a textile Factory. In addition he attended the "Centro Iri Per la Farmazione e L'addestramento Professionale of Genoa, Italy, for a specialization course in electro - mechanical engineering. He returned to Nigeria on 30th September, 1966 after 18 months training in Italy having obtained a certificate in Textile Technology and a diploma of the University of Genoa-Italy for taking a course in Italian Culture and Literature.

15. Mr. S.A. Balogun - was born at Badagry on 15th March, 1933. During the interview, he stated that he had his Secondary school education at St. Paul's Commercial College, Aba. For his experience, he worked for the U.A.C. Motors at Aba between 1954 and 1955. He was employed for the textile section of A.G. Leventis from 1955-56. During the year 1956-64 he worked in many sections of the Egun-Awori District Council. Later he was considered for training for the proposed factory of the NIFINCO and on 15th March, 1965 was sent for the training in Italy. Among the institutions he attended while in Italy are, the Gardella Group Companies in Bolgna (manufacturer of decorticating and textile machines) (i) Gardella Company at Genoa (manufacturer of bags and ropes) (ii) Manifattura di Juta in Poute a Marino (manufacturer of Jute Bags) (iii) Filatura di Dronero in Dronero (manufacturer of carpet). At the end of his eighteen months training, he obtained a diploma in Textile Technology of Bast and Leaf Fibres.

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He also stated that the field of his specialization is in the preparation spinning and weaving Technology of Bast Leaf Fibres for manufacturing of bags, bailing, twine and carpet backing. He is at present attached to the Plantation Division of the Company and he has responsibility for the using of decorticators in decorticating harvested kenaf. He stated that he had been with the Company since 7th December, 1965 and like each of the other two Nigerian members of the Technical staff, he is at present on £720 per annum.

16. Mr. M.A. Semako - who was the last to be interviewed on the day, was born at Badagry on 30th November, 1931. He was educated at St. Gregory's College and obtained a grade II West African School Certificate at the end of his secondary School Course. He also possesses a G.C.E. (O Level) Certificate. During the interview, he said that he received six months training in Local Government from where he obtained a Grade 'B' certificate. Later he attended a course at Yaba Technical Institute in 1960 for supervisory and Junior Management Technique. He stated that he applied to be considered for employment in the Company at its formative stage and was consequently sent to Italy where he was trained in Fibre Technology and was awarded a diploma entitled "Scuola Addestramento Professionale Meccanica - Tessile".

17. For his experience, he stated that he worked with Egun-Awori District Council, and after a course in supervisory and Junior Management Technique at Yaba Technical Institute, he became the Manager of the Council's Coconut Fibre Factory from 1959-60. As a trained Secretary/Treasurer, he served in many councils. His last salary before he left the Unified Local Government Service in December, 1964 to proceed to Italy was £479 per annum. He stated that he joined the Company on 22nd November, 1965 and up to the time of the interview, he was in fact in charge of the Retting Centres and participated in the Preparation section of the Factory. He is on a salary of £720 per annum in the Company.

18. During the interview Mr. Lagostena told the members of the Board that in order to train Nigerians to manage the entire operations of the Factory well, he needed to stay in Nigeria for four years out of which he had already spent a year. However, he wants to stay for as long as ten years, if possible. At the end of the interview the expatriate staff made a representation on the non-payment of part of their salaries since they had been working for the Company. The Chairman supported by the Managing Director, undertook to see that they were paid all the salaries due to them, in time, particularly their salaries up to 30th June, 1967 which according to the Managing Director, had already been prepared by the Accounts Department.

19. It would be recalled that during the interview each of the three Nigerians members of the Technical staff was asked to say in which of

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~~23~~

the technical sections of the Company he would prefer to work. In their reply, Mr. Ayeni affirmed that he would like to continue in the maintenance section which includes responsibility for the power house. The other two gave the impression that they would be willing to work in any section of the factory, but Mr. Ayeni went a little further to identify his preference with the preparation section.

20. The interview ended at 3.11 p.m. and the members of the Board thereafter left for Ibadan after they had visited the proposed dispensary for the factory, the improvised canteen and the site for the proposed standard canteen for the Company.

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SP/C.124/5 ✓



MINISTRY OF TRADE AND INDUSTRY

DEVELOPMENT DIVISION
IBADAN · WESTERN NIGERIA

Your Ref. No.....
All communications should be
to the Permanent Secretary quoting
Our Ref. No.....

C.822/1/18

CONFIDENTIAL

Date..... 30th August, 1967

The Permanent Secretary,
(Political & Administration),
Office of the Military Governor,
Agodi,
Ibadan.



Minutes of Board of Directors of
Corporations and their Subsidiaries

I am directed to refer to your circular No.
SP/C.119/760 of 23rd May, 1967 and to forward herewith
a copy of the minutes of the Board of Directors of
Nigeria Fibre Industries Company Limited, held in
Ibadan on 17th August, 1967.

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c. 4/9

J. B. Alakuro
J. B. Alakuro,
for Permanent Secretary,
Ministry of Trade and Industry.

ARCHIVING

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MINUTES OF THE BOARD OF DIRECTORS OF NIGERIA FIBRE INDUSTRIES COMPANY LIMITED HELD ON THURSDAY, 17TH AUGUST 1967 IN THE BOARD ROOM OF THE COMPANY, ON 23RD FLOOR OF COCOA HOUSE, IBADAN

PRESENT

Mr. T.S.B. Aribisala	-	Chairman
Mr. A. Gardella	-	Vice Chairman
Mr. I.E. Prandi	-	Director (Managing)
Mr. N.O. George-Taylor	-	Director
Mr. T.A. Akinyele	-	Director
Mr. E.O. Elemide	-	Director
Mr. B.O.E. Amon	-	Director
Chief Moyo Aboderin	-	Director

IN ATTENDANCE

Mr. A.O.B. Ogunlowo	-	Secretary (Representing)
Mr. O.A. Bello	-	Assistant Secretary

This meeting which was mainly to discuss the Accounts and Plantation Project of the Company started at 11.30 a.m. At the meeting was Mr. A.O. B. Ogunlowo who represented Mr. S.A. Adebajo, the Secretary, who could not attend because of other official engagements.

2. In his introductory speech, the Chairman welcomed Mr. A. Gardella to the meeting on behalf of the entire members of the Board. Then the meeting proceeded to consider the adoption of the minutes of the 10th Meeting of the Board held on Thursday 20th July, 1967 and the Report on the visit of the Board of Directors to Badagry on Thursday 3rd August, 1967.

3. Two amendments were proposed by Mr. I.E. Prandi as follows: That lines 4-8 of paragraph 20 of the Minutes of the Board of Directors meeting of 20th July, 1967 should be re-written to read: "The Managing Director explained that to obtain facility of paying the 447 tons of fibre in five years, the Gardella Company suggested adding the cost of 12 tons of fibre to the cost of each of the forty decorticators.

In fact the Italian Government would not grant licence for payment of fibre in five years, since the fibre is to be paid by the Gardella Company in cash at the time it is purchased. The Board decided to purchase twenty decorticators instead of forty and I stated I was confident that the Gardella Company would be prepared to supply, just the same, the whole quantity of 447 tons of fibre by including the cost of 24 tons of fibre (instead of 12) to the cost of each of the twenty decorticators."

Also the last but one sentence of paragraph 19 of the Report on the visit of the Board to Badagry should read:- "but Mr. Semako went a little further" and not "but Mr. Ayeni....."

After the two proposed amendments had been accepted, the minutes and the reports were unanimously adopted.

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£8,000 OWED BY THE GOVERNMENT

4. The Chairman wondered why the entire £23,000 which the Government was owing the Company had not been paid, after the Military Governor had issued an instruction for the payment. Thus, Mr. Akinyele was requested to assist in ensuring an early payment. The Chairman said that he and the Managing Director also undertook to assist in anyway they could to prevail on the Government to make payment early.

TOURIST CENTRE

5. The Chairman and Mr. George-Taylor undertook to ensure that the Company is authorised to occupy the Tourist Centre before Mr. Gardella returns to Italy. As soon as the authority to occupy the centre is given to the Company, Mr. Gardella said that he would look into the possibility of providing the centre with water and light as requested by the Board.

BUILDINGS OCCUPIED AT BADAGRY BY THE EXPATRIATE STAFF OF THE COMPANY

6. Mr. George-Taylor had earlier been requested to contact Mr. Nagaty to obtain from him all the documents of the Company still in his possession some of which were believed to contain information on the transaction in respect of some of the buildings occupied by the expatriate staff of the Company at Badagry. At this meeting Mr. George-Taylor reported back that he had not yet been able to contact Mr. Nagaty as the later was away in the Mid-West. In the circumstances, Mr. Gardella promised that he would, send from Italy his Company's photostat copies of the documents relating to the buildings.

ACQUISITION OF LAND

7. During the discussion on this item, Mr. Gardella recalled that the original request by the Company was for 261 acres of land. Out of this, 128 acres were earmarked for the Retting Centre. The Chairman remarked that the Company was experiencing some difficulty in acquiring 128 acres of land which it applied for recently. The Ministry of Trade and Industry had asked for reasons to justify the acquisition of the 120 acres of land. As the original request, as disclosed by Mr. Gardella, is for as much as 261 acres of land, Mr. Gardella agreed to produce the reasons put forward for the Company's earlier request to acquire 261 acres of land.

The Chairman added that Legal experts were looking into the general question of a land acquisition, now that Badagry is in the Lagos State.

REFINING CENTRE

8. The Chairman expressed dissatisfaction for the non-erection of the Refining Centre by now and for allowing most of the material intended for the centre to rust away. In his explanation, Mr. Gardella said that the land to be used for the Refining Centre was yet to be filled by the Government. He pointed out that, at a time when the Gardella Company was proceeding with the filling of the land, Mr. King, the former Acting Managing Director instructed that the work should stop, as according to him, the Government had no money.

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9. On a motion by Chief Moyo Aboderin and seconded by Mr. B.O.E. Amon the Board unanimously resolved: "That Mr, Adriano Gardella should proceed with filling the land to be used for the Refining Centre and that he would be reimbursed later by the Company. He was also requested to submit an estimate of the cost involved in the filling to the Chairman, before carrying out the assignment."

OVERDRAFT FROM BANK

10. For the benefit of Mr. Gardella who was not present when the overdraft from either the Barclays Bank or the United Bank for Africa was discussed, the Chairman gave a short account of previous decisions of the Board on the overdraft and of the action taken so far. He said that he expected that the Permanent Secretary, Ministry of Finance would have signed the necessary papers, for the overdraft by the time of the meeting. Contrary to his expectation, however, the Ministry of Finance had asked that Mr. Gardella should sign a letter of indemnity for the Gardella Group's share-holding in the Company. The Chairman added that the Ministry of Finance had now agreed to sign the letter without a letter of indemnity by Mr. Gardella. The Chairman finally said he would ensure that the papers were signed before the next week.

ACCOUNTS OF THE COMPANY

11. The various papers on the accounts of the Company submitted by the Accountant were considered. The Accountant who was invited to attend the meeting when this item was being considered pointed out that he experienced difficulty in compiling some statements because many of the supporting vouchers for many of the figures in the Company records of accounts were not available. After remarking that he had submitted to the Company photostat copies of many bills on two previous occasions, Mr. Gardella promised to submit once again another set of photostat copies of the required bills to the Company. He said that the Accountant would be expected to receipt for the copies.

In order to obtain and keep a complete record of various correspondence and documents of the Company Mr. Gardella proposed that either the Assistant Secretary, or/and the Accountant should come to Italy to look into the various records in the office of the Gardella Company and make photostat copies of the correspondence and documents relating to NIFINCO. When the amount of money that such trips would involve was taken into account, it was decided that the Accountant would visit Italy first, at the Company's expense and that the Assistant Secretary would go later at the expense of the Gardella Group.

£112,000 LOAN FROM ITALY

12. The Chairman remarked that in the light of the interest shown from the different quarters, in the way the £112,000 loan from Italy to the Company, had hitherto been spent, it was important that Mr. Gardella should give a detailed account of the manner in which the money was spent.

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Consequently Mr. Gardella submitted to the members a copy each of the letter dated 29th August, 1966 which he wrote to the then Secretary of the Company, Mr. J.A. Adediran on the finances of the Company, making particular reference to how the £112,000 overseas loan to the Company was being spent. In the letter, Mr. Gardella referred to the 3rd Meeting of the Board of Directors of NIFINCO which discussed the very serious problem of prompt financing of the Company to meet very urgent payments. At that time, the letter went on, the Government, had yet not paid the £83,000 which was then overdue to the Company, ~~and that~~, the Company needed money urgently to pay the salaries of the Nigerian workers in the factory and to purchase fibre and other commodities. The Company was faced with either of two alternatives: to find money to meet these pressing expenditure or to close down the factory. In order to fulfil the decision of the same 3rd meeting of the Board, earlier referred to above, that the Gardella Company should maintain the Factory in operation, his Company spent its own money to meet the urgent expenses. The letter went **further** to say that in accordance with the decision of the Board as contained in point (iii) on page 12 of the minutes of the meeting of the 3rd June, 1966, only the sum of £83,000 should be deposited with one of the mentioned banks in order to obtain the overdraft of £120,000. That, he added, was the reason why the £112,000 financed by his Company was to be used for the well known urgent payments i.e. salaries, fibre, and other commodities necessary for the operation of the factory. The letter then added that in the discussions during the 3rd meeting of the Board referred to earlier and also at subsequent meetings with the Chairman, the Vice President of the Gardella Company and Dr. Giudice had always pointed out that a large amount of the £112,000 was to be used and was in fact being used for the purchase of a part of jute fibre of 1,300 tons which the Board had ordered his Company to purchase.

RENT OF PRINCE SIJUADE'S BUILDING BY THE COMPANY

13. In the paper submitted by the Accountant, he was of the view that the Gardella group should be made to refund to NIFINCO, £950 rent together with electricity charge of £44.18/- and telephone bills paid on Prince Sijuade's building, because while NIFINCO paid the rent, it was the employees of the Gardella Company who lived in the house. Messrs. Gardella and Prandi however explained that the building was used at different times by the employees of NIFINCO as well as those of the Gardella Company. After further explanation, the Board agreed that it was difficult to apportion the amount involved to the two Companies on the basis of the periods for which the employees of the two Companies occupied the building. At this stage, the meeting adjourned at 1.05 p.m. to enable the Chairman to attend to another important and urgent engagement and other members to have their lunch.

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14. When the meeting resumed at 2.42 p.m. the discussion on this item continued. The Board finally decided that the Gardella Company should bear one-third of the bill while NIFINCO would be responsible for the remaining two-thirds. The Gardella Company would be responsible for the wages of the watchman and the houseboy.

TAXES ON THE INCOME OF THE EXPATRIATE STAFF & PAYMENT OF DOMESTIC SERVANTS

15. During the discussion on this item, Mr. Gardella argued that the salaries he proposed to be paid to the expatriates were supposed to be nett and the Company would therefore be responsible for the taxes on the salaries of the expatriate staff. The Chairman explained that it was customary in this country for expatriates to pay taxes on their income by themselves. The Board gave due regard to the argument of Mr. Gardella and unanimously decided that the salaries of the expatriates be increased to absorb the taxes which the expatriates had to pay themselves on their income. They also decided that the expatriate staff would be responsible for paying the wages of their domestic servants. To this end, their salaries would be adjusted to accommodate the amount involved. Both the salaries adjustment and the refund from their salaries for the amount already paid to the domestic servants, would be effective from the date of their respective appointments.

HOTEL EXPENSES

16. Chief Aboderin informed the Board that he issued a cheque for £200, which had since been paid back to him by the Company, to settle the Airport Hotel expenses incurred during the official opening of Factory at Badagry. As the Hotel is still pressing for payment of £146.5/-, the actual original amount of the hotel expenses, Mr. George-Taylor was requested to look into the claim.

17. The Board decided that Mr. Gardella and not NIFINCO would be responsible for the bill for hotel expenses of £50. 18s.3d incurred while Mr. Prandi went to Lagos to meet Mr. Constantino Gardella and Dr. Giudice while they were returning from Tanzania.

GOODWILL

18. The Board directed that the Accountant should give a detailed account of the sum of £91,043.10s.8d shown on his balance sheet as goodwill.

SIGNING OF CHEQUES

19. The Chairman informed the meeting that he was deciding to assign the responsibility of signing of cheques to two of the Senior members of staff of the Company, especially as there is now a Budget to guide the expenditure of the Company. He, therefore proposed that the Board should consider authorising the Managing Director with either the Accountant or the Assistant Secretary of the Company to be the two signatories on the Company's cheques. He explained that it was inconvenient and time wasting for the cheques to be brought to him to sign. Such an arrangement could work serious hardship on a commercial establishment.

20. Mr. George-Taylor then moved a motion which was seconded by Mr. Elemide and unanimously adopted: "That the Managing Director and the Accountant of the Company be and are thereby appointed as the signatories on the Company's cheques up to the maximum of £5,000 on any one occasion and that in the absence of either of the two, the other is authorized to sign the cheques with the Assistant Secretary of the Company."

SUPPLY OF KENAF FIBRE

SUPPLY FROM LOCAL SOURCES

21. The Chairman, speaking on the supply of kenaf to feed the factory, stressed once again the point that the Government of Western Nigeria (now Western State) anticipated the production, locally, of sufficient quantity of good quality fibre to feed the Badagry factory before establishing it. As a result he wanted the problem of the cultivation of sufficient quantity of fibre for the factory to be given serious attention.

22. Mr. Gardella, who spoke next, expressed fully agreement with the view of the Chairman on the cultivation of a large quantity of kenaf locally. To buttress his point, he said that until the Company was able to obtain all the quantity of the fibre required for the factory locally, it would always be at the mercy of the speculators in the fibre market. As the prices of kenaf in the world market fluctuates very often, he urged that everything possible should be done to ensure that sufficient fibre is obtained locally.

23. The Chairman then proposed that the Company should endeavour to cultivate 25,000 acres of kenaf within the next three years. A committee of five members comprising Messrs. A. Gardella, I.E. Prandi, N.O. George-Taylor, E.O. Amon and T.A. Akinyele was set up to hold a meeting with Mr. Oderinde, the Plantation Manager at 9 a.m., on Thursday 24th August, 1967 in the office of the Chairman, to consider the Plantation Project of the Company.

SUPPLY OF KENAF FROM OVERSEAS

24. Mr. George-Taylor requested the Board to consider the quality of fibre required for the factory and the overseas sources from which it can be obtained. Mr. Gardella then produced some copies of documents showing current world market trends in fibre. The information contained in the documents confirmed the views expressed earlier that there is much fluctuation in the prices of fibre. The documents also showed that fibre is at its cheapest prices in the world market during the period January to April. Mr. Gardella further explained that there were two ways of purchasing the kenaf. One of them is by buying the whole quantity of fibre required for a given period, say one year, at the time of the year when the price of kenaf is considered very cheap, another is by buying it occasionally as need arises. While the first method could be applied by a big Company like Montecatini in Italy, he advised that NIFINCO, which had not got much money, could apply the latter.

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25. Mr. Gardella proceeded to give the idea of the quantity of imported fibre that would be required to attain the expected level of production of 10 million bags. The right quality of fibre, he said, would contain about 3% loss. Therefore, 11,000 tons of fibre will produce 10 million bags.

1 ton, on the average, costs	£100
hence 11,000 tons of fibre will cost	£1,100,000

QUANTITY OF BAGS REQUIRED BY THE MARKETING BOARD THIS YEAR

26. At the instance of the Board, Mr. Elemide informed the meeting that the Marketing Board was expecting to buy six million bags from the Company this year. At 3/3d per bag, the six million bags were calculated to cost £975,000.

27. Members of the Board then put forward two proposals for consideration. The first is:-

That the Marketing Board be called up to supply the Company with the fibre needed to produce all the quantity of bags needed by the Board. In return, the Marketing Board would pay the Company for the bags delivered to them, less the cost of fibre supplied to the Company.

(ii) The alternative is that the Marketing Board be asked to loan the Company money required to purchase kenaf to produce all the quantity of bags they require from the Company.

28. Mr. Elemide said that while he was not opposing the idea of putting forward the first of the two proposals above, for the consideration of the Marketing Board, he did not think the Board would very much like the idea of being involved in the purchase of fibre. Chief Aboderin who spoke in support of Mr. Elemide's view, stressed that purchasing of fibre is a specialized business, as such, he did not think that the Marketing Board should be bothered with such a business.

LETTER FROM THE MARKETING BOARD

29. The Chairman informed the meeting of the letter received from the Marketing Board, requesting to be informed of the number of bags the Company would be able to supply the Board this year. The letter went further to state that the Badagry factory had 80 looms in operation. It drew comparison between the production capacity of certain Indian looms and those of the Company and then expressed doubt as to the Company's ability to produce as many bags as it said it could.

30. Mr. Gardella swiftly corrected some of the statements made in the letter by informing the meeting that in the Factory at Badagry, there were 98 looms and ~~four~~ for training. The factory, he added, was capable of producing 12,000 bags in a period of eight hours.

31. After exhaustive discussion on the production capacity of the Company's factory, the Board agreed that the factory could produce up to two million bags with the available quantity of fibre, and it could comfortably

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produce all the quantity of bags required by the Marketing Board if the Board would provide the Company with money to enable it purchase the quantity of fibre required for the production. The Board directed that this fact be communicated to the Marketing Board in reply to their letter.

APPOINTMENT OF A NEW SECRETARY

32. Mr. A.O.B. Ogunlowo informed the Chairman that Mr. S.A. Adebajo who he was representing at the meeting, had asked him to inform the Board that he, Mr. Adebajo had earlier introduced himself to members of the Board during their visit to Badagry on Thursday 3rd August, 1967, as the new Secretary of the Company by virtue of his taking-over from Mr. Olutayo, the former Secretary of the Company. As such, he added, it would be taken that the Board had been duly informed of his appointment as the new Secretary.

33. Subsequently, Mr. T.A. Akinyele moved "that Mr. S.A. Adebajo be and is thereby appointed the Secretary of the Company". The motion was seconded by Mr. George-Taylor and was unanimously adopted. Earlier another motion for the formal removal of Mr. Olutayo had been unanimously passed. Further to the formal appointment of the Secretary, the Board added that the Ministry of Trade and Industry should not be appointing the Secretary for a Company that has a full Board of Directors. But the Board meanwhile, accepts the appointment of Mr. S.A. Adebajo as the Secretary of the Company."

34. After the motion to bring the meeting to an end had been unanimously adopted, it ended at 6.05 p.m.

C.P.I.O.

Pl see this file from p. 52

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CR.



MINISTRY OF TRADE AND INDUSTRY

SP/C 124/5

DEVELOPMENT DIVISION
IBADAN · WESTERN NIGERIA

Your Ref. No.....
All communications should be
to the Permanent Secretary quoting
C. 822/1/20
Our Ref. No.....

CONFIDENTIAL

Date..... 8th Sept., 1967

The Permanent Secretary,
(Political & Administration),
Office of the Military Governor,
Agodi,
Ibadan.



Minutes of Board of Directors of
Corporations and their Subsidiaries

With reference to your Circular letter No.
SP/G.119/760 of 23rd May, 1967, I am directed to
forward herewith a copy of the minutes of an Ad Hoc
Committee of the Board of Directors of Nigeria Fibre
Industries Limited, held in Ibadan on 24th August, 1967.

P. 1
19.76-84

(J.B. Alakuro)
for Permanent Secretary,
Ministry of Trade and Industry.

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MINUTES OF THE MEETING OF AN AD HOC COMMITTEE OF
NIGERIA FIBRE INDUSTRIES COMPANY LIMITED HELD IN
THE OFFICE OF MR. B.O.E. AMON AT THE SECRETARIAT
IBADAN, ON THURSDAY, 24TH, AUGUST, 1967

PRESENT

Mr. T.S.B. Aribisala	-	Chairman
Mr. B.O.E. Amon	-	(Director (Presiding at the Meeting))
Mr. A. Gardella	-	Vice-Chairman
Mr. I.E. Prandi	-	Director (Managing)
Mr. N.O. George-Taylor	-	Director
Mr. T.A. Akinyele	-	Director

IN ATTENDANCE

Mr. A. Osobu	-	P.A.E., M.A.N.R., Ibadan
Mr. A. Lagostena	-	Factory Manager
Mr. A. Oderinde	-	Officer i/c of the Company's Plantation.
Mr. S.A. Balogun	-	Officer i/c of Kenaf Plantations
Mr. J.A. Morakinyo	-	Accountant
Mr. O.A. Bello	-	Asst. Secretary

This meeting which was called as a result of the decision reached by the Board of Directors of the Company at their meeting of Thursday 17th August, 1967, was to consider the Plantation project of the Company. The meeting was presided over by Mr. Amon, as Mr. T.S.B. Aribisala was not present at the beginning of the meeting.

FIBRE CULTIVATION FOR THIS YEAR

The Chairman of the meeting, Mr. Amon, outlined the course, of the meeting in his opening address. He informed members that the kenaf already planted this year by the Company and various farmers would be considered first, and that the memorandum for the cultivation of 6,000 and 12,000 acres respectively by the Company, submitted by Mr. Oderinde, would be considered next.

The meeting proceeded to consider certain written information furnished by Mr. Balogun. According to the information, the area of land planted with kenaf this year by the Company and by various farmers are as follows:-

Wasimi Company's Plantation	2,028 acres
Oyo West Division	1,000 "
Oyo East Division	595 "
Ibarapa Division - Eruwa	493 "
Oshun North Division	388 "
Oshun South Division	6 "
Ilesha	16 "
	<hr/>
	4,532 "
	=====

Mr. Osobu added that at Ipoti and Mushin there were also 125 and 100 acres of kenaf respectively. He said that both were planted early enough for them to be about ready for harvesting. The kenaf at Ipoti, for instance, was planted in Mid-May, this year. The meeting gave due regard to the information that the fibres at Ipoti and Mushin were planted early, and therefore instructed Mr. Balogun to visit the places soonest to determine the harvesting period at the places and convey the decorticators required for the places early.

He would then visit other places to draw up a schedule of harvesting periods and to ensure that decorticators required at different places are provided. He was also to furnish information on the relative acreages of the two varieties of fibre planted in the different places. Mr. Oderinde who is in charge of the Company's kenaf Plantation at Wasimi gave a report that the Wasimi was planted with two species of kenaf namely, *Hibiscus cannabinus* and *Hibiscus sabdariffa*, each occupying equal area. The former was planted up to the end of June while the latter up to July. He added that as Cuba grew more rapidly than *Sabdariffa*, it would be possible to spread out the harvesting period.

In a reply to a suggestion by Mr. Osobu, Mr. Oderinde said that the Company had ordered sixteen mowers, but they had not yet been delivered to the Company. Mr. Osobu, however, insisted that the best way to handle the large acreage of the crop was by reciprocating mowers mounted to tractors. He urged the Company to endeavour to obtain them and if necessary to borrow available ones from the Ministry of Agriculture and Natural Resources.

Earlier, when the meeting was discussing the inspection of various areas planted with kenaf to determine their harvesting periods, Mr. Balogun explained that he had been experiencing some difficulty in having transport facility for visiting the different places concerned, as no vehicle has been particularly put at his disposal. The Directors, especially Mr. Gardella, stressed the need to provide Mr. Balogun with transport facility. Mr. Amon, remarked that while the meeting acknowledged the need for Mr. Balogun to have transport of his own for efficient performance of his official duties, the meeting could not decide the issue of providing him with personal car facility since this is bound up with the condition of service which is under consideration for members of the Company's technical staff, of whom Mr. Balogun is one. At this stage Mr. Aribisala joined the meeting but requested Mr. Amon to continue as the Chairman.

While still on the discussion on the touring of the various kenaf plantations, the meeting decided that the Company's van.

conveying mechanics to different plantations should be put at Mr. Balogun's immediate use. At the instance of Mr. Osobu, Mr. Balogun was asked to join Mr. Shotubo, who has a car, on either Monday or Tuesday, to tour various kenaf plantations and prepare a schedule of harvesting periods for the various places to be visited.

Mr. Akinyele had earlier pleaded that as the Company was experiencing transport difficulty, priority should have been given to need rather than luxury. In which case, he argued, the car WAV 580 ought not to have been sent to Badagry for the use of the Assistant Factory Manager, who was earlier without the car and who could have continued meanwhile to manage with the car being used by the Factory Manager. Mr. Gardella argued that the using of a car by the Assistant Factory Manager was not a luxury and Mr. Prandi too affirmed that the Assistant Factory Manager needed the use of a car.

CULTIVATION OF KENAF BY THE LOCAL FARMERS

Mr. George-Taylor suggested that farmers should be encouraged to plant a given acreage, so that the Company could look forward to obtaining locally a determinable quantity of fibre. Mr. Oderinde told the meeting that the farmers would be very eager to cultivate large acres of kenaf, but they had been handicapped by lack of sufficient materials required for the cultivation e.g. seeds and fertilizer.

6,000 ACRES OF KENAF PLANTATION

The next item considered was the memorandum submitted by Mr. Oderinde on the cultivation of 6,000 acres of kenaf plantation by the Company. Mr. Osobu who had earlier received a copy of the memorandum had examined and criticized it constructively. He had therefore brought forward, a written suggestion on the memorandum. The meeting considered the memorandum submitted by Mr. Oderinde in the light of the amendments and suggestions to the memorandum by Mr. Osobu and finally agreed on the costs and investments and of operation for the cultivation of 6,000 acres of kenaf plantation, as recorded in the paragraph which follows.

STAFF REQUIREMENT

- 1 Plantation Manager: Quali- - Farm Mechanisation Qualifica-
fications - tion.
(Agricultural Engineering
+ some years of suitable
experience) Reasons: Virtually all the
operations are mechanical,
and any deficiency in mecha-
nisation will adversely
effect the very fabric of the
success of the plantation.
- 1 Deputy Plantation Manager - As above; Duties: To coordi-
Qualifications (S.A.S.) nate the plantation officers;
to order and procure materials
seeds, fertilizers fuel, oil
etc.
- 3 Plantation Officers Duties: They are to arrange
(A.S. I) for the necessary require-
ments of materials and labour
for their respective units.
- 3 Field Superintendents: Must have farm mechanisation
qualifications. Their duties
will consist of setting of the
machinery for work, checking
their operations in the field,
organising all mainte-
nance services and checking
logbooks and records.
- 6 Agric. Machinery Super- One per 10-12 tractors:
visors: (Chargemen) Duties: to lead the group to
the field, to undertake const-
tant inspection and supervi-
sion while working; to guide
and check their operations;
to arrange and supervise the
field maintenance operations:
Daily and weekly (There are
80-84 such operations/Mech.
Supervisor)
- 12 Field Assistants Duties: To assist Field
Superintendents.
- 60 Agric. Machinery Operators Duties: To operate tractors
and other agricultural imple-
ments.
- 40 Headmen Decorticator These will be required only
Operators + block headmen during the harvest i.e. the
peak period. This depends on
the number of blocks into
which the field is divided
for harvesting.
- One headman/block. The men
can be arranged from the nor-
mal and regular labour of the
plantation.

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WORKSHOP

- | | | |
|----|-------------------------|--|
| 1. | Workshop Superintendent | - <u>Qualifications:</u> (Agric. Engineering Technician Certificate) with suitable post - qualification experience. <u>Justification for the grade requested.</u> Each tractor will make 15 essential calls annually in the workshop. The implements will call 3-6 times per year. These calls are besides possible attention for repairs after break-downs. There will be a minimum of 60 tractors, 66 ploughs, 20 harrows 11 Combine drills, 20 mowers, 80 trailers, 40 decorticators, etc. each requiring attention on the average about 12 times every year. |
| 2 | Tech. Officers | <u>Qualifications:</u> (Full Technical Certificate of City & Guild in Agric. Mechanics.) |
| 4 | Foremen | One to 15 tractors and the associated implements etc. |
| 15 | Agric. Mechanics | <u>Qualifications:</u> Art. II Int. City & Guild in Agricultural Mechanics. |

OTHER REQUIREMENTS

- 2 Land Rovers: 1 to organise spare and Agric. machinery field services.
1 for the other needs of the plantation.

COSTINGS

(i) CAPITAL - Agric Machinery

60	medium - Power tractors (20MF 65, and 40 MF 35)	@	£1,045	£62,700
20	3 - Furrow Ploughs	@	140	2,800
40	2 - Farrow ploughs	@	160	6,400
24	Disc harrows	@	200	4,800
11	Combine Drills		500	5,500
80	3 - ton tipping trailers	@	300	24,000
20	Reciprocating Mowers	@	150	3,000
3	Spinner Broadcasters	@	130	390
				£109,590
	TOTAL			

DEPRECIATIONS

A tractor under such good management and care as envisaged by the staff requirement, will do 8,000-10,000 hours i.e. 8-10 years, a modest optimism assumes eight years. This is double the span
..../6

given on the paper prepared by Mr. Oderinde. No implement (even the most fragile, like harrows) is expected to have less than 2,000 hours. Only the mowers may be expected to last just 1,000 hours at the worst i.e. four years to depreciate:-

The land Rovers will be depreciated over 100,000 miles i.e.

5 years @ 20,000 miles/year.

10% of initial cost of machinery will be set for spares.

Workshop & Equipment: £5,000 : The building will be depreciated over 25 years and the equipment over 10 years.

Recurrent Expenditure
To Cultivate and Plant

One acre will cost	£2.14/-	=	(Fuel, spares, tyres, wages of operators and mechanics.)
	1.16/-	=	Depreciation
i.e.	4.10/-	=	per acre cultivated and planted
+	3 - -	=	cost of 2 cwt. fertilizer
	5 - -	=	cost of 15lbs. seeds
	- 1 - -	=	Land rent per annum.

£12.11.6d
=====

REVENUE

With optimum conditions such as envisaged in the proposed organization, one ton of ribbon/acre will be a very modest estimate, indeed. The Research Division gives 1.2 tons. Therefore ¾ ton/acre will be the worst expectations, i.e. Gross Revenue of £135,000 based on that yield per season is the worst expectation.

ESTIMATION OF POSSIBLE PROFIT

It may be easier to estimate the total operation cost (less the overhead charges of building and P.E./^{of}staff) and deduct this from the Revenue. The operation costs include depreciations in the machinery and £10/acre i.e. per ton of ribbon is considered as the reasonable overhead charge (to cover all the P.E. Staff, Offices, buildings, quarters etc.)

Therefore, net profit is estimated at (£30-23) = £7/acre
(on basis of 1 ton ribbon per acre)

It is possible to eliminate one of the 2 discings and still prevent weeds; if the trial proves successful, then the net profit will rise by 17/6d to £7.17s.6d per acre.

ROTATION OF CROPS

It was pointed out that to satisfy the production of 6,000 acres of fibre annually, assuming that a field could be used in two successive years, a simple four-course rotation of say kenaf-kenaf-maize-cassava would require 12,000 acres exclusive of land for roads offices etc.

The meeting agreed on the essence of introducing rotation crops to the cultivation of kenaf, that is, to maintain soil fertility and minimise diseases and pests on the kenaf crop grown in the rotation with the kenaf, it was pointed out that the guiding factors should be that:

- (i) It should be possible to cultivate the other crop or crops on profit making basis.
- (ii) The crop or crops should be the type(s) that can be introduced to the farmers after it has been successfully tried on the Company's plantation.

The following crops were suggested for trial:

1. Groundnuts.
2. Maize
3. Rice
4. Cow peas
5. Cassava.

The possible use of a leguminous non-edible cover crop to maintain fertility was discussed. It was suggested that a cover of one year, duration which gave no visible income was too long and that consideration should be given to a shorter term leguminous crop, or rice which will provide a large quantity of dry matter for incorporations in the soil. The Chairman requested Mr. Osobu to consider the comparative economy of planting rice and maize.

The meeting decided that the experience to be gained from the cultivation of 6,000 acres of kenaf would enable the Company to plan for the cultivation of 12,000 acres with Mr. Osobu in the light of the various points raised when his paper for 6,000 acres plantation was considered.

REFINING CENTRE

The meeting directed that one Pressing Centre should be built at Wasimi to cope largely with the Company's plantation and that the location of other centres should be determined in the light of a later development.

At this stage a motion to bring the meeting to an end was unanimously adopted having been moved by Mr. N.O. George-Taylor and seconded by Mr. T.A. Akinyele. The meeting ended at 12.42 p.m.

ARCHIVES OF OSOBAO

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Preliminary Report on the Fire which Occurred on the
Premises of Messrs. Nigeria Fibre Industries Limited,
Badagry

At about 10.30 a.m. yesterday Wednesday, the 24th of January, a report was received in Ibadan to the effect that a fire had started in the single storey store building of this Company in Badagry. The building is estimated to be about 250 feet long and 75 feet wide and was normally used for storing bales of jute which is the raw material for manufacturing bags and sacks by the Company.

2. As soon as this report was received, the Chief Fire Officer in the Ministry of Home Affairs and Information was informed and he immediately arranged for two of his fire fighting lorries with the Firemen to proceed to Badagry. The Chief Fire Officer also proceeded to Badagry to supervise the fire fighting himself. Information has now been received that before the arrival of the Chief Fire Officer at the factory, the factory workers and the local people had already started to fight the fire although they were initially handicapped by shortage of water until fuel was made available to the Nigeria Water Resources Development Company Limited which later on arranged for water supply. On the arrival of the Chief Fire Officer and one of his fire fighting lorries (the second one had broken down on the way), the firemen, the factory workers, the local people, the troops of the Nigerian Army located in the area, and the members of the Nigerian Police Force in the area, worked for the rest of the day and throughout the night of the 24th and eventually put the fire under control although the jute in the store is still burning and may continue to smoulder for the next day or two. The Chief Fire Officer and the Assistant Secretary of the Company are now back in Ibadan and have given me a few details which are summarized below:

(1) Cause of Fire:

This is still being investigated but might be due to unquenched cigarette ends, sabotage or electrical sparks due to electrical faults.

(11) Damage Caused by Fire:

The store building was very badly damaged as well as nearly all the stock of jute which, according to the stock records, would be about 140 tons. Only the steel frames of the building are likely to be usable. The main factory building was not damaged by the fire except for the windows on the side^{of the} store which got badly cracked and will have to be replaced.

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(iii) Estimated Value of Damage done to the store building:

(a)	Original cost of store building	-	£34,061
(b)	Estimated value of stock of jute bales about 140 tons at £93. 10/- per ten	.. .. .	£13,090
(c)	Estimated value of damage to windows of main factory building	.. .. .	£ 100
	Total	..	<u>£47,251</u>
	or approximately	-	£50,000

3. Insurance - The Company's records show that the store building valued at £34,061 was insured for only £15,000 while the stock of raw jute valued at £13,090 was insured for only £11,250 by the Managing Director. Thus, the total amount claimable from the Insurance Company which, incidentally, is Messrs. Great Nigeria Insurance Company Limited, is only £26,250. The reasons for insuring these assets below their normal values will be investigated in detail when the Managing Director who is understood to be away to Italy, but is being recalled immediately, is available. The estimated irrecoverable loss to the Company, therefore, is not likely to be less than £20,000 and may even be as much as £24,000.

4. I am arranging to visit the factory early next week for a detailed check of the causes of the fire and the extent of the damage.

H.S.A. Adedoji
(H.S.A. Adedoji)
Ag. P.S.,
Ministry of Trade & Industry,
25th January, 1968.

ARCHIVED

Y.E.,

Nigeria Fibre Industries Limited, Badagry

The Permanent Secretary, Ministry of Trade and Industry sent last night the attached Report which gives information of the preliminary inspection carried out by members of his staff and the Chief Fire Officer on the Nigeria Fibre Industries Limited, Badagry which was reported to have caught fire two days ago. Y.E.'s suggestion that the Commissioner for Trade and Industry should visit the site was mentioned to the Permanent Secretary but he was of the opinion that it would not be possible to go near enough to assess the damage done properly until Monday when, in the view of the Chief Fire Officer, the fire should have completely subsided. He was however going to put the matter to the Commissioner.

2. Y.E. would wish to read this Preliminary Report.

(J. M. Beckley),
P.S. (P. & A.),
26/1/68.

Issued

26/1

Mto

C.P.I.O.

Pl follow up the effect which this unfortunate fire accident has had on the factory.

J.B.
31/1/68

CONFIDENTIAL

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SP/C.124/5/89

February, 1968.

Thru* The Permanent Secretary,
Ministry of Trade & Industry,
Ibadan.

To The Chairman,
Nigeria Fibre Industries Co., Ltd.,
Cocoa House,
P.O. Box 1564,
Ibadan.

Dear Sir,

Nigeria Fibre Industries Ltd., Ibadan

I am directed to say that His Excellency, the Military Governor, has for some time been having some anxiety not only on the financial position of the above-mentioned Company, but also on its viability.

2. In 1965, the Technical Partners in the business expressed concern about the steady rise of the world price of kenaf fibre, and it was then suggested to the Company that the project would be better run economically if it could obtain clean fibre from local sources by establishing a Processing Kenaf Factory for retting and refining of fibre which would be fed by 60 mobile decortivating equipment and 12 pressing machines. Sequel to this suggestion, it was decided on the 4th day of October, 1965 to enter into an agreement to establish a Processing Kenaf Factory with allied equipment capable of producing 5,400 tons of clean fibre per annual cropping at a cost of \$625,076. It was further decided that this capital outlay would be raised as follows:

(1) The Company's Equity Capital of \$500,000 should be increased by \$400,000 to make \$900,000. The additional \$400,000 is to be contributed by the following bodies:

- (a) The Gardella Group, otherwise known as the Technical Partners \$100,000
 - (b) The Western State Government \$300,000
- \$400,000

(ii) The balance of \$225,076 would be raised as loans, and should attract interest at the rate of 7½%. Repayment by the Company will be made in the following manner:

- (a) The sum of \$25,019,000 shall be paid on 10th of February, 1967;

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(b) One third of the sum of Cstg. 124,528.10/- shall be paid each of the following dates viz: the 10th of August, 1967, the 10th of February, 1968, and the 10th of August, 1968.

3. So far, the Government has since paid up \$288,000 of the additional Equity Shares leaving a balance of \$12,000 and the Western State Marketing Board guaranteed the loan of \$220,075 on behalf of the Government. As the Company has been unable to reduce its commitments when repayment fell due, it has since devolved on the Marketing Board to meet its obligation as the guarantor. The total amount of \$124,526 has since been paid by them in this regard.

4. The Gardella Group who are supposed to commission the factory and supply the allied equipment have failed to do so, despite the fact that, as contractors, they have been paid the total cost thereof of \$620,075 since 1965. His Excellency, the Military Governor, is now of the opinion that the outstanding balance of the loan should not be met until the Gardella Group have completed the factory, and that interests already paid by the Marketing Board on behalf of the Government on the loan raised as also those to fall due later should be met by the Gardella Group as penalty for the unnecessary delay in completing the contract. In pursuance of this, he has directed that the Gardella Group should not be allowed to transfer or sell any part of their shares in the Company until the project is completed.

5. His Excellency, the Military Governor would very much like the factory to be completed and ready to commence operation within the next nine months. He would also like the Board of Directors to examine the possibility of building the Processing Kenaf Factory outside Badagry in the newly-created Lagos State.

6. His Excellency would be pleased to know the result of action taken by you on or before 1st March, 1968.

7. Further communication will be addressed to you in due course on other points arising from the investigation carried out by this Office.



N. G. George
(N. G. George)
Chief Projects Investigation Officer.

CONFIDENTIAL

P.S.(P.&A.),

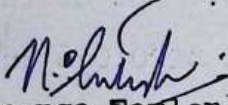
I respectfully wish to refer you to pp.89-90. In it, I brought to the notice of the Chairman, Nigeria Fibre Industries Co., Ltd., through P.S.M.T.&I. the failure of the Technical Partners to comply with the agreement in respect of allied equipment of the processing kenaf factory. The amount involved is £620,076, and had been paid to the Technical Partners since 1965. Out of this amount, \$400,000 was contributed as shares and £220,076 was raised as loan. The Promissory Note of this loan was guaranteed by the W.S.M.B

2. The original intention was that this promissory note would be met by the Company at date of maturity, but as the Company was not in position to do so, the onus of payment therefore devolved on the Marketing Board. So far, £124,526 has been paid, thus leaving a balance of £95,550.

3. After discussing the matter with H.E., he supported the following lines of action:

- (i) £95,550, being the balance of the loan, should not be met by the Marketing Board until Gardella Group has completed the factory.
- (ii) The interest already paid by the Marketing Board on the loan of £220,076 and future accruing interest should be met by the Gardella Group as penalty for the unnecessary delay in completing the contract.
- (iii) The Gardella Group should not be allowed to transfer or sell any part of their shares in the Company until the project is completed.
- (iv) The factory should be completed and ready for operation within the next nine months.
- (v) The Board of Directors should examine the possibility of siting the said factory in the Western State since Badagry is now in the newly-created Lagos State.

4. At pp.89&90, I have complied with H.E.'s instructions. I shall be extremely grateful if you can get H.E. to ratify the above as soon as possible so as to enable me to request the W.S.M.B. to take action accordingly. The next payment will become due 10th February, 1968.


(N.O. George-Taylor),
C.P.I.O.,

2 Feb. 1968.

ARCHIVES OF O.T.S.C.A.C.

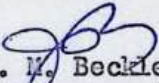
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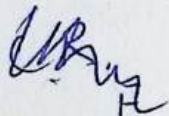
14 February, 1968. 93

The Chairman,
Western Nigeria Marketing Board,
Ibadan.

Nigeria Fibre Industry Limited, Badagry.

Further to our telephone conversation, Beckley/Akintomide of this morning, I forward herewith a copy of a letter addressed by the Chief Projects Investigation Officer in this office to the Chairman of the above Company. In keeping with the contents of the letter, recommendations have been made to His Excellency the Military Governor along the lines of a minute addressed to me by the Chief Projects Investigation Officer on the 2nd of February. A copy of the minute is enclosed as annexure II. Both the letter and the minute are forwarded to you for information and guidance. When His Excellency formally accepts these recommendations you will be informed.


(J. M. Beckley),
Permanent Secretary (Pol. & Admin.).



Y. E.,

C.P.I.O. has indicated in paragraph three of his minute at p.91, lines of action which Your Excellency has consented to in discussion. They have been brought to the notice of the Western State Marketing Board, but definite action awaits Your Excellency's confirmation.

2. Your Excellency is invited to confirm that such action could be taken.

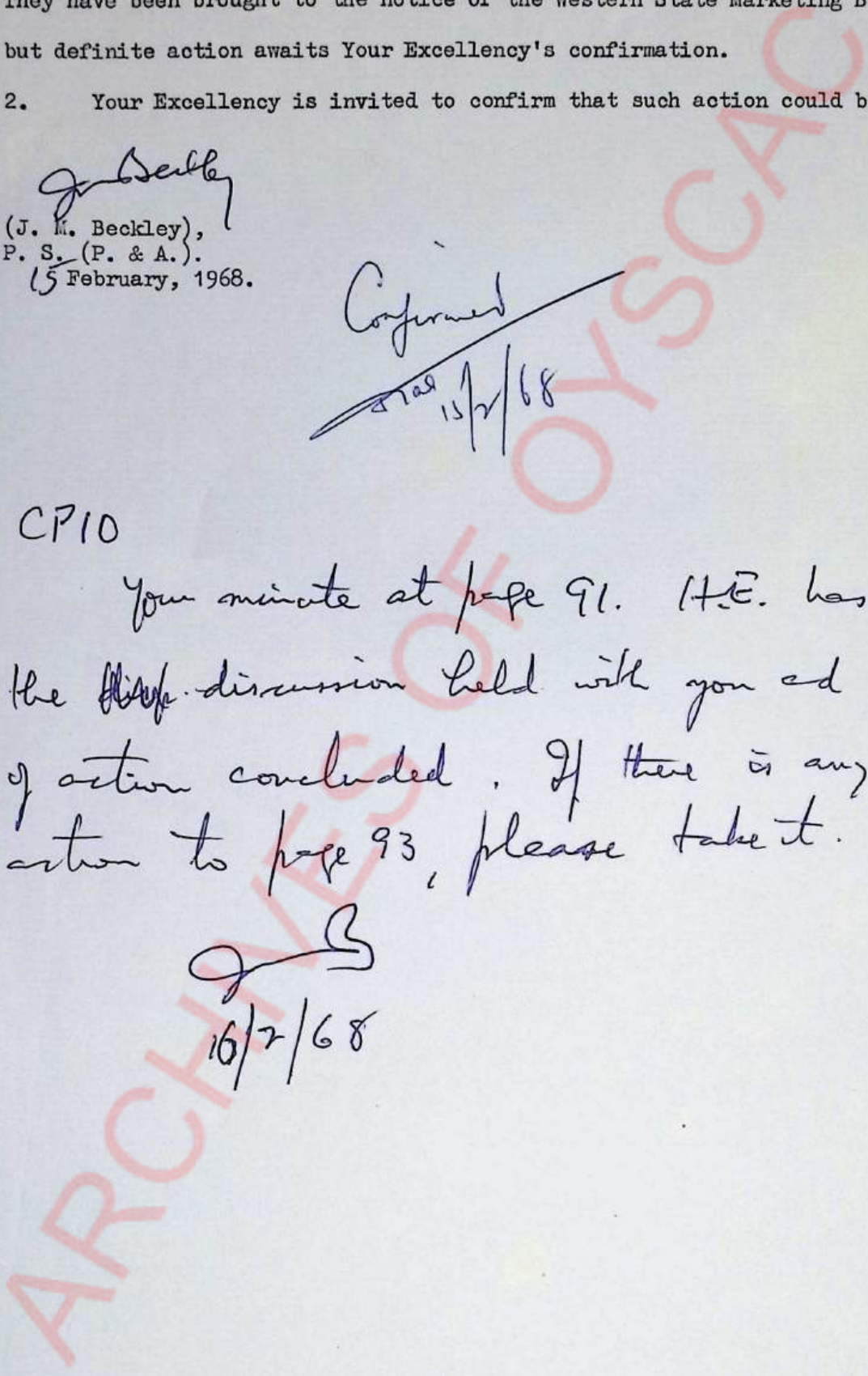
J. M. Beckley
(J. M. Beckley),
P. S. (P. & A.).
15 February, 1968.

Confirmed
15/2/68

CP10

Your minute at page 91. H.E. has confirmed the ~~disc~~ discussion held with you and the line of action concluded. If there is any further action to page 93, please take it.

J. B.
16/2/68



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NOTES ON THE INVESTIGATION CONDUCTED ON MONDAY 12TH
FEBRUARY, 1968 BY MR. N.O. GEORGE-TAYLOR (CHIEF PRO-
JECT INVESTIGATION OFFICER) WESTERN STATE OF NIGERIA,
TO OBTAIN FACTS ABOUT THE QUANTITY OF FIBRE DELIVERED
TO THE COMPANY BY THE COASTLINE AGENCY.

PRESENT:

Mr. N.O. George-Taylor	-	C.P.I.O.
Mr. I.E. Prandi	-	Managing Director
Mr. A. Lagostena	-	Factory Manager
Mr. M. Manca	-	Head of Spinning Section
Mr. J.A. Morakinyo	-	Accountant
Mr. A.A. Mate	-	Assistant Accountant
Mr. S.O. Agbeja	-	Store Keeper
Mr. G.B. Yusuf	-	Accounts Clerk
Mr. O.A. Bello	-	Assistant Secretary

The meeting for the purpose of obtaining the facts about the quantity of fibre recently delivered to the Company by the Coastline Agency, was held at the instance of Mr. N.O. George-Taylor, the (C.P.I.O.) and it started at 10.52 a.m.

The investigation started with Mr. N.O. George-Taylor interrogating Mr. S.O. Agbeja on the question of fibre delivered recently to the Company by the Coastline Agency before the outbreak of fire at the fibre store on Wednesday 24th January, 1968. To start with, Mr. Agbeja was made to accept that all he had to say during the interrogation would be nothing but the truth. Mr. Agbeja then proceeded, first to state the procedure he generally adopted in keeping his store record. He said that:

(i) If the bearer of fibre, invariably a lorry driver, delivered fibre with delivery notes, he used to sign two copies of delivery notes, with one copy returned to the driver and the other sent to the Account Department.

(ii) If the bearer of fibre, often a lorry driver, delivered fibre without a delivery note, he usually prepared and signed four copies of delivery notes. Of the signed delivery notes, one would be given to the lorry driver, two to the Accounts department, and the last copy was kept by himself for record purpose.

As regards the fibre received recently from the Coastal Agency, he gave the procedure he adopted as follows:

That he went to the warf and took delivery of the fibre as they were being unloaded from barges.

He said further that two of the Company's lorries, one carrying 54 bales and the other 8 bales per trip, and another used by the Coastline Agency which made only one trip before it broke down, were engaged in conveying the fibre from the warf to the store. He added that he was joining each of the Company's two lorries as it carried fibre to the fibre-store, and that he did not wait continuously at the fibre store to keep record of fibre as it was brought down in lorries. He also stated that, in accordance with instruction given to him by Mr. M. Manca that he should receive the fibre from the Coastline, but he should not sign for it, he did not issue delivery notes for the fibre that was delivered to him at the warf. Also no way bill was signed and no special written record was kept of the fibre received.

Mr. Lagostena, the Factory Manager, who spoke on the procedure laid down for the store-keeper to follow stated that on the arrival of a lorry load of fibre the weights of the bales of fibre would be determined by random sampling of weighing every 50 bales. Then way bills would be signed when the quantity of fibre carried by the lorry has been ascertained. When all the quantity of fibre to be delivered has been received by the Store keeper, the store keeper would issue goods-in note in quadruplicate. A copy would be given to the driver, (the bearer of the fibre), two other copies were sent to the Accounts department and the last was usually kept by the store keeper. Mr. Agbeja agreed that the procedure outlined by Mr. Lagostena was that laid down for him to be adopted.

When interrogated further, Mr. Agbeja admitted:

- 1 that he took delivery of the fibre from the Coastline Agency at the warf at Badagry and not at the factory site.

- ii. that he alone checked the fibre received from the Coastline Agency.
- iii. that he did not weigh the fibre and that the last time that he weighed fibre before receiving it into the store was about four months ago.
- iv. that he did not issue any paper at Badagry to certify the receipt of the fibre from the Coastline.
- v. that he went to Lagos to sign delivery notes on Friday 2nd of February, 1968 and back-dated it to Tuesday, 23rd January, 1968.
- vi. that the delivery note he gave to the Coastline Agency in Lagos was signed only by him, but not countersigned by the Factory Manager or any other officer duly acting in that behalf.
- vii. that even though he went to Lagos, according to him, on the instruction of Mr. M.B. Ayeni, he realised that Mr. Ayeni was not his boss.
- viii. that when he returned from Lagos where he signed the delivery notes for the Coastline Agency, he posted the receipt of the fibre into the books of the Company and back-dated the entry to 23rd January, 1968.
- ix. that he had delivered the signed delivery note to Mr. Yusuf of the Accounts section. Mr. Yusuf himself confirmed that he had entered the receipt of the fibre in the record book following the instruction he received from Mr. A.A. Mate, the Assistant Accountant, that he should keep all the stores record up to-date.
- x. that the manner in which he took delivery of the fibre said to be delivered recently to the Company by Coastline Agency, was a departure from the Company's procedure for store-keeping.

During the interrogation Mr. Agbeja first of all stated that he started taking delivery of fibre and conveying it to the factory site as from 21st January, 1968; later, he declared that

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it was from 18th January, 1968. According to Mr. Agbeja all the fibre, 555 bales, had been delivered to him and conveyed to the store by Tuesday 23rd of January, 1968. The following day 24th January, 1968 he was asked by Mr. Manca to submit a list of all the fibre received and he complied with the instruction by leaving the sheet he prepared on the table of Mr. Manca, as he used to do in the past. About two hours later the fibre store caught fire.

On his whereabouts after the fire incident at the fibre store, Mr. Agbeja stated that on 27th January, 1968, he left Badagry for his home town after he had received a telegram that his mother was ill. He returned on Wednesday, 31st January, 1968. On Friday 2nd February, 1968, he went to Lagos to sign delivery notes for the Coastal Agency and he returned the same day.

OBSERVATION:

During and after the investigation, Mr. George-Taylor observed, among other things that the Store keeper, Mr. S.O. Agbeja either:

- (i) was fraudulent
- (ii) was being used by some unscrupulous persons
- (iii) had entered into collusion with some persons to defraud the Company

OR

- (iv) was downright daft

Mr. George-Taylor further expressed disappointment at the poor show put up by Mr. G.B. Yusuf, of the Accounts department at Badagry, as Mr. Yusuf's manner of answering questions put to him by Mr. George-Taylor when he was being interrogated on the store record kept by him, was poor.

Mr. George-Taylor ended the meeting with the hope that further light might be thrown on the question of the fibre delivered to the Company by the Coastline Agency, so that a still more satisfactory conclusion might be reached.

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P.S.(P.&A.),

At pp.86-87, the PSMT&I has sent you an interim report on the fire which occurred on the premises of NIFINCO at Badagry.

2. This fire destroyed the store where raw materials consisting of retted and unretted jute fibres were stored. The position of the stock in the stores is at Appendix 'A'. In it, you will find out that a grand total of 338 tons of jute fibre (retted and unretted) amounting to £25,183 was destroyed.

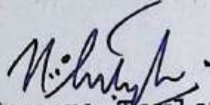
3. Please see pp.95-98 which contain the minutes of the meeting with the Management on the matter. It is quite clear that the Store-keeper in charge of the stores had not only flouted the instruction given to him by the Factory Manager but had also undertaken to sign delivery notes, a duty not within his competence. Although he has accepted responsibility for the resulting irregularities, he rejected the suggestion that he knew something about the fire, and that he collaborated with some people with a view to defrauding the Company.

4. Regards the Insurance, with respect, I disagree with that part of the PSMT&I's report at p.87, para.3, where he said that the Company's records show that the store building valued at £34,061 was insured for only £15,000, and the stock of raw jute valued at £13,090 was insured for only £11,250 by the Managing Director. The fact is that the total cost of all the NIFINCO buildings at Badagry was lumped together, as such, it is not possible to determine the value of each building. However, the replacement value of the destroyed store building is put at £25,564. This property was insured for £20,000 and not £15,000. In fact, £20,000 was the assured value since the inception of the Company.

5. The value of the jute fibres destroyed is £25,183 and not £13,090. This was insured for £15,000 and not £11,250 although a proviso has been made to the effect that the Company is prepared to pay additional charges on monthly returns rendered by the Company should the value of the stock increase above the

insured amount, and also to receive credit should the value fall below the insured amount. This proviso has put the Company in a favourable position to recover the total value of the stock of fibre destroyed. Stores' equipment destroyed by fire amounted to £8,987. Please see Appendix 'B'.

6. As the final report on the total amount recoverable from the Insurance Company is not yet ready, I think it will be wise at this juncture to ask PSMT&I who is incidentally the Chairman of the Board of Directors, to let us know the final decision on the matter.


(N.O. George-Taylor),

C.P.I.O.,

29 Feb., 1968.

ARCHIVES OF OYSCO

NIGERIA FIBRE INDUSTRIES COMPANY LIMITED.
BADAGRY - FACTORY.
COMPUTATION OF JUTE FIBRE BURNT ON 24TH JANUARY, 1968

Particulars	Local Unretted at K.R.C.	Local Unretted in Store	Local Retted in store	Fibre From the North	Imported
As on 9th Jan. 1968	398 tons	21 tons	46 tons	46 tons	44 tons
Addition up to Jan. 24th	3 tons	102 tons	12 tons	61 tons	45 tons
Total	401 tons	123 tons	58 tons	107 tons	89 tons
Less Retted Fibre in Store: $58 \times 100 = 161$ tons					
36					
Lagoon 10 tons					
K. R. C. 2 tons	173 tons				
	228 tons				
	=====				
Portion Destroyed by Fire		123 tons	42 tons	95 tons	78 tons
UNDESTROYED PORTION		NIL	16 tons	12 tons	11 tons
DESTROYED		123 tons	42 tons	95 tons	78 tons
Average Price per ton		£40	£80	£95	£101
Grand Total <u>338 tons</u>	<u>£25,183</u>	£9420	£3360	£9025	£7878

Note: Local Unretted Fibre were brought in to the burnt Store between January 8th and January 19th 1968.

NIGERIA FIBRE INDUSTRIES COMPANY LIMITED.
BADAGRY - FACTORY.
STORES' EQUIPMENT DESTROYED BY FIRE

Particulars

Cost

Particulars	Cost
	£
2 FORK LIFTS)	
6 WHEEL BARROWS)	1,265
AUTOMATIC DEVICE FOR TEASER	2,772
3000 SHEETS OF PLASTIC FOR FIBRE CONTAINERS	4,857
4 GLASS PANES FACTORY WINDOWS	10
BROKEN FACTORY DOOR	3
DAMAGE TO FURNI- TURE AND AIR- CONDITION IN THE FACTORY	80
	£8,987
	£8,987

P.S. (P. & A.)

Pl. see from p99 - p102.

N. S. M.
29/2.

103

March, 1968.

SP/C. 124/5/103.

The Permanent Secretary,
Ministry of Trade and Industry,
Ibadan.

Nigeria Fibre Industries Limited, Badagry

With your letter No. INV. 577/621 of 25th January, 1968, you forwarded a preliminary report on the fire which occurred in Badagry in the premises of Messrs. Nigeria Fibre Industries Limited. Since then, bits of information have reached His Excellency the Military Governor and recently the Chief Investigation Project Officer in this office has made certain enquiries.

2. I take it that you are now in a better position to give a fuller and more accurate assessment of the incident and of the loss incurred. His Excellency would like to have this kind of assessment including the chances of making up any loss under the Company's Insurance Policy.

(J. M. Beckley),
Permanent Secretary (Pol. & Admin.).

Issued
1/3/68

see p. 125

CPLO

We shall await a fuller report from
PSMTI.

1/3/68

ARCHIVE

Y.E.,

3/12 124/5
104
10/11 29/11
Nigeria Fibre Industries Limited, Badagry

P. 105-106
page 2

The Permanent Secretary, Ministry of Trade and Industry sent last night the attached Report which gives information of the preliminary inspection carried out by members of his staff and the Chief Fire Officer on the Nigeria Fibre Industries Limited, Badagry which was reported to have caught fire two days ago. Y.E.'s suggestion that the Commissioner for Trade and Industry should visit the site was mentioned to the Permanent Secretary but he was of the opinion that it would not be possible to go near enough to assess the damage done properly until Monday when, in the view of the Chief Fire Officer, the fire should have completely subsided. He was however going to put the matter to the Commissioner.

2. Y.E. would wish to read this Preliminary Report.

J. M. Beckley
(J. M. Beckley),
P.S. (P. & A.),
26/1/68.

ARCHIVES OF O.S.

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Preliminary Report on the Fire which Occurred on the
Premises of Messrs. Nigeria Fibre Industries Limited,
Badagry

At about 10.30 a.m. yesterday Wednesday, the 24th of January, a report was received in Ibadan to the effect that a fire had started in the single storey store building of this Company in Badagry. The building is estimated to be about 250 feet long and 75 feet wide and was normally used for storing bales of jute which is the raw material for manufacturing bags and sacks by the Company.

2. As soon as this report was received, the Chief Fire Officer in the Ministry of Home Affairs and Information was informed and he immediately arranged for two of his fire fighting lorries with the Firemen to proceed to Badagry. The Chief Fire Officer also proceeded to Badagry to supervise the fire fighting himself. Information has now been received that before the arrival of the Chief Fire Officer at the factory, the factory workers and the local people had already started to fight the fire although they were initially handicapped by shortage of water until fuel was made available to the Nigeria Water Resources Development Company Limited which later on arranged for water supply. On the arrival of the Chief Fire Officer and one of his fire fighting lorries (the second one had broken down on the way), the firemen, the factory workers, the local people, the troops of the Nigerian Army located in the area, and the members of the Nigerian Police Force in the area, worked for the rest of the day and throughout the night of the 24th and eventually put the fire under control although the jute in the store is still burning and may continue to smoulder for the next day or two. The Chief Fire Officer and the Assistant Secretary of the Company are now back in Ibadan and have given me a few details which are summarized below:

(i) Cause of Fire:

This is still being investigated but might be due to unquenched cigarette ends, sabotage or electrical sparks due to electrical faults.

(ii) Damage Caused by Fire:

The store building was very badly damaged as well as nearly all the stock of jute which, according to the stock records, would be about 140 tons. Only the steel frames of the building are likely to be usable. The main factory building was not damaged by the fire except for the windows on the side ^{of the} store which got badly cracked and will have to be replaced.

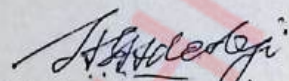
106
3

(iii) Estimated Value of Damage done to the store building:

(a)	Original cost of store building	-	£34,061
(b)	Estimated value of stock of jute bales about 140 tons at £93. 10/- per ton	.. .. .	- £13,090
(c)	Estimated value of damage to windows of main factory building	.. .. .	- £ 100
	Total	.. .. .	- <u>£47,251</u>
	or approximately	-	£50,000

3. Insurance - The Company's records show that the store building valued at £34,061 was insured for only £15,000 while the stock of raw jute valued at £13,090 was insured for only £11,250 by the Managing Director. Thus, the total amount claimable from the Insurance Company which, incidentally, is Messrs. Great Nigeria Insurance Company Limited, is only £26,250. The reasons for insuring these assets below their normal values will be investigated in detail when the Managing Director, who is understood to be away to Italy but is being recalled immediately, is available. The estimated irrecoverable loss to the Company, therefore, is not likely to be less than £20,000 and may even be as much as £24,000.

4. I am arranging to visit the factory early next week for a detailed check of the causes of the fire and the extent of the damage.


(H.S.A. Adedegbe)
Ag. P.S.,
Ministry of Trade & Industry,
25th January, 1968.

ARCHIVED

SP/C124/5



MINISTRY OF TRADE AND INDUSTRY

DEVELOPMENT DIVISION
IBADAN · WESTERN STATE OF NIGERIA

Your Ref. No.....
All communications to be addressed
to the Permanent Secretary quoting
Our Ref. No. **G. 822/1/28**.....



Date..... 22nd January, 1968

The Permanent Secretary,
(Political and Administration),
Office of the Military Governor,
Ibadan.

Minutes of Board of Directors of Corporation
and their subsidiaries

108-117

5-14

I am directed to refer to your circular No.

SP/C.119/760 of 23rd May, 1967 and to forward herewith
a copy each of the minutes of the 13th and 14th meetings
of the Board of Directors of NIFINCO held in Ibadan
on 4th December, 1967.

2/2

J. B. Alakuro
J. B. Alakuro,
for Permanent Secretary,
Ministry of Trade and Industry.

ARCHIVED

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MINUTES OF 14TH MEETING OF THE BOARD OF DIRECTORS
OF NIGERIA FIBRE INDUSTRIES COMPANY LIMITED, HELD
ON MONDAY 4TH DECEMBER, 1967 IN THE BOARD ROOM OF
THE COMPANY, ON THE 23RD FLOOR OF COCOA HOUSE IBADAN

PRESENT

Mr. H.S.A. Adedeji	-	Chairman
Mr. I.E. Prandi	-	Director (Managing)
Mr. S.A. Adebajo	-	Director
Mr. B.O.E. Amon	-	Director
Mr. L. Omole	-	Director
Chief Moyo Aboderin	-	Director

ABSENT

Mr. A. Gardella	-	Vice Chairman
Mr. T.A. Akinyele	-	Director

IN ATTENDANCE

Mr. J.B. Alakuro	-	Secretary (Representing)
Mr. O.A. Bello	-	Assistant Secretary

The meeting started at 10.35 a.m. with Mr. B.O.E. Amon temporarily presiding. Mr. I.E. Prandi moved "that Mr. H.S.A. Adedeji be, and is hereby appointed the Permanent Chairman of the Board of Directors of the Company". The motion was seconded by Mr. L. Omole and was unanimously adopted.

Mr. Adedeji then took over the chairmanship of the meeting from Mr. Amon. In his opening address, the new Chairman pointed out that one of the reasons for appointing the new Directors was to offer them an opportunity to serve NIFINCO still more efficiently than their predecessors had done. He remarked that the Company occupied a unique position in that it had an assured market for its product, therefore, it stood the chance of being a paying concern. Thus, he asked all members of the Board and the Management to work harder to ensure that the Company made profit.

2. Chief Moyo Aboderin responded by welcoming the Chairman and other newly appointed directors into the Board of Directors of the Company on behalf of the Technical partner. The Chairman then introduced all those present at the meeting to one another.

The Chairman observed that some delay was being experienced in the use of the lifts in Cocoa House and urged the Management to

1107

take up the matter. He advised that the Company could collaborate with the W.N.D.C. that occupy some of the top floors of the Cocoa House with a view to securing certain of the lifts for the exclusive use of those occupying the top floors.

4. The meeting then considered the minutes of the Board of Directors meeting of Thursday 17th August, 1967 and unanimously adopted them without amendment when Chief Aboderin had seconded the motion to that effect moved by Mr. Prandi. Matters arising from the minutes were considered next.

£8,000 OWED BY THE GOVERNMENT

5. The Board took note of the Managing Director's report that the sum of £8,000 owed to the Company by the Government had not yet been paid and directed that a letter of reminder should be written to the Ministry of Finance on the debt.

TOURISTS CENTRE

6. The Assistant Secretary informed the Board that the keys to the Tourists Centre had then been obtained. The Board thereupon directed that negotiation for the rent to be paid for the Tourists Centre should commence with the Ministry of Works and Transport which should also be informed that the Company should not be considered as taking effective occupation of the centre until electric light, pipe-borne water and necessary furniture had been provided for the Tourists Centre.

BUILDINGS AT BADAGRY OCCUPIED BY THE EXPATRIATE STAFF OF THE COMPANY

7. The Board directed that a letter be written to remind Mr. Gardella to furnish the photostat copies of the documents relating to the buildings occupied by the Company's expatriate staff at Badagry, which he had undertaken to provide at the 12th meeting of the Board.

8. The Board further directed that a comprehensive lists of the various documents which Mr. Soliman Nagaty was being requested to return to the Company, should be prepared. Thereafter, a meeting of the Board would consider the need to invite Mr. Nagaty to a meeting at which the recovery of the various documents from him would be discussed.

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ACQUISITION OF LAND

9. The Board directed that the Management should request Mr. Gardella to produce early, the reasons put forward in an earlier request by the Company for the acquisition of 261 acres of land at Badagry by the Company; The Board decided that the Company could go into negotiating their occupation of the pieces of land they occupied at Badagry and at Wasimi with their respective owners without having to wait for the Government to carry out the negotiations. During the consideration of this item reference was made to a Ministry of Trade Industry's letter INV.577/530 of 5th September, 1967 with an attachment LS641/30 of 30th August, 1967 from the Permanent Secretary, Ministry of Lands and Housing. The letter and its attachment were expected to be of assistance in the negotiation for the land at Badagry. The Board instructed that the negotiations should be referred to the Company's legal retainer for expert attention.

CENTRAL REFINING CENTRE

the filling of the land for

10. The Board examined the estimate of the cost of the Central Refining Centre put forward by Mr. Gardella. They decided that it was necessary to refer the quotation to the Ministry of Works and Transport to examine how good the quotation was and the possibility of obtaining a cheaper quotation, with the required degree of efficiency, by tender.

11. In order to avoid tying down the much needed working-capital, the Board decided that Mr. Gardella should in the meantime, be requested to state the time it would take to complete the filling of the land and the erection of the refining centre. Thus arrangement would be made to spend money on the filling of the land for the refining centre only as early as would be necessary to get the centre ready just against the time it would be needed. Mr. Gardella was also to be asked to confirm that no interest would be charged on the money he was making available for the filling. In order to guard against, if possible, the establishment of further heavy cost

capital-project of the Company at Badagry in Lagos State, the Board directed that the Management should contact the Water Division of the Ministry of Works and Transport on the possibility of getting the required volume of water with perennial flow within the Western State, to enable the Company build the Retting and the proposed Refining Centres in the State.

ESTABLISHMENT COMMITTEE

12. The Board observed that the term "Management Committee" given to a committee of the Board was a misnomer and that too much power had been delegated to it. The Board therefore resolved with a motion by Mr. Prandi seconded by Chief Aboderin "That the Management Committee be and is thereby abolished." The motion was unanimously adopted. Subsequently Mr. Amon moved "that an Establishment Committee be set up and that the following:-

Mr. I.E. Prandi
Mr. S.A. Adebajo
Chief Moyo Aboderin and
Mr. T.A. Akinyele

be and are thereby appointed members of the Establishment Committee" The motion was seconded by Mr. L. Omole and was unanimously adopted. The Board unanimously appointed Mr. Adebajo as the Chairman of the Committee while they directed that the Asst. Secretary would be the Secretary to the Committee. The Committee was assigned the duties of handling appointments, promotions, general conditions of service of certain category of the Company's employees and the Board went further to define the spheres of responsibilities for staff matters by the Management, and the Establishment Committee. The Management shall have responsibility for the appointments and other routine matters of the employees whose salaries are not more than £300 p.a. The Establishment Committee shall handle staff matters including appointments of employees whose salaries are above £300 p.a. but not more than £720 p.a. They shall also be responsible for making recommendations to the Board on the appointments and other general staff matters of employees whose salaries are above £720 p.a.

EXPATRIATES' SERVICE CONDITIONS.

12. When the General Conditions of Service of the Expatriate Staff of the Company came up for mentioning, Mr. I. E. Prandi spoke on the tax aspect of the remunerations of the expatriates. He argued that it was customary for the taxes on the Salaries of the Italians to be paid by the Company for which they offered their services wherever the Gardella had worked. Thus, he pleaded that the same should operate for the Italians in the Country. Other members of the Board however stated that it was the practice in this Country that every employee paid by himself, the tax on his earning. Mr. Prandi however, explained further that there were six expatriates at Badagry who were working overtime most of the time and he felt that if taxes were to be deducted from their remunerations they would not accept the Salaries then being paid to them.

13. The Board had regard for the argument and explanation of Mr. Prandi as contained above and directed that the Management should contact the Italian embassy to find out how the Italian Nationals in Nigeria were being treated as regards taxes on their earnings. The Board also asked the newly set up Establishment Committee to give further consideration to the remunerations of the Expatriate Staff of the Company and make recommendations thereon for the consideration of the Board.

14. Meanwhile the Board ratified the decision of the Meeting of the Management Committee of 31st October, 1967 on the signing of the Service Agreements by the Expatriate Staff of the Company. The decision of the Management Committee so ratified was "that the service contracts be signed with the remunerations of the expatriate staff fixed as decided upon at the 7th Meeting of the Management Committee of the 31st March, 1967",

SIGNING OF CHEQUES.

15. The Board was of the opinion that the proper thing was to assign the responsibility for signing the Company's cheques to the Managing Director and the Assistant Secretary of the Company. In consequence, with a motion by Mr. S. A. Adebajo, seconded by Mr. B. O. E. Amon, it was unanimously resolved "that the previous

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resolution of the Board of Directors meeting of the 17th August, 1967 by which the Managing Director and the Accountant were assigned the responsibility for signing the cheques for the Company be and is thereby cancelled." Mr. Amon then moved that the Managing Director and the Assistant Secretary of the Company be and are thereby appointed the signatories on the Company's cheques up to the maximum of £5,000 on any one occasion and that cheques for any amount exceeding £5,000 on any one occasion shall be signed by the Managing Director and the Chairman of the Company."

SUPPLY OF FIBRE FROM LOCAL SOURCES

16 During the consideration of this item Mr. Amon spoke at length on the problems encountered in the process of making fibre available for the operation of the factory. He expressed the view that the Management did not show sufficient concern in ensuring that sufficient fibre was made available to keep the factory working. On the cultivation of fibre locally, Mr. Amon reported that during the first harvesting period of kenaf cultivated by the Company, the decorticators needed did not arrive in time. During the second year, the decorticators were not well distributed to places where they were needed. He added that even at present, sufficient number of decorticators were not available. In answer to the Chairman's ^{appeal} ~~pleas~~ on the encouragement of other farmers in the cultivation of kenaf, Mr. Amon disclosed that the Ministry of Agriculture and Natural Resources was already doing much to encourage and assist local farmers on cultivation of kenaf.

17. Mr. Prandi, the Managing Director, however explained that while he was arranging to purchase fibre to ensure that the factory did not stop production due to lack of fibre as decided by a meeting of the Board, he was instructed to stop the importation of fibre by another meeting of the Board at which the former Chairman Mr. Aribisala was then present. He explained further that because of delay in taking firm decisions by the previous Board, the fibre offered for sale to the Company by the SODAK, a company in Dahomey, was sold overseas by the Company. He went

1754

further to show a letter to buttress his explanation. He further informed the meeting that a Company in the Northern States offering to sell 50 tons of fibre in November this year to the Company, disappointed the Company by supplying 23 tons of fibre only. The Managing Director pointed out that the Company had sufficient number of decorticators for the time being and that there was no sufficient fibre this year to keep all the decorticators fully occupied.

18. During the discussion on the Company's plantation project, Mr. Amon pointed out that NIFINCO was supposed to be an Agro-industrial concern. The Board took cognizance of the advice of the Chairman and the point made by Mr. B.O.E. Amon, and then decided:-

- (i) that much money should not initially be tied down to the cultivation of kenaf locally, while the Company was not finding it easy to obtain the working capital for the factory.
- (ii) that Mr. Amon should produce a comprehensive report on the acreage of kenaf that the Company could reasonably cultivate presently and the cost of such a plantation. The fact so made available in the report would then be taken into account in preparing the Company's Budget for 1968.

PURCHASE OF FIBRE THROUGH THE CROWN AGENT

19. Mr. Amon showed the meeting a letter written to the former Chairman of the Board Mr. Aribisala by the Crown Agent. The letter was to the effect that NIFINCO could purchase fibre through the Crown Agent which also was understood to offer credit facility for the purchase of the fibre at the rate of £80 per grade A and £69 for grade B fibre for a minimum of 5,000 tons of each of the grades and subject to a period of 24 hours fluctuation in price. The Board observed that the terms and the quotations for the offer were good. They therefore directed that the Management should place order for fibre through the Crown Agent. The Board instruc-

ted that no further negotiation for a fresh supply of fibre should be entered into with the firm of A. Soyode/^{Son}& Company Limited after the contract already entered into with him should have been executed.

FINANCIAL ARRANGEMENT WITH THE MARKETING BOARD

20. The Managing Director reported that the meeting between the Management and the General Manager of the Marketing Board, Mr. A.A. Ladeinde had been concluded. Consequently there was a decision that the General Manager would put forward for the consideration of the Board of the Marketing Board, the proposal that £700,000 loan be granted to NIFINCO. 20% of the loan would be repaid a year after the loan had been given to the Company. Thereafter, further 20% of the loan would be repaid half yearly.

DISCREPANCIES IN THE COMPANY'S RECORDS OF ACCOUNT

21. The Board considered the various discrepancies in the records of accounts of the Company brought to their notice. The Board directed that a complete list of all the discrepancies in the records of account of the Company should be submitted to the Legal Retainer of the Company for study in conjunction with the Agreement signed by the parties forming the Company. He would also bear in mind that the agreements were supposed to be for a turn-key project. He would then submit his report advising the Board on the correct action to take to rectify the discrepancies.

FINANCING OF NIFINCO

22. The Board directed the Accountant to provide, in detail information on the underlisted items and circulate it to members. They are:-

- (i) interest already paid on the loan granted for erecting the Badagry Refining Centre which is yet to be built.
- (ii) the full account of how the overdraft of £100,000 from the United Bank for Africa was spent.
- (iii) Analysis of preliminary expenses of the Company.

- 117/4
- (iv) Action already taken to rectify the various discrepancies in the Accounts of the Company.
 - (v) Gross profit and net profit or loss.

FOOD ALLOWANCES

23. The Board said that it was incorrect to pay food allowances to the expatriate staff of the Company in addition to paying them their **full** salaries. They, therefore directed that the amount so paid from Italy on behalf of the Company should be recovered from their recipients. The Assistant Secretary was asked to make reference to the minutes of the meeting at which the Accountant said that the Board asked him not to worry about recovering the food allowance paid to the expatriate staff who were no longer in the country. The matter would then be considered at the next meeting of the Board.

OUTSTANDING OBLIGATION OF THE GARDELLA GROUP

24. The Accountant pointed out that the outstanding obligation of the Gardella Group according to the information made available to him while he was in Italy was £107,181.15.4d. but the Gardella Group, in a recent communication stated that it should be about £30,000. The Board directed that ^{Management} the should request the group to furnish the details of their own figures and he should then reconcile the two figures.

THE COMPANY'S BUDGET FOR THE YEAR 1968

25. The Accountant was asked to produce a comprehensive budget for the year 1968. The budget should cover all the various operations of the Company including the plantation project. Another meeting of the Board was therefore fixed for Thursday 25th of January, 1968 for the consideration of the budget for the year, 1968.

26. The Chairman while speaking on the submission of the papers for meetings, said that he would prefer papers for meetings to be sent to members at least seven days before the meetings to enable them study the papers **well** before hand.

The meeting closed 3.55 p.m. with a unanimously adopted motion moved by Mr. S.A. Adebajo and seconded by Mr. I.E. Prandi.

15
118
C.R.

There is standing instruction that minutes of statutory corporations and their subsidiaries should be submitted to CPID in the first instance. Pl treat the minutes of NIFINCO accordingly

J
9/2/68

C.P.I.O.,

You may wish to see the whole of this file, particularly pp # ¹⁰⁷⁻¹¹⁷ -14, pl.

9/2/68
C.R.

CONFIDENTIAL

TELEGRAMS: PERMIND

TELEPHONE NO.: IBADAN 21011/471

DIRECT LINE: 24111

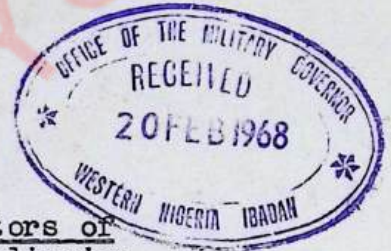


MINISTRY OF TRADE AND INDUSTRY
DEVELOPMENT DIVISION
IBADAN · WESTERN NIGERIA

Your Ref. No.....
All communications to be addressed
to the Permanent Secretary quoting
Our Ref. No..... **G.822/1/31.**

SP/C 124/11
SP/C 124/5
19th
Date..... **Feb., 1968.**

The Permanent Secretary,
(Political & Administration),
Office of the Military Governor,
Ibadan.



Minutes of Board of Directors of
Corporations and their Subsidiaries.

pages 120-124

I am directed to refer to your circular letter
No. SP/C.119/760 of 23rd May, 1967, and to forward
herewith a copy of the minutes of the meeting of
the Board of Directors of Nigeria Kraft Bags Limited
held at the factory premises at Ikeja on 19th
January, 1968.

J.A. Adedeji
(J.A. Adedeji),
for Ag. Permanent Secretary,
Ministry of Trade and Industry.

CONFIDENTIAL

MINUTES OF THE MEETING OF THE BOARD OF
DIRECTORS OF NIGERIA KRAFT BAGS LIMITED
HELD AT THE FACTORY AT OREGUN VILLAGE
IKEJA ON FRIDAY THE 19TH JANUARY 1968

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Governor's Office
COPY

The meeting of the Board of Directors of Nigeria Kraft Bags Limited was held at the office of the Factory on Friday the 19th January 1968.

The meeting was commenced at about 10.15 a.m.

Present: Mr. H. S. A. Adedeji (Chairman)

" Nassar Jarmakani

" Fouset Jarmakani

" I. A. Adebajo

Absent: Mr. Deeb Jarmakani

IN ATTENDANCE: Mr. A. A. Ogunsanya (Secretary)

" J.A. Adedeji (Ministry of Trade and Industry)

1. MINUTES: Copies of the Minutes had been received by all members before the date of the meeting. They were therefore taken as read and the following amendments were pointed out by the Chairman -
 - (i) That the initials of Messrs. Adedeji (H. S. A.), Adebajo (I. A.) and Adedeji (J. A.) should be inserted.
 - (ii) That paragraph 1 line 7 be amended by deleting the words "run the Company" and substituting the words "see that the Company is run."
 - (iii) That paragraph 1 line 10 be amended by deleting the word "at" and substituting the word "on".

Subject to the above amendments the adoption of the minutes was moved by Mr. Adebajo and having been seconded by Mr. Fouset Jarmakani, the Minutes were duly passed.

The Chairman directed the Secretary to forward copies of the Minutes of every meeting to the following persons and offices.

- (a) Two copies to the Governor's Office through the Ministry of Trade and Industry. (b) One copy to the Permanent Secretary, Ministry of Trade and Industry; (c) A copy to the Chairman and (d) a copy to Mr. Adebajo.

2. MATTERS ARISING: The Chairman observed that the Secretary had not included a list of matters arising in the agenda for this meeting. He directed that the agenda for subsequent meetings should include a list of such matters. For this meeting, however, the Chairman said that he had himself listed the various matters arising from the Minutes of the previous meeting and asked that the meeting should go through them one by one. They are:-

- (a) Sale of Bags to Nigerian Portland Cement Company Limited:-

Mr. Nassar Jarmakani said that our Company had only received an order for six million bags out of a total requirement of eleven million bags for the year 1968. He said that that Company had already placed an order for four million bags with our competitors, Messrs. Paper Back (Nigeria) Limited. He said he had held a meeting with the Commercial Director of the Nigerian Portland Cement Company Limited and that minutes of that meeting had already been forwarded by him to the Ministry.

It was pointed out by the Chairman that the Ministry was

waiting for a letter from our Management, giving details of the whole matter, before taking it up with the Portland Cement Company Limited. The meeting decided that the Management should put up this letter at an early date and forward it to the Ministry; the letter should however be addressed to the W.N.D.C.

- (b) REPUND OF 10% CUSTOM'S DUTY: This matter was discussed and it was decided that a letter giving all the details should be forwarded by the Company to the Permanent Secretary, Ministry of Trade and Industry. This letter should be made out in duplicate and copies of all previous letters to the Federal Ministry of Trade should be attached thereto.
- (c) MONTHLY REPORTS: The Chairman informed the meeting that he had had a discussion with the Auditor, Mr. Ayoola on this matter and that, he, Mr. Ayoola, had promised to prepare the data for the monthly reports.
- (d) MEMORANDUM AND ARTICLES OF ASSOCIATION: The Secretary submitted copies of the memorandum and Articles of Association printed with the amendments requested at the last meeting of the Board. These copies were checked and found to be in order and a final approval was given to the Memorandum and Articles of Association of the Company. Copies were given to members for their own files and extra copies were received by Mr. J.A. Adedeji for the Ministry.
- (e) PROGRESS REPORT FROM THE ESTABLISHMENT COMMITTEE: Mr. Adedeji pointed out that it had not been possible for this Committee to meet since its formation at the last meeting of the Board. The Chairman advised that the Staff of the Company should as far as possible be recruited through the office of the W.N.D.C. at Ikeja. He also directed that the Establishment Committee should examine the point whether or not a personnel officer should be appointed. Mr. Adedeji assured the meeting that two days would be fixed for the meeting of the Establishment committee and that some progress would have been made in the work of the Committee before the next meeting of the Board.
- (f) REPORT ON STATE OF SHARE CAPITALS: The meeting decided to postpone the discussion of this matter till the state of accounts of the company is put in proper order by the Auditors, Messrs. Ayoola & Company.

Mr. Nassar Jarnakani informed the meeting that he had received a letter from the Ministry of Finance, Western State, touching upon the matter of the Share Capitals of the Company. The Chairman remarked that this was irregular as such an enquiry should have been directed to the Ministry of Trade and Industry by the Ministry of Finance. Mr. N. Jarnakani was asked to write back to the Ministry of Finance requesting it to direct its enquiry through the Ministry of Trade.

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- (g) TELEPHONE AND WATER SUPPLIES TO THE FACTORY: Mr. Fouzet Jarmakani reported that the Factory could not have a telephone supply until new cables are installed in the District by the Ministry of Communications and that until then, nothing could be done.

With regards to water supply, he said that it had been suggested that the four companies having their Factories in this area should contribute the sum of £400 each to meet the cost of the supply of water to the area. So far only two of the Companies had agreed to make the contributions. It has therefore not been possible to finalise this arrangement.

- (h) CALABAR FACTORY: The meeting was informed by Mr. N. Jarmakani that when he was in Europe on leave, he met the Representatives of the German Firm supplying raw materials to the Calabar Cement Factory who informed him that the Factory was badly damaged during the fighting there. They further said that the Factory could be put back into its original state within a month after commencement of repairs. Therefore until work is resumed in the Factory, the bags manufactured by our Company for that Factory cannot be taken up.

The matter of the supply of bags to Livestock Feeds Limited and the Sokoto Cement Factory was also discussed. It was decided that the Management should write Reports on this matter to the Ministry requesting it to take it up on behalf of the Company.

- (i) ACQUISITION OF MORE SHARES BY THE GOVERNMENT: Mr. Nassar Jarmakani pointed out that in principle, the Jarmakani Brothers do not oppose the further acquisition of shares in the Company by the Government but he thought that there should be an agreement as to the value at which the shares should be assessed. The Board decided that further discussion of this matter should be deferred until the question of the present share-holdings in the Company is finally settled.

- (j) ACCOUNTS: The consideration of the Balance sheet was also deferred till a later date but the Chairman suggested that members could make preliminary comments on it in the meantime pending the final consideration later. Members were asked to go through the contents of the Balance Sheet within ten minutes and thereafter to make their comments.

The Chairman pointed out that whereas the Balance Sheet is stated to be for the year ended 31st March 1967, it in fact covers a period of nearly two years. It should have been stated as being "For the period ended 31st March 1967".

It was agreed that the 50 years period of depreciation stated in the Balance Sheet in respect of buildings is reasonable but Mr. Adebajo asked if the Management had taken advice from the manufacturers of the machinery and

other equipments as to the period of depreciation applicable to the various types of machinery. Mr. Jarmakani did not think that such advice had been taken. Furthermore, it was pointed out that as the life of each machine varied with the type it was wrong for the Auditors to have applied a uniform period of 10 years for the depreciation of all the machines in the Factory; That while ten years' period of depreciation may be accepted as reasonable in respect of heavy equipment, it would appear to be too long in respect of the lighter ones like the sewing machines. The Chairman suggested that in future, it would be advisable if the percentage used in working out the depreciation is shown in the Schedule of fixed assets.

The Chairman also commented on the sum of £18,000 (Eighteen thousand pounds) shown on the balance sheet as "Promotion Expenses". The Secretary pointed out that this item of expenditure had been the subject of a query at the Somolu Tribunal and that the receipts supporting the expenditure had been tendered at the Enquiry.

Mr. Adebajo referred to an item on the Balance Sheet to the effect that the Company was owing a sum of money to Jarmakani Transport Limited. He wished to know if the charges by Jarmakani Transport Limited were competitive. Mr. N. Jarmakani replied that before the contract for carriage of goods etc. was entered into, quotations were invited and received from other Companies and it was found that the rates offered by Jarmakani Transport Limited were the most reasonable.

At this stage a resolution in the following terms was moved and passed by the meeting "That further consideration and approval of the Balance Sheet of the Company placed before the Board be deferred till such a time as we shall have heard from the present Auditors, Messrs. Olatunde Ayoola & Company". This was moved by Mr. Adebajo and was seconded by Mr. N. Jarmakani and was unanimously passed.

Mr. Nassar Jarmakani said that although Messrs. Ayoola & Company had been given a letter of Intent by the Company, his appointment as Auditors had not been formally approved. The Chairman said that such approval could only be given at a meeting of the Shareholders and that this would be done in due course.

The Board however agreed to make recommendation for the appointment to the meeting of Shareholders.

GENERAL: Mr. Nassar Jarmakani told the house that certain proposals had been made to the Company by our competitors Paper Sack (Nigeria) Limited. He said it was the belief of the management of that Company that the Nigerian market

was too small to accommodate two paper bags manufacturing companies and that it would be in the interest of both companies if one gave up for the other. Mr. Jarmakani said that he told them that he could not commit the Company until he had consulted the Board of Directors on the question of the taking over of their company by us.

Mr. Adebajo said that he looked at the proposed take-over as a form of expansion which was desirable in that it would eliminate competition. He said however, that many steps would be gone through, such as examination of the books determining the effectiveness of the machinery and assessing their values together with other fixed assets. He thought it might be necessary for experts from the Ministry to join in this exercise. It was agreed that Mr. Nassar Jarmakani should proceed with the negotiations in the meantime.

At this stage Mr. Adebajo moved the adjournment of the meeting and was seconded by Mr. Nassar Jarmakani. The next meeting was fixed for 15th February 1968.

C H A I R M A N.

ARCHIVES



MINISTRY OF TRADE AND INDUSTRY

DEVELOPMENT DIVISION
IBADAN · WESTERN STATE OF NIGERIA

Your Ref. No.....
All communications to be addressed
to the Permanent Secretary quoting
Our Ref. No. INV. 577/729

CONFIDENTIAL OF THE MILITARY GOVERNOR
Date 14th March, 1968



The Permanent Secretary,
(Political & Administration)
Office of the Military Governor,
Ibadan.

Nigeria Fibre Industries Coy. Ltd.

I am directed to refer to your letter No.
SP/C.124/5/103 of 1st March, 1968 and to say that the
matter is still receiving attention.

2. Further communication will be addressed to you soon.

J. B. Alakuro
J. B. Alakuro,
for Permanent Secretary,
Ministry of Trade and Industry.

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MINISTRY OF TRADE AND INDUSTRY

DEVELOPMENT DIVISION
IBADAN · WESTERN STATE OF NIGERIA

Your Ref. No.....
All communications to be addressed
to the Permanent Secretary quoting
Our Ref. No.....G.822/1/33...

CONFIDENTIAL

SP/C.124/5

26th March, 1968
Date.....

The Permanent Secretary,
(Political & Administration),
Office of the Military Governor,
Ibadan.



Minutes of Board of Directors of
Corporations and their subsidiaries

I am directed to refer to your circular letter No. SP/C.119/760 of 23rd May, 1967 and to forward herewith a copy each of the minutes of the 15th meeting of the Board of Directors of Nigeria Fibre Industries Company Limited and those of the Extra-Ordinary General meeting of the company, held in Ibadan on Thursday 29th February, 1968.

J. B. Alakuro,
for Permanent Secretary,
Ministry of Trade and Industry.

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MINUTES OF THE EXTRA-ORDINARY MEETING OF NIGERIA
FIBRE INDUSTRIES COMPANY LIMITED, HELD ON THURS-
DAY, 29TH FEBRUARY, 1968 IN THE BOARD ROOM OF THE
COMPANY ON THE 23RD FLOOR OF COCOA HOUSE, IBADAN.

PRESENT

Mr. H.S.A. Adedeji	-	Chairman
Mr. A. Gardella	-	Vice Chairman
Mr. I.E. Prandi	-	Director (Managing)
Mr. S.A. Adebajo	-	Director
Mr. T.A. Akinyele	-	Director
Chief Moyo Aboderin	-	Director
Mr. N.O. George-Taylor	-	C.P.I.O.

ABSENT

Mr. B.O.E. Amon	-	Director
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IN ATTENDANCE

Mr. J.B. Alakuro	-	Secretary (Representing)
Mr. O.A. Bello	-	Assistant Secretary

The meeting began at 10.28 a.m. with the Chairman's opening address during which he explained the reason for deciding to hold the meeting one hour later than scheduled.

The meeting then considered the revocation of the appointment of Mr. Lawrence Omole, as a director of the Company in compliance with the Government's direction conveyed to the Company through a letter No. C.63/709 of 29th December, 1967 from the ~~Ministry~~ Ministry of Trade and Industry. The motion for the revocation was moved by Mr. S.A. Adebajo and seconded by Mr. T.A. Akinyele. It was unanimously passed.

The meeting ended at 10.42 a.m. with a motion by Mr. S.A. Adebajo and seconded by Mr. T.A. Akinyele. The motion was unanimously passed.


O. A. BELLO
ASSISTANT SECRETARY

MINUTES OF THE 15TH MEETING OF THE BOARD OF DIRECTORS OF NIGERIA FIBRE INDUSTRIES COMPANY LIMITED HELD ON THURSDAY 29TH FEBRUARY, 1968, IN THE BOARD ROOM OF THE COMPANY ON THE 23RD FLOOR OF COCOA HOUSE, IBADAN.

PRESENT

- Mr. H.S.A. Adedeji - Chairman
- Mr. A. Gardella - Vice Chairman
- Mr. I.E. Prandi - Director (Managing)
- Mr. S.A. Adebajo - Director
- Mr. T.A. Akinyele - Director
- Chief Moyo Aboderin - Director
- Mr. N.O. George-Taylor - C.P.I.O.

ABSENT

- Mr. B.O.E. Amon - Director

IN ATTENDANCE

- Mr. J.B. Alakuro - Secretary (Representing)
- Mr. O.A. Bello - Assistant Secretary

The meeting began at 10.43 a.m. by considering the adoption of the minutes of the 14th meeting of the Board of Directors held on 4th December, 1967. Certain amendments were made before the minutes were passed. One of the amendments was that the first sentence of paragraph 13 should be deleted, as no decision such as is contained in the sentence was taken at the meeting to which the minutes refer. The sentence is "The Board had regard for the argument and explanation of Mr. Prandi as contained above and directed that the Management should contact the Italian Embassy to find out how the Italian Nationals in Nigeria were being treated as regards taxes on their earnings." Another amendment made in the minutes was the correction of the last line of paragraph 19 of the minutes to read "..... with + them" instead of "..... with him". After the two amendments, the minutes were unanimously passed with a motion by Mr. Prandi, seconded by Chief Moyo Aboderin.

USE OF THE LIFT IN COCOA HOUSE

The meeting proceeded next to deal with matters arising from the minutes. The Managing Director informed the Board of the

meeting arranged by the Secretaries of the Establishments occupying the Cocoa House to discuss the problem of the delay in the using of the lifts. The Assistant Secretary said that the Board would be informed of the latest developments on the subject during the next meeting. Mr. George-Taylor informed the meeting that the problem posed by the delay in the use of the lifts was already being given attention by the WEMABOD and that the firm of Mandillas and Karaberis who were responsible for the lift had been consulted on the matter. Further, Mr. George-Taylor gave the following hints which he asked the Assistant Secretary to bear in mind for the meeting of the Secretaries scheduled for discussing the problem of the lifts:- (i) that notices be placed on the ground floor indicating the floors which each lift would be serving. (ii) that the lift attendants be instructed to ensure the observance of the new arrangement .

TOURIST CENTRE

3. Mr. George-Taylor referred to how action was taken by him to ensure that the keys of the Tourists Centre were delivered to the Company through the Assistant Secretary. He stressed that action be taken to effect one of two alternatives.

- i. The transfer of the Tourist Centre by the Government to the Company.
- ii. A ten year leasehold arrangement with Government.

The Board considered that the transfer arrangement would be preferred because as the leasing of the centre would not be with the Government of the Western State of Nigeria, the leasing arrangement might not therefore be easy to carry out. Also it might take a long time to effect. The Board therefore decided that the Management and the Ministry of Trade and Industry would take up the transfer of the Tourists Centre to the Company with the Ministry of Works and Transport. Mr. George-Taylor said that the Company could proceed with occupying the centre forthwith, since after 31st March 1968, the authority of the Lagos State might interfere.

BUILDING OCCUPIED BY THE EXPATRIATE STAFF AT BADAGRY

4. Mr. Gardella's letter on how the Company obtained the authority to occupy the District and the Rest Houses was considered. At the meeting, Mr. Gardella added that when the houses were being occupied, some finishing touches were given to them by the Gardella Group, such as the provision of electric light. He disclosed that there was no agreement on the payment of rent for occupying the houses. However at a later date, rent which was considered too high was demanded and therefore the matter was not concluded. The Board said that the Company did not need to worry any longer as their expatriate staff who were occupying the district house would soon be moving out into the Tourist Centre.

DOCUMENTS FROM MR. S. NAGATY

5. The Management was directed to write to Mr. Nagaty to obtain from him details with supporting documents, of the breakdown of the £19,600 paid to him by the Company for Foundation Stone ceremony of the Factory.

ACQUISITION OF PIECES OF LAND

6. The Management was asked to move fast with the negotiation on the piece of land being occupied by the Company at Tajiinti and especially at / Badagry, since Badagry is now in the Lagos State. Mr. Aribisala was also to be consulted for vital information relating to the ownership of the land to be negotiated at Badagry.

CENTRAL REFINING CENTRE

7. Mr. Gardella disclosed that about 8,000,000 cubic metres of water would be acquired every season for refining of fibre when sufficient quantity of it would be produced locally. The meeting agreed on giving further consideration to the location of the Refining Centre when the reply to the Company's letter to the Western State Water Corporation on this subject should have been received.

Mr. George-Taylor pointed out that it was considered to be not in order for the Government to be paying interest on the money for the Retting Centre when it had not been built. At this junc-

ture, Mr. Adebajo called the attention of Mr. George-Taylor to a letter from the Military Governor's Office written on the question of the interest being charged on the money for the Refining Centre. Mr. Gardella explained that the Government was responsible for the delay in the building of the centre, since it was they who failed to fill the land for the Refining Centre as per Agreement. He said that the bulk of the equipments for the Refining Centre was already at Badagry. He added that the few remaining were left in Italy because the factory site at Badagry was already getting congested and that some of the equipments already at the Factory were being stolen. Speaking further, he declared that the equipments still in Italy were ready for shipment to Badagry at any time. He argued that the Gardella Group might even put up a claim for the delay which the Government had caused the group in fulfilling their obligation in respect of the Refining Centre. The Board also considered the reply from the Ministry of Works and Transport that Mr. Gardella's terms for filling the ground for the Refining Centre was favourable. Mr. Gardella informed the meeting that he took into consideration seven quotations he received for the works before fixing his quotations for the filling. The Board decided that fresh quotations would be called for the supply of red sand, laterites etc., and the selected quotation would be handed over to Mr. Gardella.

EXPATRIATE'S SERVICE CONDITION

8. The Assistant Secretary informed the meeting that the Service Agreements prepared for the expatriate staff were yet to be signed. Mr. Prandi said that the agreements were not signed because the question of the salaries of the expatriates was yet unresolved. When a reference was made to the bearing which payment of tax by the expatriates had on the salaries of the expatriates to which the Board had directed the Establishment Committee to give further consideration, Mr. Adebajo said that the position had been made clear that the expatriates would pay the tax on their

own salaries. Mr. Gardella, in his contribution to the discussion on this item, said that, the question was not so much of who should pay the tax on the earnings of the Italians, but that the net salaries to be paid to the Italians, in ^{the} final analysis, should not be less than what they were entitled to receive.

On the delay in giving further consideration to the salaries of the expatriates, Mr. Adebajo the Chairman of the Establishment Committee, explained that the Managing Director had not produced all he, Mr. Adebajo had asked for in respect of an Establishment Committee's meeting, hence no meeting was held. The Chairman asked that action be taken for the Establishment Committee to meet in time and that when the salaries of the expatriates were being given further consideration, cognizance should be taken of the latest dispensation on payment of tax in this country.

SIGNING OF CHEQUES

Mr. George-Taylor referred to an earlier decision of the Board by which the signing of the Company's cheques was assigned to the Managing Director and the Asst. Secretary. He pointed out that while there had been no hard and fast rule as to who should sign a company's cheques, it was the practice that the Accountant of a Company must sign the Company's cheques. By this he would have adequate responsibility for the cheques which would normally be prepared by his department. The meeting reviewed the position in the light of the explanation of Mr. George-Taylor, with the result that Mr. S.A. Adebajo moved:-

"that a new signatory be added to the existing two signatures on the Company's cheques," and

"that in consequence, the following be, and are thereby appointed the signatories on the Company's cheques. They are:-

- the Accountant of the Company
- the Assistant Secretary of the Company
- and the Managing Director of the Company."

The motion was unanimously carried. At this juncture the meeting

● adjourned for lunch at 1.14 p.m. and resumed at 2.35 p.m. in the afternoon to continue the meeting.

FINANCIAL ARRANGEMENT WITH THE MARKETING BOARD

10. The Board was informed that the Marketing Board had approved the following loans to the Company.

- £500,000 for purchase of fibre and
- £200,000 as working capital.

It was further disclosed that no rate of interest had been fixed, and that the General Manager of the Board had said that whatever interest was determined in due course, would not be higher than $7\frac{1}{2}\%$, charged by the United Bank for Africa. The Board however, urged that a favourable rate of interest should be negotiated. The Managing Director gave the following as other conditions of the loan.

The repayment of the loan would be at the rate of £100,000 each, plus interest, payable at six monthly interval with the first instalment payable six months after the loan had been completely made available to the Company. The repayment would stretch for between 2-3 $\frac{1}{2}$ years from the date of the initial grant.

- ii. that in placing orders for raw jute or kenaf fibre from abroad a proper tender procedure would be observed by the Company.
- iii. that an officer of the Marketing Board should be a member of our Company's tenders Board and that Minutes of such Board meetings would be submitted to the Marketing Board.
- iv. that at no time should the price of the Company's bags be more than the imported ones:-

The Board decided that as the loan did not make provision for the money required for the cultivation of kenaf locally by the Company, the Marketing Board should be approached on the financial arrangement for the Company Kenaf Plantation project too.

OVERDRAFT FROM U.B.A.

The Board reviewed the letter received from U.B.A. in which the Bank had requested the fulfilling of certain conditions. The Board was informed by the Accountant that the loan to which the Bank referred as payable to Mr. Gardella no longer existed. The Board therefore directed that the only remaining condition, that the Government should agree to the spreading out of the repayment of the loan given by them to NIFINCO, from 5 to 10 years, should be taken up with the Government.

DISCREPANCIES IN THE COMPANY'S RECORDS OF ACCOUNTS - FOOD ALLOWANCE

One of the points on which the advice of the Company's legal retainer was sought, was on who would be responsible for the food allowance paid to the expatriates by the Gardella Group. The Legal retainer had in his advice stated that it is "the absolute responsibility of the Company" who made the allowance. The Board directed that the words "the Company" should be stated more precisely by the Legal Retainer to avoid misinterpretation of the advice.

TRAINING OF THREE NIGERIA SENIOR TECHNICIANS

The Board directed that the Legal Retainer should be further request^d to examine Clause 4 (d) along with clause 3 of the 1st Agreement and state a fresh whether it is the Government, the Gardella Group or the NIFINCO that had financial responsibility for the training of the three Nigerians ~~trained~~ in Italy by the Gardella Group.

BUDGET OF THE COMPANY FOR 1968

The Board deferred consideration of the Budget of the Company for 1968 till another meeting scheduled for Thursday 28th March, 1968.

AUDITORS COMMENTS ON AUDITED COMPANY'S ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER, 1966

Variation Clause

The Auditors in their comments pointed out that a sum of money more than £156,254.14s.1d had been paid to the Gardella

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Group in excess of £1,135,000 for machinery and buildings as per the 1st Agreement. Mr. Gardella pointed out that the excess which was provided for in the agreement establishing the Company had been approved by the Government. The meeting then requested Mr. Gardella to make available the letter with which the Government approved of the amount for the variation. Mr. Gardella requested that it be put on record that the total of the machinery had been delivered to the Company by the Gardella Group.

MACHINERY

Mr. Gardella was requested to make available details of all the machinery already delivered to the Company and those that are yet to be delivered.

COST ON SITE OF EACH PIECE OF MACHINERY

The Auditors stated in their comments submitted on the Accounts of the Company that it would be necessary for various purposes, including the application for the certificate required under Industrial Development (Income Tax Relief) Ordinance 1958, that the cost on site of each piece of machinery and a full list thereof be obtained. Thus, Mr. Gardella was requested to provide the break down values of ^{the} machinery, since invoices were issued for a number of them together.

KENAF SEEDS TO MINISTRY OF AGRIC. & NATURAL RESOURCES

The Auditors pointed out that various payments totalling £41,434.19s.7d. were made by the Western Nigeria Marketing Board for purchase of kenaf seeds which were taken up by the Ministry of Agric. & Nat. Resources. Since the payment was purported to have been made on behalf of NIFINCO, the Board directed that a letter be written to the Ministry of Agriculture and Nat. Resources requesting them to acknowledge the receipt of the seeds.

PRE-PRODUCTION EXPENSES

The meeting requested Mr. Gardella to submit the actual salary sheets on which the Gardella Group paid certain salaries and wages, as the Auditors would like to audit the sheets.

AGREEMENT DATED 9TH JULY, 1963

The Board directed that Mr. Alakuro should look into certain records in the Ministry of Trade and Industry with a view to find out the Agreement dated 9th July, 1963, by which, the Auditors understood, the contract price for the factory, excluding the Buildings, was agreed at £621,000. However, Mr. Gardella pointed out that the correct figures were £756,000 and that the price excluded not only buildings but also some other items.

ISSUE OF SHARE CERTIFICATES

The Chairman asked the Company to write to the Ministry of Trade and Industry to know in what name the share certificate for the Government shareholding in the Company would be issued.

REPORT ON FIRE INCIDENT AT THE FIBRE STORE AT BADAGRY

The Board went through the report written on the investigation conducted by Mr. George-Taylor to find out the quantity of fibre delivered to the Company by the Coastline Agency. They viewed with suspicion, the role of Mr. Agbeja, the Store-keeper in the transaction of the delivery of fibre to the Company by the Coastline Agency. They therefore directed that the fresh facts that had come to light should be made available to the police.

RE-BUILDING OF THE FIBRE STORE.

The Board directed that the reports of the Engineers of the Technical Partners who were to re-build the fibre store, and that of the State Ministry of Works and Transport should be submitted to the Chairman for studying. Also the advice of the Chief Fire Officer should be sought before the rebuilding of the store could be embarked upon. The Board also agreed that the twenty seven men and the Engineer brought in by Mr. Gardella for the reconstruction of the store might not be sent away.

EXCHANGE OF CORRESPONDENCE BETWEEN THE MINISTRY AND THE
MANAGING DIRECTOR, MR. I. E. PRANDI, ON THE LATTER'S SHORT
ABSENCE FROM THE COUNTRY

The Board considered the exchange of correspondence on this matter and resolved the differences in an amicable manner.

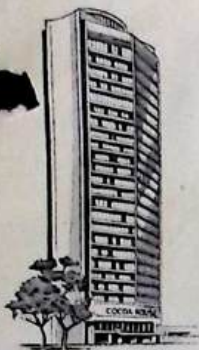
As there was no other business to be considered, the meeting was adjourned at 5.54 p.m. with a motion by Mr. Adebajo and seconded by Mr. Prandi, after the time and date of the next meeting the Board had been fixed for 10 a.m. on Thursday 28th March, 1968.

O.A. BELLO
ASSISTANT SECRETARY
NIFINCO

C.P.I.D.,

You may wish to see this file from p. 118 and most especially pp 119-137 which need further attention.

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SPC 124/5

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CONFIDENTIAL

WESTERN NIGERIA MARKETING BOARD

Telegrams: WESTMARK. Ibadan

Telephone: IBADAN 22736-39

COCOA HOUSE
P.M.B. 5032
IBADAN
NIGERIA

Please quote the following reference in your reply: -

Date

Ref. No. 691/Vol.II/548.

6th August, 1968.

The Chairman,
Nigeria Fibre Industries Company Limited,
c/o Mrs. F.M. Ighodalo,
Permanent Secretary,
Ministry of Trade and Industry,
Ibadan.

OSHODI STORES

In early May, 1968, Mr. Prandi, Managing Director of NIFINCO, approached the Board's executive to help his company out of a fix in respect of storage of jute fibre imported by NIFINCO for manufacture of jute bags required for bagging produce. The company's store at Badagry, he said, was under construction and all efforts to get storage accommodation for the imported baled jute fibre proved abortive. Mr. Prandi suggested that his company be allowed to use temporarily one of the Board's stores at Ikeja or Oshodi until NIFINCO's store under construction at Badagry was completed.

2. Mr. Prandi was informed that Ikeja stores were being used for cocoa and that, although part of Oshodi stores was vacant, the Board's tenancy there would expire at end of June. Mr. Prandi stated that he would require the store for only one month to accommodate about 4,500 bales of jute fibre which had already arrived at port and on which his company would incur NPA charges if not moved immediately. He was accordingly allowed the free use of one of the stores at Oshodi for one month only.

3. When one month expired, Mr. Prandi pleaded for a few weeks more as the Badagry store was almost completed; later he said the store was flooded and would take about two weeks before it could be used.

4. My attention was first drawn to the situation in a telephone conversation with Messrs. Fox and Company, managing agents to Wemabod Estates Limited and also agents of the landlord in respect of Oshodi stores about the 20th of July. Messrs. Fox and Company complained to me that the Marketing Board had failed to vacate the above-mentioned stores by the end of June when our tenancy expired and that he was anxious to see us vacate the premises not later than the end of July as otherwise we might be called upon to pay severe damages to the new tenants. It was only at this stage that I dug up all relevant information on the subject. I accordingly gave instruction that the Managing Director of NIFINCO be informed that all properties of his company be evacuated from the stores not later than the end of July.

See 13149

see p. 146

/Your Mr. ...

5. Your Mr. Lagostena on receiving our letter came to see me in the Board Room of Wemabod Estates Limited at Western House on 23rd July, 1968. I reiterated the position and our problem in the matter and gave him a note stating the position and attempting to help out by providing temporary and emergency storage space at the Marketing Board stores at Ikeja. I attach a photostat copy of my minute to Mr. Lagostena.

6. On Monday 29th July, 1968 I sent my Assistant Marketing Manager (Mr. Elemide) to visit Oshodi stores and to ensure that stores were duly vacated as of 31st July, 1968. It was then that we discovered to our dismay that instead of 4,500 bales of jute fibre for which Mr. Prandi originally sought permission to store, your company in fact stored a total of 15,000 bales in two stores instead of the original one that was bargained for. Your company was in fact moving out its raw material at an extremely slow pace. It was evident that complete evacuation could not be done at that pace for well over a month. My Board therefore acted as follows after my Assistant Marketing Manager had discussed with Mr. Lagostena:-

- (i) Six loading bases were arranged in addition to the only two being used by NIFINCO; (two other bases could not be opened due to incessant rains).
- (ii) Fourteen Board's lorries were put on the evacuation work.
- (iii) Two fork lift machines were put to use together with 24 wheel barrows.
- (iv) About 76 daily paid labourers were diverted from Bag Storage section to handle off-loading of the jute fibre on arrival at Ikeja.
- (v) A labour contractor was asked to supply enough labour gang to handle loading at Oshodi - payment to be at the standard rate of 5/2d per ton of jute fibre moved.
- (vi) Eight Tally Clerks (four at Ikeja and four at Oshodi) were assigned to the job; and
- (vii) Two officials of the Board were asked to supervise the work.

No official of your company of any significance was available to supervise the evacuation. My Assistant Marketing Manager had to spend two days, 30th and 31st July to speed up the movement of your company's raw material from the stores. When it became obvious that complete evacuation would take an extra week, the landlords were persuaded to allow an extra week that is up to 7th August within which the work should be completed. They were kind enough to agree to this request.

7. I have not seen Mr. Lagostena since our brief meeting on the 23rd of July, 1968 and I would be extremely grateful if you would use your good offices to get your company to complete the evacuation on 7th August as originally agreed with the landlords. I should also be further grateful if you would get your company to move whatever stores they might be keeping at our Ikeja stores as a temporary or emergency measure to their final destination at Badagry or wherever their storage accommodation is not later than 23rd September, 1968 when my Board would need all available storage space at our Ikeja stores for cocoa.

/Thank you ...

1403

8. Thank you very much for your co-operation. I am forwarding copies of this letter to the Permanent Secretary (Political and Administration) and to the Managing Director of NIFINCO for the information of the former and action by the latter.

(M.A. AKINTOMIDE)
CHAIRMAN
WESTERN NIGERIA MARKETING BOARD

Ref. No. 691/Vol. II/550A

Copy to:-

Ibadan. 5th August, 1968.

The Permanent Secretary
(Political and Administration),
Office of the Military Governor,
Ibadan.



For information please.

(M.A. AKINTOMIDE)
CHAIRMAN
WESTERN NIGERIA MARKETING BOARD

See p. 144

ARCHIVES OF

Lapostena
NIFINCO

149

Following our discussion this morning I have agreed, as a stop gap, for you to move whatever stores you have in Oslo to W.N.M.B. Stores at Ikeja pending satisfactory arrangements being made by your company as to where to have your storage space. I am anxious to see the Oslo stores revert to the landlord with effect from 1st August 1968. Our lease really terminated on 30th June 1968 and every effort I understand has been made to get your company to remove your things but to no avail. Should you have your things at Oslo as of 1/8/68 you would have to enter into direct negotiation with the landlord as the W.N.M.B. will not accept any further responsibility for the rent. The landlord has been informed to this effect.

2. If you show this letter to Mr. Oluwase the Officer in Charge W.N.M.B. Office at Ikeja he will show you some store which you can use temporarily for about 2 months. But as these stores at Ikeja will be needed as of end of September, you will have to vacate finally not later than 23rd September 1968.

Ofc Lapo Zone
copy for information & action

25/7/68

[Signature]

W.N.M.B.

Oslo

on file 23/7/68

5 142

CP10

From p. ¹³⁸ 27: pl.

RD 7/8/68
CR

ARCHIVES OF OYSCAC

~~139~~
~~137~~
143

P.S.,

I submit for your information, the letter at pp.138-141 from the Chairman, W.N.M.B. to the Chairman, Nigerian Fibre Industries Ltd.

2. The matter treated in the letter concerning the storage of bales of jute fibre at Oshodi and lately at Ikeja seems to suggest lack of consideration on the part of the NIFINCO management for the convenience of the Marketing Board which offered NIFINCO temporary storage accommodation.

3. It is to be hoped that on receipt of the letter at p.138, the Chairman of NIFINCO would have taken appropriate action to ensure that the Marketing Board is not put into further inconvenience. On the return of file, I intend to send a letter to the Chairman of NIFINCO to point out the unbusiness-like attitude - not to say irresponsible attitude - of the NIFINCO management and to check up what arrangement is being made to get the stores at Ikeja evacuated by 23rd September as indicated by the Chairman of the Marketing Board.

dal
(D. O. Agbeja),
Ag. C.P.I.O.,
22/8/68.

CPID

Just ask that this Office
shd. be notified of arrangements
being made to vacate the stores.

dal
23/8 PS(PFA)

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144

26th August, 1968.

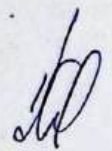
SP/C.124/5/144

The Chairman,
Nigeria Fibre Industries Co., Ltd.,
c/o Mrs. P. M. Akintunde-Ighodalo,
Permanent Secretary,
Ministry of Trade & Industry,
Ibadan.

Oshodi Stores

I am directed to refer to the Chairman, Western Nigeria Marketing Board's letter No. 691/Vol.II/548 of 6th August, 1968, addressed to you and copied to me, and to ask that this Office should be notified of arrangements being made to vacate the stores.

P.138




(D. O. Agbeja),
for Permanent Secretary,
(Political and Administration).

Issued
26/8

CONFIDENTIAL

C. P. I. O.

File is submitted please  26/8

bu 15/9/68
M 26/8

146
INV.577/923.

145
7 August, 1968.

The Chairman,
Western State Marketing Board,
Cocoa House,
P.M.B. 5032,
Ibadan.

OSHODI STORES

With reference to your letter No. 691/Vol.II/548 of 6th August, 1968 and the telephone conversation (Mr. Akintomide/Mrs. Ighodalo) of even date, I wish to apologise for the inconvenience caused your Board on the use of Oshodi stores.

2. As you know, Mr. Prandi is at the moment away from the country and Mr. Lagostena is the Acting Managing Director. Unfortunately, Mr. Prandi did not inform his relief of the position of the storage of our fibre in Oshodi but as soon as the position was made known to the latter as indicated in paragraph 5 of your letter under reference, he went into action. In view of the fact that Mr. Lagostena has, for the time being, to combine his work as Acting Managing Director with the supervision of the factory at Badagry, he could not spare the time to be in constant attendance in Oshodi while the bales of fibre were being moved from the two stores. He has, nevertheless, visited the place several times and directed quick action in getting the stores vacated.

3. I have on receipt of your letter instructed Mr. Lagostena to see that the bales are completely removed within the time-limit specified in paragraph 7 thereof. He has assured me that he would try his best to comply with the dateline and in any case complete the evacuation not later than 9th August, 1968. To this end, he has made arrangement for the provision of additional lorries and labourers for the job.

4. I wish to thank you for your patience in bearing with us for so long and to assure you that everything will be done to see that the cordial relationship between your Board and NIFINCO is not so unnecessarily over-stretched in the future.

71
(Mrs. F. M. Akintunde-Ighodalo),
Chairman,
Nigeria Fibre Industries Co. Ltd.,

ARC
...../2.

Our Ref. No. INV.577/924.
Ibadan: 7 August, 1968.

Copy to:

Mr. A. Lagostena,
Acting Managing Director,
NIFINCO,
P.O. Box 1644,
Coconut House,
Ibadan.

Overleaf for information with reference to our telephone conversation (Mr. Lagostena/Mrs. Ighodalo) of even date. You will please ensure that you comply with the dateline stipulated in paragraph 7 of the letter No. 691/Vol.II/548 of the 6th of August, 1968 addressed to me by the Chairman of the Western State Marketing Board and copied to you. This means that clearly stated, you are to ensure that the stores in Oshodi are completely vacated within this week and that the Ikeja stores which have been made available to us on temporary basis should also be released not later than 23rd September, 1968.

P.138

90/c 124/5

(Mrs. F. M. Akintunde-Ighodalo),
Chairman,
Nigeria Fibre Industries Co. Ltd.

Our Ref. No. INV.577/924A.
Ibadan: 7th August, 1968.

Copy to:

The Permanent Secretary,
(Political and Administration),
Military Governor's Office,
Ibadan.



For information with reference to the letter No. 691/Vol.II/548 of the 6th of August, 1968 addressed to me and copied to you by the Chairman, Western State Marketing Board.

P.138

F.M. Akintunde-Ighodalo
(Mrs. F. M. Akintunde-Ighodalo),
Chairman,
Nigeria Fibre Industries Co. Ltd.

C.P.I. O
~~SAS (A)~~

Above is submitted w.r.t. p. 138 pl.

CR
CR. 27/8



MINISTRY OF TRADE AND INDUSTRY

DEVELOPMENT DIVISION

IBADAN · WESTERN STATE OF NIGERIA

Your Ref. No.....
All communications to be addressed
to the Permanent Secretary quoting
Our Ref. No. INV. 577/943...

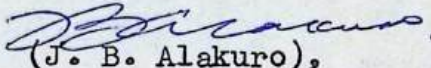
Date..... 28th August, 1968

The Permanent Secretary,
(Political and Administration),
Office of the Military Governor,
Ibadan.

(For the attention of Mr. D. O. Agbeja)
Oshodi Stores

b.144 I am directed to refer to your letter No. SP/C.124/5/144 of 26th August, 1968, and to inform you that action has already been taken on the Chairman, Western Nigeria Marketing Board's letter No. 691/Vol.II/548 of 6th August, 1968, vide my letter No. Inv.577/923 of 7th August, 1968, a copy of which was endorsed to you.

2. For ease of reference, I attach herewith a copy of my endorsement No. INV.577/924A of 7th August, 1968. b.145


(J. B. Alakuro),
for Permanent Secretary,
Ministry of Trade and Industry.

W.577/932

7th August, 1968

The Chairman,
Western State Marketing Board,
Cocoa House,
P.M.B. 5032,
Ibadan.

OSHODI STORES

With reference to your letter No. 691/Vol.II/548 of 6th August, 1968 and the telephone conversation (Mr. Akintomide/Mrs. Ighodalo) of even date, I wish to apologise for the inconvenience caused your Board on the use of Oshodi stores.

2. As you know, Mr. Prandi is at the moment away from the country and Mr. Lagostena is the Acting Managing Director. Unfortunately, Mr. Prandi did not inform his relief of the position of the storage of our fibre in Oshodi but as soon as the position was made known to the latter as indicated in paragraph 5 of your letter under reference, he went into action. In view of the fact that Mr. Lagostena has, for the time being, to combine his work as Acting Managing Director with the supervision of the factory at Badagry, he could not spare the time to be in constant attendance in Oshodi while the bales of fibre were being moved from the two stores. He has, nevertheless, visited the place several times and directed quick action in getting the stores vacated.

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4. I wish to thank you for your patience in bearing with us for so long and to assure you that everything will be done to see that the cordial relationship between your Board and NIFINCO is not so unnecessarily over-stretched in the future.

(Sgd.) Mrs. F.M. Akintunde-Ighodalo,
Chairman,
Nigeria Fibre Industries Co. Ltd.,

...../2

Our Ref. No. INV.577/924
Ibadan: 7 August, 1968

Copy to:-

Mr. A. Lagostena,
Acting Managing Director,
NIFINCO,
P.O. Box 1644,
Cocoa House,
Ibadan.

Overleaf for information with reference to our telephone conversation (Mr. Lagostena/Mrs. Ighodalo) of even date. You will please ensure that you comply with the dateline stipulated in paragraph 7 of the letter No. 691/Vol.II/548 of the 6th of August, 1968 addressed to me by the Chairman of the Western State Marketing Board and copied to you. This means that clearly stated, you are to ensure that the stores in Oshodi are completely vacated within this week and that the Ikeja stores which have been made available to us on temporary basis should also be released not later than 23rd September, 1968.

(Mrs. F.M. Akintunde-Ighodalo),
Chairman,
Nigeria Fibre Industries Co. Ltd.

Our Ref. No. INV.577/942A
Ibadan: 7 August, 1968

Copy to:-

The Permanent Secretary,
(Political and Administration),
Military Governor's Office,
Ibadan.

For information with reference to the letter No. 691/Vol.II/548 of the 6th of August, 1968 addressed to me and copied to you by the Chairman, Western State Marketing Board.

(Sgd) Mrs. F.M. Akintunde-Ighodalo,
Chairman,
Nigeria Fibre Industries CoLtd.

n.f.a in p. 144.

CP10
29/8/68

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