

OYO STATE COUNCIL FOR ARTS AND CULTURE

CULTURAL CENTRE ROAD, MOKOLA,
IBADAN NIGERIA

ARCHIVES

FILE NO.	VOLUME NO.
SUBJECT : OYO STATE INVESTMENT & CREDIT CORPORATION	
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PIECE/SERIAL NO.	

CAC 0062

FILE No.

SP/C 201

Confidential
OFFICE OF THE
MILITARY GOVERNOR

FILE TITLE

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urgently.

[Signature]

D. A. AINUSAWA

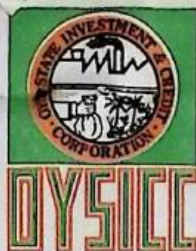
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OYO STATE INVESTMENT AND CREDIT CORPORATION

(A STATUTORY ORGANISATION OF THE OYO STATE GOVERNMENT)

FLOORS 17-19 COCOA HOUSE, PRIVATE MAIL BAG 5085, IBADAN. TEL: 62810 - 2

OUR REF: I/C.2/79

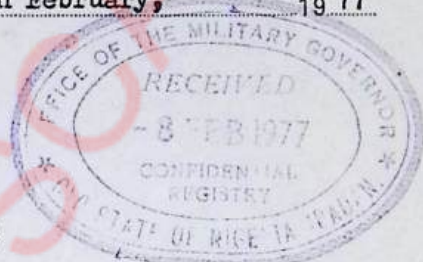
TELEX NO. 31122 A1. CORP. NG.

YOUR REF:

TELEGRAMS/CABLES: OYSICCO IBADAN

7th February, 1977

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



International Breweries Limited

The International Breweries Limited is a project being promoted by a group of Nigerians of Oyo State origin for the purpose of brewing beer. The project was conceived about four years ago. The original technical partners were the Heninger International of Western Germany who had set up a similar plant in Bendel State. Heninger International were to be responsible for the technical aspect of the brewery and had in fact submitted specifications for the plant and machinery of an initial capacity of 210,000 hectolitres of beer per annum, that is, three hundred million cartons per annum. This group, however, dropped out of the negotiations probably because of inability or unwillingness to meet the attendant financial obligations of the venture. On the advice of the Nigerian Industrial Development Bank Limited, the promoters had discussions with six other technical partners as a result of which Messrs. Brauhasse of Holland were chosen as the most suitable.

2. On the establishment of the Oyo State Investment and Credit Corporation, the management of the Corporation, on the directive of the Board, decided to seek participation in the venture. Negotiations were promptly entered into with the promoters of the brewery and other prospective Shareholders as a result of which the following financing plan was agreed upon:-

	<u>Percentage</u>	<u>Equity</u> ₦	<u>Loan</u> ₦
Promoters	25%	1,020,000	-
X) OYSICC	25%	1,000,000	600,000
N. B. C. I.	15%	600,000	2,500,000
N. I. D. B.	15%	600,000	2,500,000
O'dua Invest. Co. Ltd.	10%	400,000	400,000
Brauhasse	<u>10%</u>	<u>400,000</u>	<u>-</u>
Sub-Total	<u>100%</u>	<u>4,020,000</u>	<u>6,000,000</u>
Working Capital			<u>1,500,000</u>
Grand Total			<u>₦1,500,000</u>

3. The Board of the Corporation at its meeting held in September, 1976, sanctioned an equity investment of ₦1,000,000 and a long-term loan of ₦600,000 in the project. Because of the magnitude of the Corporation's investment and loan in the project, and in view of the fact that it is

Pl. See Page 41

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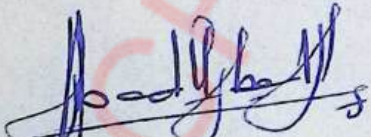
the first investment decision to be taken by the Corporation, management felt it essential that a visit to Brauhasse's functioning breweries, situate in Lome, in the Republic of Togo be undertaken for an assessment of its performance before final arrangements are concluded. Consequently, approval was sought from the Office of the Military Governor to allow both the General Manager and the Controller of Industrial Operations to undertake a trip to Lome. The report of the visit had since been sent to the Office of the Military Governor and a copy is also attached herewith for ease of reference.

4. After an exhaustive discussion of the purchase, erection and installation contract by all shareholders in the Company, the agreement was signed in the Board room of the Corporation on 17th December, 1976 by both the promoters and the technical partners. A photocopy of the Agreement is herewith attached.

5. Towards the end of December, 1976, the Board of International Breweries Limited passed a resolution allotting shares to prospective shareholders in the Company and calling for the shares to be subscribed immediately. A photocopy of the resolution is also attached herewith.

6. The Corporation provided for a sum of N1,075,000 in the 1976/77 budget as the first part of our investment in this project, this was subsequently approved by the Executive Council. The Executive Council however directed that each application for release of funds for capital investment should receive their approval. When the International Brewery therefore called for payment of shares, the Corporation applied to the Ministry of Finance for a release of this sum. The Ministry of Finance examined the whole issue and called for further explanations and also examined the feasibility studies on the project. After this and as a result of discussions held with the Ministry of Finance, we were advised to approach the Office of the Military Governor for final approval to release the necessary funds. Copies of relevant correspondence are attached herewith. Apart from the fact that there has been a 'call up' for the payment of shares, we observe from recent events that efforts are being made by other interested bodies to either edge this Corporation out of the business or reduce the Corporation's standing to that of a minor.

7. In view of the above, it would be greatly appreciated if the approval of His Excellency could be obtained to release the money and necessary covering approval of the Executive Council obtained later.


E. A. Egbideyi,
General Manager.

Sec(sc)

M. convert this into an Exco Memo to be sponsored by HETG - everything shd be done to ensure that the memo is taken by Exco on 16/2/77.

Principal Sec (sc) please see above and take action immediately and resubmit by.

AKINYELE 8/2/77

8/9/2

I/C.2/60

17th January, 1977

The Permanent Secretary,
Ministry of Finance and Economic Development,
Expenditure Division,
Secretariat,
Ibadan.

For the attention of Mr. Abiona

Application for the Balance of Funds for
Investments in International Breweries Ltd.

I write to acknowledge receipt of your letter No. EST A2/2/77 - 78 of 12th January, 1977 and to comment as follows:-

As a result of an earlier agreement and understanding between your Ministry and this Corporation on the importance of industrialising the State which we all agree is bereft of viable industrial projects after the creation of three State, negotiations were promptly entered into between the promoters of International Breweries Limited and this Corporation with a view to taking up equity and loan participation in the project. All along, the negotiations were conducted against the background that your Ministry, as and when required. The recent decision of the Executive Council that funds will be made available only after it has become clear that no financial institution is willing to finance such investment should not apply to the investment in International Breweries Limited since there has been a firm commitment on the part of this Corporation before the Council's decision. Moreover, provision for this investment was made in the 1976/77 Budget. It should be realised however, that this Corporation did not start with a vesting grant and it is doubtful whether any financial institution can assist a Corporation such as ours which was not started with an initial capital.

2. It is pertinent to mention that before the recent decision of the State's Executive Council, the Corporation had already started to make approaches to the financial institutions in the country for loans for further investments. These negotiations will no doubt affect majority of the projects which are now being studied by consultants, while resuscitation of projects like the Premier Tobacco Company and the Lafia Canning Factory will also be included. It is hoped that the State Government would readily guarantee these loans. It is also hoped that the law establishing the Corporation would have been gazetted by the time negotiations are concluded as Bankers are asking for this vital instrument.

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3. On the feasibility studies of the proposed project, it is regretted that a copy was not forwarded with our letter under reference. A copy of the feasibility study as well as a photocopy of the Purchase, Erection and Installation contract is now enclosed herewith. The feasibility study was appraised by both the Nigerian Industrial Development Bank, the Nigerian Bank for Commerce and Industries, the defunct Western State Industrial Investment and Credit Corporation which has been succeeded by O'dua Investment Company Limited and ourselves as prospective Shareholders and we all come to the conclusion that the project is viable. Apart from this, contact has been made with the Oyo State Water Corporation intimating it that the project would require about 5.5 million gallons of water annually and pleading with it to anticipate this requirement and reflect it in its operations. In addition to electricity supply by the National Electric Power Authority to the project site, provision has been made for the installation of one standby diesel generating set to cope with the factory load in case of NEPA power outage.

4. Regarding the ratio of loan to equity which appears high, it is to be pointed out that if the working capital is deducted from the loan side, the ratio is about 1.49: 1 which is within acceptable investment standards. However, the projected cash flow on page 14 of the feasibility report shows a healthy steady growth of debt service coverage. The returns are considered very encouraging. With a steady market and a low break even point for the company, the seeming degree of financial risk in the project at the level of debt equity ratio of 1: 1.87 is still quite safe. From the appraisal carried out on the project, both the technical and, financial estimates, which are relatively comparable, indicate that the project is viable. On the basis of the projected profit and loss statement and cash flow, the project will be able to service all loans conveniently, other things being equal. The project in addition will provide employment opportunities for the people in locality thus minimising drift to urban centres in search of employment.

5. On the 17th of December, 1976, the Purchase Agreement between the Technical Partners and the promoters was signed in the Board Room of the Corporation in its attempt to play a leadership role in the promotion of the project. Shortly after the signing of the agreement, a call was made on all Shareholders to subscribe their equity.

6. In view of the explanations above, and in view of the fact that a firm commitment had already been made by the Corporation in respect of its investment in International Breweries Limited before the recent Executive Council's decision, it shall be appreciated if you will agree to release the sum of ₦1,075,000 which forms part of the funds this Corporation intends to invest in the project both as equity and long term loan. The balance of the funds required is being provided for in the 1977/78 budget which will shortly be placed before the State Government for approval.

E. A. Egbedeyi,
General Manager.

SP/C 201 40155

EXECUTIVE COUNCIL, OYO STATE OF NIGERIA
CONCLUSION EXTRACT

To : (1) O.N.G. Action/Infm SP/C.201/T
(2) Action/Infm

GPI 266/376/1000

7th Meeting of 1977 held on 16 / 2 / 19 77

Subject THE RELEASE OF FUNDS TO THE INVESTMENT AND CREDIT CORPORATION OF OYO STATE FOR INVESTMENTS IN THE INTERNATIONAL BREWERIES LIMITED.

Memorandum M. G. (77) 27 by HEMG.

CONCLUSION REFERENCE MGEC 7 (77) 9

HEMG.

CONCLUSION 9.

The release of funds to the Investment and Credit Corporation of Oyo State for Investments in the International Breweries Limited.

M.G.(77) 27
(SP/C.201/T).

Council approved -

- (a) that the Investment and Credit Corporation of Oyo State should invest a sum of ₦1,000,000 in the International Breweries Limited and that it should also grant the International Breweries Limited a loan of ₦600,000;
- and (b) that the Ministry of Finance and Economic Development should release a sum of ₦1,075,000 to the Corporation so that it could invest in the new project as indicated in paragraph 5(a) of the Memorandum.

ACTION BY THE OFFICE OF THE MILITARY GOVERNOR.
ACTION BY THE MINISTRY OF FINANCE & ECONOMIC DEV.

Sm G r H S

Above is respectfully submitted,
please.

OK
20/2/77

Prin Sec (CO)

Please inform Sec (CO) in information

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40/F

Sec. Sc

You may wish to T.C.
 on the Tex. Co. Concl.
 Extract overleaf
 concerning the Memo. on
 Memos pp. 31-33 please.
 24/2/77

RS(SC)

Please see overleaf and
 convey into approval overleaf
 by

Mc
24/2

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SP/C.201/T/41

25 February, 1977

The General Manager,
Investment and Credit Corporation
of Oyo State,
P.M.B. 5085,
Ibadan.

International Breweries Limited

P.1

I am directed to refer to your letter No. I/C.2/79 of 7th February, 1977 and to inform you that the Oyo State Executive Council had, at its meeting held on 16th February, 1977, approved -

- (i) that your Corporation should invest a sum of ₦1,000,000 in the International Breweries Ltd. and that it should also grant the International Breweries Limited a loan of ₦600,000;
- and (ii) that the Ministry of Finance and Economic Development should release a sum of ₦1,075,000 to your Corporation so that it could invest in the new project as indicated above.

2. I am to add that the Ministry of Finance and Economic Development has been requested accordingly to release a sum of ₦1,075,000 to your Corporation.



E. O. Omobowale
 (E. O. Omobowale),
 for Secretary to the Military
 Government and Head of Service.

Our Ref. No. SP/C.201/T/41A

Copy to:

25 February, 1977

The Permanent Secretary,
Ministry of Finance and
Economic Development,
Ibadan.

Above is for your information and necessary action with reference to your letter No. EST.A2/2/77-78 of 12th January, 1977.

2. You should, please, release a sum of ₦1,075,000.00 to the Investment and Credit Corporation of Oyo State.

E. O. Omobowale
 (E. O. Omobowale),
 for Secretary to the Military
 Government and Head of Service.

P-A



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OYO STATE INVESTMENT AND CREDIT CORPORATION

(A STATUTORY ORGANISATION OF THE OYO STATE GOVERNMENT)

FLOORS 17-19 COCOA HOUSE, PRIVATE MAIL BAG 5085, IBADAN. TEL: 62810 - 2

OUR REF: I/C.2/115
YOUR REF:

TELEX NO. 31122 A1. CORP. NG.

TELEGRAMS/CABLES: OYSICCO IBADAN

18th April, 1977

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



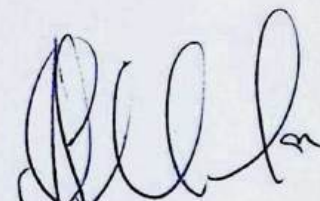
For the attention of Mr. J. A. Osundina

International Breweries Limited: Nomination of Directors

Following the request of the International Breweries Limited, Ilesha, Nigeria, the Board of Directors of this Corporation has nominated two persons as directors of the International Breweries Limited. You will kindly recollect that you conveyed the approval of the State Government for the Corporation to invest a sum of ₦1,000,000 in the International Breweries Limited in form of equity shares as well as a loan of ₦600,000 to the same project vide your letter SP/C.201/T/41 of 25th February, 1977.

2. The following two persons have been nominated by the Board of Directors of this Corporation to serve on the Board of Directors of the Company. They are Mr. M. A. Adetoye, Controller of Industrial Operations of this Corporation and Mr. Benjamin Awoyemi, the Sales Manager of Nigeria Bottling Company Limited. He is from Iresi in Ogun Division.

3. I shall be very grateful if you could please obtain the approval of His Excellency the Military Governor for the Board's nomination.


D. A. Abinusawa
(General Manager)

IAA/DAA

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Y.E.

via

S.M.G. & H.S. ~~20/4/77~~ 20/4/77

P.S.O.M.G. ~~20/4~~ 20/4.

At page 7, the Board of Directors of Oyo State Investment and Credit Corporation is seeking Y.E.'s approval of the nomination of the following two persons in its employment to serve as Directors of the International Breweries Limited, Ilesha:

- (i) Mr. M. A. Adetoye, Controller of Industrial Operations of the I.C.C.
- (ii) Mr. Benjamin Awoyemi, Sales Manager of Nigeria Bottling Company Limited.

2. The Oyo State Executive Council had earlier on approved the equity and loan participation of the Investment and Credit Corporation in the International Breweries Limited to the tune of ₦1,000,000.00 and ₦600,000.00 respectively as contained in the EXCO. conclusion at P. 5.

3. Y.E. is respectfully invited to approve the Board's nomination as in para. 1 above.

(J. A. Osundina)
Sec. (S.C)

20th April, 1977.

Approved.

[Signature]
20/4

[Signature]
Sec (SC)

M take for a.

9
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SP/C. 201^T/9

22 April, 1977.

The General Manager,
Oyo State Investment & Credit
Corporation,
P.M.G. 5085,
Ibadan.

International Breweries Ltd:
Nomination of Directors.

I am directed to refer to your letter No. I/C.2/115 of 18th April, 1977 on the above subject and to convey the approval of His Excellency the Military Governor for the Board's nomination of Mr. M. A. Adetoye and Mr. Benjamin Awoyemi to serve on the Board of Directors of International Breweries Limited.



J. A. Osundina
J. A. Osundina
for Secretary to Military Governor
and Head of Service.

P.A.
J. A. Osundina
25/4/77



507e 201 ~~10~~
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OYO STATE INVESTMENT AND CREDIT CORPORATION

(A STATUTORY ORGANISATION OF THE OYO STATE GOVERNMENT)

FLOORS 17-19 COCOA HOUSE, PRIVATE MAIL BAG 5085, IBADAN. TEL: 62810 - 2

OUR REF: **A/C.194/11**
YOUR REF:

TELEX NO. 31122 A1. CORP. NG.
TELEGRAMS/CABLES: OYSICCO IBADAN

27th April, 1977

**Permanent Secretary,
Ministry of Trade, Industries and Cooperatives,
Secretariat,
Ibadan.**

For the attention of Mr. J. A. Fapohunda

Steering Committee for the Industrial
Development of Oyo State.



I forward herewith the write-up on the contributions of the Oyo State Investment and Credit Corporation to the industrialisation efforts of the State Government requested in paragraph 3 of your letter No. S.194/6 of 13th April, 1977.

2. I hope you will find the information useful.

**D. A. Abinusawa
General Manager.**

Ref. No. A/C.194/11A

Ibadan: 27th April, 1977.

c.c.
Secretary to the Military Government and
Head of Service,
Office of the Military Governor,
Agodi,
Ibadan.

P.11-13

Above for information. A copy of the write-up is attached herewith.

**D. A. Abinusawa
General Manager.**

AS (SC),

Above is submitted f.n.a.
please.

CR.
28/4/77

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CONTRIBUTIONS OF OYO STATE INVESTMENT
AND CREDIT CORPORATION TO THE INDUSTRIAL EFFORTS
OF OYO STATE GOVERNMENT.

Oyo State Investment and Credit Corporation was established on 1st July, 1976 following the creation of Oyo, Ondo and Ogun States out of the former Western State and the resultant dissolution of the following three Corporations: the Industrial Investment and Credit Corporation, the Agricultural Investment Corporation and the Agricultural Credit Corporation. Consequently, the new Corporation took over the functions and responsibilities of the three dissolved Corporations which fall within the jurisdiction of Oyo State.

Industrialisation Efforts:-

2. The efforts of the Corporation in this direction can be categorized as follows:-

- (i) Promotion of new industries;
- (ii) identification and investigation of new areas of industrial investment; and
- (iii) the granting of industrial loans to indigenous enterprises as a step towards the broader objectives of accelerating industrial growth of the State.

In promoting industrial investments, the Corporation is anxious not only to invest, but also to encourage others to do so. It, therefore, seeks the participation of financial institutions such as NIDB, NBCI, Commercial Banks and individuals (preferably of Oyo State Origin) in its investment and lending operations. The Corporation, since its establishment, has been exploring new areas of investment in order to take advantage of opportunities that may arise from time to time. As a practical demonstration of its belief in profitable investments, the Corporation has invested a sum of ₦1,000,000 (One Million Naira) in International Breweries Limited which is located at Ilesha in Oyo State. In addition, a sum of ₦600,000 has been earmarked for the Company as a long-term loan. Other shareholders in the Company are the promoters of the venture, the Nigerian Industrial Development Bank Limited, the Nigerian Bank for Commerce and Industries and the Overseas Technical Partners.

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Establishment of a new Brewery at Ibadan:-

3. With the approval of the Office of the Military Governor, the Corporation intends to establish a new brewery in the State capital at a cost of N13,000,000 (Thirteen Million Naira). Feasibility study on this project as well as quotations have been submitted by Messrs. Kosmos Export of Hamburg, Western Germany who are the prospective technical partners. A 20-acre piece of land has already been applied for from the Ibadan Area Planning Authority. The Corporation is also seeking permission for the technical partners to carry out the perimeter and topographical surveys of the project site. Registration and incorporation of the Company are being actively pursued.

Investment in Shares and Debenture Stocks:-

4. The Corporation has already bought some shares and debenture stocks in Companies like Nichemtex Industries Limited, Metal Box Nigeria Limited, Guinness Nigeria Limited and Dunlop Industries Nigeria Limited. Now that it is known that the process of implementation of the Nigerian Enterprises Promotion Decree 1977 will entail the offer for sale of a considerable high quality shares of quoted Companies, through the Lagos Stock Exchange, the Corporation is now poised to purchase as many shares as possible from the Companies classified under Section 7 of the Decree 1977. It is understood that at least ten Companies would offer about 50 million ordinary shares for sale on or before 30th June, 1977.

Projects under consideration:-

5. The Corporation is currently appraising two projects submitted to it by businessmen of Oyo State origin. One of these projects is S & A Enterprises Limited which will manufacture nails, panel pins, nuts and bolts as well as expanded metals. The other is Nigerian Animal Feeds and Fertilisers Productions Limited which will produce simple fodder and organic manure, fertilisers and glue from animal bones and hoofs. If the viability of the two projects is assured, the Corporation would hold equity shares in them and grant long-term loans.

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Feasibility Studies:-

6. Feasibility studies have been commissioned to examine the viability of the following projects in the State:-

- (i) Clay Burnt Bricks;
- (ii) Pre-Stressed Concretes;
- (iii) Agricultural Implements;
- (iv) Automobile Components;
- (v) Soft Drink Production.

The reports of these studies are expected to be submitted by the consultants at the end of May, 1977.

Premier Tobacco Company:-

7. This Agro-Industrial venture has been passed to the Corporation. It is a moribund organisation, but the Corporation is making arrangements to resuscitate it. A new Chairman of Board of Directors who is a senior staff of the Corporation has been nominated and given power to carry out a surgical operation on the Company. The production of Black Fat (a form of processed tobacco) will be improved by the new management of the Company. A sum of ₹160,000 has been earmarked for the improvement of its operations during this financial year. This is as a result of the report submitted by a firm of consultants on the operation of the Company.

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L

Sec (SC)
Pr. Sec. (SC), ~~AS~~

The letter at page 10 was addressed to the Permanent Secretary, Ministry of Trade, Industries and Co-operatives. In the letter, the General Manager, Investment and Credit Corporation informed him that he forwarded the write-up on the contributions of the Corporation to the Industrialization efforts of the State Government requested for by the Ministry. The said write-up which can be found at pages 11 - 13 was endorsed to us for our information.

E. A. Osundiran
(E. A. Osundiran),
AS (SC),
24th May, 1977.

2. Since H.E.M.G. is the Chairman and the S.M.G. & H.S. a member of the Steering Committee for the Dev. of Oyo State, you may wish to refer the write-up pp. 11-13 to them f.i. only, ~~as~~ as it would be expected that it would be discussed exhaustively at a meeting of the Committee.

Lola Omojowo
P.S (SC)
24/5

S.M.G. & H.S.,

via

P.S.O.M.G., Jil 27/5.

Please find at pp. 10 - 13 the write-up submitted by the General Manager, Oyo State Investment and Credit Corporation on the contribution of his Corporation to the Industrialisation efforts of the State, meant to be submitted to the Steering Committee for the Industrial Development of Oyo State. H.E.M.G. is the Chairman

of the Committee with your good self as a member.

2. The paper tries to high-light the major achievements of the Corporation since its inception as the Western State Industrial Investment and Credit Corporation to now. Its Industrialisation efforts include:-

- (i) promotion of new industries;
- (ii) identification and investigation of new areas of industrial investment, and
- (iii) the granting of industrial loans to indigenous enterprises with a view to accelerating industrial growth of the State.

Financial institutions such as NIDB, NBCI, Commercial Banks, and indigenous of substance of Oyo State have always been encouraged to participate in the Corporation's lending and investment operations. Amongst the new ventures in which it is involved are:-

- (i) the International Breweries Limited in which it is investing as much as ₦1,000,000.00 at Ilesha,
- (ii) a new brewery estimated to cost ₦13,000,000.00 in the State Capital is being studied with a view to determining its viability;
- (iii) the Corporation has already bought some shares in Debenture Stocks in Companies like Nichemtex Industries Limited, Metal Box Nigerian Limited, Guinness Nigerian Limited and Dunlop Industries Limited. With the recent sales of shares by Companies through the Lagos Stock Exchange in the process of implementing the Nigeria Enterprises promotion Decree of 1977, the Corporation is poised to purchase as many shares as possible.

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(iv) the Corporation is also appraising two projects submitted by S & A Enterprises Limited which will manufacture nails, panel pins, nuts and bolts and expanded metals, and the Nigerian Animal Feeds and Fertilizers Productions Limited which will produce simple fodder and organic manure, fertilizers and glue from animal bones and hoofs.

3. Feasibility studies have been commissioned to examine the viability of a few other projects. A sum of ₦160,000.00 has also been set aside to resuscitate the moribound Premier Tobacco Company during this financial year.

4. As these and many other issues will come up for discussion at the meetings of the Steering Committee for Industrial Development meetings, this is just for your information only at this stage, please.

J. A. Osundina,
Ag. Sec. (S.C),
25th May, 1977.

28/5/77

Noted A. I would like the Sec of the Committee to be urged to fix a meeting soon after consulting this office.

Note

I have discussed with the Secretary of the Steering Committee for the Industrial Development in Oyo State, Mr. J. A. Fayokunba who assured me that he would get in touch with this office before or by Friday as soon as he received the write-up of the Property Development Corp. (S.C) 20/5

OFFICE OF THE MILITARY GOVERNOR



AKURE · ONDO STATE, NIGERIA

DIVISION



402

Your Ref. No.
All communications should be addressed to the Secretary to the Military Government and Head of Service quoting

Our Ref. No. SG/S.54/112

Date: 15 April, 1977.

**Mr. T. A. Akinyele,
Secretary to the Military Government
and Head of Service,
Oyo State,
Ibadan.**

Upper Ogun Cattle Ranch: Management of

X With reference to your letter No. SP/C.201/T/3 of 26th February, 1977, it would appear that events have partly overtaken the subject-matter under reference since I understand that the Western Livestock Company has now started operation under Odua' Industment Company and has made arrangement to provide funds for the management of the cattle ranches. It is also understood that the cattle ranch in Akunnu is going to be managed by the Western Livestock Company as it was one of the five ranches originally proposed to operate under the Company, the others being Ogboro and Upper Ogun in Oyo State, Meko in Ogun State, and Oke-Ako in addition to Akunnu in Ondo State. It may, however, be necessary subsequently that the whole basis of the Company and its association with the cattle ranches may need further re-examination by officials of the three States in order to determine whether or not the present arrangement whereby the Western Livestock Company is managing the ranches should continue.

2. The delay in reply has been due to my effort to get some clarification as regards the position of the Company in relation to the cattle ranches and to know what has been the cause of delay to the take-off of the Company.

3. This letter is being endorsed to Mr. A. A. K. Degun, Secretary to the Military Government and Head of Service, Ogun State, Abeokuta for his information.

(T. A. Iwajomo),
Secretary to the Military Government
and Head of Service.

Prin. Sec (Sc)

Sec (Sc) 19/4

See P. 464

Pt. file and resubmit with comments.

T. A. AKINYELE

(9/4/77)

P. 357

P. 459

ARCHIVES

SP/201

403

OFFICE OF THE MILITARY GOVERNOR



AKURE · ONDO STATE, NIGERIA

DIVISION



Your Ref. No.
All communications should be addressed to the Secretary to the Military Government and Head of Service quoting
Our Ref. No. SC. 41/209.....

Date 18th April, 1977

Mr. T. A. Akinyele,
Secretary to the Military Government
and Head of Service,
Office of the Military Governor,
Agodi,
Ibadan.

DISTRIBUTION OF WSAIC LIQUID ASSETS: DISHONOURD
CHEQUE

P.2-3

I attach herewith photo-copy of a letter on the above-mentioned subject which I have just received from the General Manager, Ondo State Investment Corporation. It is alleged that instruction to stop the payment of N22,412.49 to Ondo State Investment Corporation came from the Office of the Military Governor, Oyo State. I have also attached copies of the documents mentioned in the General Manager's letter.

P.4-7

2. I shall, therefore, be grateful if you will, please, investigate this allegation and enlighten me as to what really happened. It is my expectation that the amount due to the Ondo State Investment Corporation and the Ogun State Agricultural Development Corporation will be paid as soon as possible.

P.466

See P. 459

The Swajomo

(T. A. Iwajomo),
Secretary to the Military
Government and Head of
Service.

Sec (SC)

Pl. call for the comments of the
G.D., Investment & Credit Corporation of O.S.

T. A. AKINYELE
20/4/77

ONDO STATE INVESTMENT CORPORATION

From the General Manager's Office.



20
404

Acquinas College Road,
P. M. B. 700, Akure, Ondo State.
Telephone 2180; 2389
Telegram "INVECORP"

F/C 1/2/73

15th April, 1977

The Secretary to the Military Govt.
and Head of Service,
Office of the Military Governor,
Secretariat,
Akure.

PRIORITY

For the Personal Attention of Mr. T. A. Iwajomo

DISTRIBUTION OF WSAIC LIQUID ASSETS: DISHONOURD CHEQUE

We wish to bring to your notice our recent experience with the Oyo State Government. This complaint relates to the distribution of liquid assets among the three Statutory Corporations - Ondo State Investment Corporation, Oyo State Investment and Credit Corporation and the Ogun State Agricultural Development Corporation - which were created from the defunct WSAIC.

As a result of advance commitments, certain assets were due to the defunct AIC which did not mature by the time the AIC was dissolved. As a result, several meetings have been held by the three agencies mentioned above in an attempt to access and distribute at regular intervals, realisations from these assets. The last of such meetings was held on 25th February 1977 at which it was agreed that part of the liquid assets in the bank should be distributed among the three agencies as follows:

Pp204-5

- | | |
|---|--------------|
| (a) Oyo State Investment & Credit Corporation | - Nil |
| (b) Ondo State Investment Corporation | - N22,412.49 |
| (c) Ogun State Agric Development Corporation | - N38,913.00 |

No allocation was made to Oyo State Investment and Credit Corporation because:

- (1) the Oyo State did not deliver any produce to the Western Nigeria Marketing Board (WNMB) which indeed paid all the money being distributed;
- (2) the Oyo State through their Industrial and Credit Corporation had overspent what was due to them as of the time of distribution of the assets.

It would be recalled that the decision to distribute the assets as above was a unanimous one and in fact, the meeting was presided over by the General Manager of the Oyo State Investment & Credit Corporation. There was no grumbling of any sort and no injustice was known to have been done to any party concerned.

405

203

PRIORITY

- 2 -

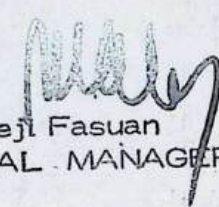
We are therefore surprised to have received in this office a cheque which has been dishonoured and carrying a tag "Payment Stopped".

We had earlier on received the same complaint from our Ogun State counterpart which alleged that their cheque was stopped by the O.M.G., Oyo State. Photo copies of the letter from Ogun and our reaction to the letter are attached herewith.

P. 206

Arising from the above is the fact that an accord voluntarily entered into by three parties has now been repudiated by one of the parties to the detriment of the others. Since the AIC was scrapped, our counterpart in Oyo State has benefited more than the other two not only because of their numbers but because the liquid assets are based in the Oyo State capital. In point of fact, we had the opportunity, if we had wanted, of insisting at the onset that since only Ondo and Ogun States delivered the produce to the Marketing Board, that only these two states have the right to benefit from the payments made by the Marketing Board. We did not do this in line with the spirit of the time.

We should therefore be grateful if you could use your good offices to bring this matter up as appropriate and also help us seek adequate redress.


Oladeji Fasuan
GENERAL MANAGER

ARCHIVES

CD-OPERATIVE BANK LIMITED

C.B.F. SA

204

FDV

Advice to Customer

Original

From Akure Branch

DR. NO 729873

To Ondo State Inv. Corp of

We have to advise you that your FC 277 Account has been debited with N22 412. 49 details of which are as under.

[Signature]
Branch Manager

Date	Description	N	K
12/4/77	Attached is your NIBN No. Cocoa House Ibadan cheq No 1374 60 sent for collection returned unpaid for reason stated thereon	22,412	49

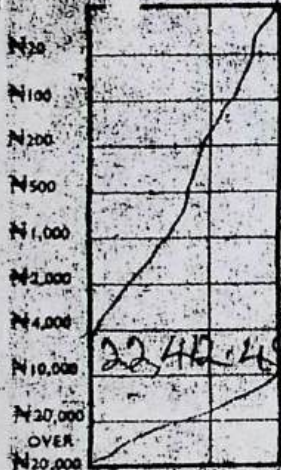
Ondo State Investment Corporation
RECEIVED
DATE: 14/4/77
FOR ACTION

N 22 412 49

prepared by [Signature]

BH - P 137460

NOT EXCEEDING



Printed by the Printing & Engraving Co. Ltd. Lagos



120

NATIONAL BANK OF NIGERIA LTD



LAGOS

25th February 1977
Payment Stopped



Pay Order state
Twenty two thousand four hundred and twelve naira and forty nine kobo

22,412.49

SIGNATURE
E. C. O. O. O.

Signature

ARCHIVES

OGUN STATE AGRICULTURAL DEVELOPMENT CORPORATION

(A STATUTORY ORGANISATION OF OGUN STATE GOVERNMENT)

Telephone: Abeokuta.....

Telegrams, Cables:.....Abeokuta

Our Ref: ADC. 7/70....

Your Ref:.....

Private Mail Bag 2101,
Abeokuta,
Ogun State.

30th March, 1977

The General Manager,
Ondo State Investment and
Credit Corporation,
P. M. B. 700,
Ibadan. *Akinre*

(For the Attention of Mr. E. A. Kayode)

Payment in respect of Farm Produce

I wish to refer to our last meeting of 25th February, 1977 on the above and the subsequent cheque No. NBN BH-P 137459 for a total value of N38,913.00k issued to Agric. Development Corporation Ogun State as part payment of produce delivered to the Marketing Board by Ijebu Farm Project Apoje and regret to inform you that the cheque was returned to my office unpaid. Further investigation revealed that there is a standing instruction at the bank (National Bank, Cocoa House) to stop further transaction on the Produce Account. The instruction was purported to have emanated from the Office of the Military Governor Oyo State.

I shall be grateful if effort would be made urgently from your own end to reactivate the account so that the money may be made available for the urgent need of the Farm Project that delivered the produce.

Thanks for your co-operation.

Yours Sincerely,

(Signature)
(P. O. Ibigbami),
Ag. General Manager.

Our Ref. No. F/C.1/2/67.



Phone 2389 - Akure.

The General Manager,
Ogun State Agric. Development Corporation,
P.M.B. 2101,
Abeokuta.

31st March, 1977.

Payment in Respect of Farm Produce

I refer to your letter No. ADC.7/70 of 30th March, 1977 and to state that the cheque issued to this Corporation has just been presented for payment. It has not been returned.

2. You will recall that in a meeting held on 10th September, 1976, the principal signatories to the Western State Agricultural Investment Corporation's account in the National Bank, Cocoa House were authorised to write to cancel all signatories until further notice. This letter was written on 6th October, 1976 vide my letter No. F.4/5/11, a copy of which was sent to the Deputy Chief Agric. Officer, Abeokuta. During a meeting held on 8th February, 1977, it was also agreed that the principal bank signatories should write to National Bank Cocoa House intimating them of the new signatories to the accounts which are to be set out pairs. The letter was written vide F.14/5/12 of 14th February, 1977 which was copied to you.

3. It is very surprising to learn that your cheque was returned as a result of some instruction from the Oyo State Office of the Military Governor.

4. It will be advisable, therefore, if you contact your Secretary to the Military Government in order to treat the matter on governmental level and no more on statutory Corporation's level.

5. All efforts to reactivate and open up the accounts have been promptly taken from this end.

6. A copy of the Chief Accountant accounts of the Western State Agricultural Investment Corporation accounts as at 31st Jan, 1976 is attached

(E. Akin. Kayode),
for: General Manager.

cc:
The General Manager,
Oyo State Investment and Credit Corporation,
P.M.B. 5085,
Ibadan.

Ref. No. F/C.1/2/67A

Attention: Mr. G.O. Ajani

Above for your information. It will be appreciated if you will persuade your Office of the Military Government to re-open the account with the National Bank, Cocoa House.

(E. Akin. Kayode),
for: General Manager

EAK/PT

VACANCY

Extracted from
the Daily Sketch
of Tuesday
12th April, 1977

Applications are invited from suitably qualified Nigerians for the following positions in Western Livestock Company Limited, Ibadan.

- (A) GENERAL MANAGER
- (B) RANCH MANAGERS
- (C) ACCOUNTANT
- (D) ASSISTANT SECRETARY

1. GENERAL MANAGER:

(a) Duties:

- (i) He will be responsible to the Board of Directors for the management of the company;
- (ii) He will have responsibility for ensuring that the objectives of the company are achieved;
- (iii) any other duties that may be delegated by the Board.

(b) **Qualification:** Candidates should be holders of either a B.Sc in Agriculture or a higher degree with special interest in livestock or beef production, and at least 7 years relevant experience.

2. RANCH MANAGERS:

(a) **Duties:** They will be responsible to the General Manager for the day-to-day running of the company's ranches at UPPER OGUN; OGBORO; AKUNNU; OKE-AKO and MEKO.

(b) Qualifications:

Candidates should possess a degree in Agriculture or a higher degree in livestock or beef production with at least 5 years relevant experience. Non-graduates with relevant experience of not less than 7 years will be considered.

3. ACCOUNTANT:

(a) **Duties:** He will be responsible to the General Manager for the efficient financial administration of the company's affairs. He will also supervise and control the finances and accounts sections of the company's ranches and ensure that their work are carried out efficiently and in accordance with the company's policies.

(b) Qualification:

Candidates should be members of a recognised accountancy body or B.Sc in Accountancy with at least two years post qualification experience.

4. ASSISTANT SECRETARY:

(a) **Duties:** Assisting the Secretary in the performance of the secretarial work of the company, including the rendition of all statutory returns to the Registrar of Companies.

(b) Qualification:

Candidates should possess a University degree in the social sciences or the Associate Membership of the Chartered Institute of Secretaries and Administrators with at least three years relevant experience.

SALARIES AND FRINGE BENEFITS:

- Post 1. Not less than ₦10,000
- Post 2. Not less than ₦7,500
- Post 3. Not less than ₦6,000
- Post 4. Not less than ₦5,000

METHOD OF APPLICATION:

Applications, in three copies giving details of age, marital status, educational background, institutions attended with dates, past and present employment including salaries and positions held, the names and addresses of two referees should be addressed to:

THE COMPANY SECRETARY,
Western Livestock Company Limited,
c/o P. M. B. 5435,
Ibadan.

to reach him not later than May, 9, 1977.

441
~~405~~

S.M.G. & H.S.

P.S., O.M.G. *Gil 27/4.*

Via Sec. (SC),

Your minute bottom p. ⁴⁰²403 refers. It will be recalled that, following His Excellency's directive (as recorded in your minutes p.356J) that the position of the Upper Ogun Cattle Ranch be reviewed by re-opening the issue which had earlier been deliberated upon by the S.I.C., you addressed the letter pp. 357-357A to your colleagues in Ogun and Ondo States. The crux of the matter is that, having regard to all the essential factors, the Upper Ogun Cattle Ranch, which the S.I.C. had directed should be transferred to the Western Livestock Co. Ltd, should revert to the Investment and Credit Corporation of Oyo State, if the other cattle ranches, particularly the Akunnu Cattle Ranch in Ondo State, are not also to be transferred to the Livestock Co. Ltd. This decision was taken because it was felt that the S.I.C. directive to pass on the well developed Upper Ogun Cattle Ranch to the Livestock Co. Ltd. (henceforth owned jointly by the 3 'O' sister States) was a clear departure from the normal practice whereby agricultural projects formerly managed by the defunct Western State Agricultural Investment Corporation were, invariably, left with the States in which they are located. And of equal concern was the fact that the Western Livestock Co. had not started operation, thus leaving the Upper Ogun Ranch no specific source of fund to run it and pay staff salaries, etc.


2. The SMG & HS, Akure, has now reacted as at p.403 on which you have now asked for our comments. His understanding is that Western Livestock Co. Ltd. had started operation under the Odu'a Investment Coy and has made arrangements to provide funds for the management of the cattle ranches. Understandably too, the Cattle Ranch in Akunnu is going to be managed by the Western Livestock Co. Ltd. "as it was one of the five ranches originally proposed (underlining mine) to operate under the Company, the others being

413
1-11

it becomes fully operational, there could be some collusion whereby whatever profit is made on the well developed Upper Ogun Ranch would be used to prop operational losses in the other mini ranches elsewhere.

5. It is against this background, therefore, that we have to consider seriously, the suggestion 'X' p.403 by the SMG & HS, Akure that it might be necessary to have the whole basis of the Livestock Co. and its association with the cattle ranches further re-examined by officials of the three States, in order to determine whether or not the present arrangement whereby the Company is managing the ranches should continue. As it has now been shown that except in the case of the Upper Ogun formally transferred to the Company, the management of the ranches is based on a mere administrative convenience, it is obvious that this State has much ^{more} greater at stake than any of the other two sister States. And in any event, the venture has hardly started and could be regularised right away or ended forthwith. In other words, we have to press our demand that the other ranches be treated the way Upper Ogun has been, by formally transferring them under the management of the newly established Western Livestock Co. Ltd, or it reverts to the I.C.C.O.S.

6. Without prejudice to my submission above, I wish to add that we might benefit from the advice of the P.S., M.A.N.R, more so as that Ministry knows so much about the Upper Ogun Cattle Ranch, and should be able to tell us the problems and prospects of cattle ranch development in this State.


(Lola Omojowolo),
Ag. Prin. Sec. (SC)

21 April, 1977.

7. As shown in the Daily Sketch advert cutting at page 404, the duties of the Ranch Managers of the Western Life Stock Company Limited will include the day to day running of the Company's ranches at Upper Ogun, Ogboro, Akunnu, Oke-Ako and MeKo. One is

tempted to infer from this that these Cattle Ranches have been effectively passed to the management of the Company. However, since there appears to be no firm commitment on the part of Ondo and Ogun States to transfer the ranches lying in their states, it may not be safe to rely merely on the newspaper publication as pointed out in para. 4 above. Viewed from another angle, it is obvious that the Western Life Stock Company Limited will cease to exist should the ranches mentioned above revert to the respective states in which they are located. It seems to me that the purpose of setting up the company is principally to manage these existing ranches. Hence the need for Ondo and Ogun States to agree to surrender the ranches within their borders to the Company.

Jil

Jil

Jil

Jil
 (J. A. Osundina)
 Sec. (S.C)
 21st April, 1977.

8. We should wait for the re-action of Ogun State. If there is consensus that all the ranches be brought under the umbrella of the Western Livestock Coy. then there wd. be no need for us to back out of the scheme. In that event very solid agreement shd. be entered into to prevent back-sliding by any of the partners.

Jil
 G. O. ABE
 PSOM
 22/4/77.

407
415

Your Excellency,

Following Your Excellency's discussion with me I forwarded the letter on p. 357 - 357A on the issue of the management of the Upper Ogun Cattle Ranch to my colleagues at Abeokuta and Akure. The issues really are :

- (i) the neglect of the Upper Ogun Ranch while the Western Livestock Company which is supposed to manage it is trying to find its feet;
- (ii) the indecisive nature of the position of the other ranches in the other two States coupled with some indication that the other States do not see themselves fully committed to transferring the ranches located on their soils;
- (iii) the fact that Investment and Credit Corporation of Oyo State had to continue to spend its own money on the maintenance of the ranch.

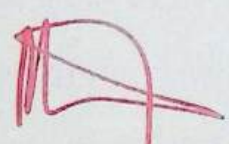
2. The Secretary to the Military Government and Head of Service, Ondo State has replied as on p. 403 and I shall be grateful if Your Excellency would read the comments of our officers on pp. ⁴¹¹405 - ⁴¹⁴408. The most remarkable thing that has come out of his reply is the hint given at X p. ⁴⁰³43 indicating that the Ondo State Government considers the matter still fluid and subject to further re-examination. I think we should accept this suggestion in the hope that we would be able to get at the true intentions of our sister States in this matter. In the meantime I propose to send a reminder to

the Secretary to the Military Government and Head of Service, Ogun State.

(T.A. Akinyele),
S.M.G. & H.S.

27th April, 1977.

I have read your letter dated 26 Feb 77 and Ondo State's S.M.G. & H.S. reply of 15 April 77. I have also seen the advertisement on page 404. I agree that you should write a reminder to Ogun State S.M.G. & H.S. His reply will indicate our next line of action. We might have to contact the Oduwa Inv. Co. at a later date for ~~classification~~ clarifications. Let us wait for Ogun States reaction first.


28/4.

417

Sec. (SC)
PSONG
Jil 29/4. Pl. take for a. on
HENG's min. on p. 410.

~~T. A. AKINYELE~~
T. A. AKINYELE
29/4/77

ARCHIVES OF OYSCAC

4188
420

SP/C 201/T/8

21 April, 1977.

The General Manager,
Investment and Credit Corporation,
Oyo State,
Cocoa House,
P.M.B. 5085,
Ibadan.

DISTRIBUTION OF WSAIC LIQUID ASSETS:
DISHONoured CHEQUE

I am directed to forward to you photocopy of letter Ref. No. SC. 41/209 of 18th April, 1977 and its attachments from the Secretary to the Military Government and Head of Service, Ondo State on the above subject, and to ask for your comments.



J. A. Osundina
J. A. Osundina
for Secretary to the Military Government
and Head of Service.

B.u. 3/5/77 ✓

J. A. Osundina
23/4/77

See P. 442

See P. 471

4192

C.43/125

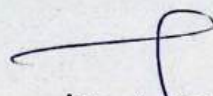
15th April, 1977

The Secretary to the Military Government
and Head of Service,
Office of the Military Governor,
Akure,
Ondo State.

(For the Attention of Mr. J.B. Abegunde)

Western State Agricultural Credit
Corporation.

I am writing with reference to your endorsement No. SC.18/164A of 15th March, 1977 concerning the above-mentioned subject and wish to inform you that if equitable sharing of assets and liabilities of the former Western State Agricultural Credit Corporation is to be effected within a reasonable period of time, an audited final account will provide a strong basis for that purpose. In the circumstances, it is recommended that accounts official preferably one Higher Executive Officer (Accounts) and one Executive Officer (Accounts) from each of the three States of Ogun, Ondo and Oyo should be urgently assigned to prepare the final accounts of the dissolved Western State Agricultural Credit Corporation. In order to facilitate action in this connection, I am to further suggest that the Oyo State Investment and Credit Corporation should be requested to monitor this exercise, and that the officials who are to prepare the audited final accounts of the former Western State Agricultural Credit Corporation should embark on their assignment on Monday, 9th May, 1977 in Ibadan.



(T. A. Taiwo)
for: Secretary to the Military
Government and Head of Service.

CONFIDENTIAL

SP/C 201

3
420

Our Ref. No. C.43/126

Office of the Military Governor,
Ibara,
Abeokuta.

15th April, 1977.

Copy to:

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



(For the Attention of Mr. E.O. Omobowale)

For information with reference to your letter No. SP/C.201/384 of 8th March, 1977.

2. It is hoped that you will be able to send officials of the appropriate Corporation in your State to carry out the preparation of the audited accounts of the former Western State Agricultural Credit Corporation on Monday, 9th May, 1977.

3. As regards the sharing of assets of the Corporation which you mentioned in paragraph 2 of your letter referred to in the preceding paragraph, no difficulty is envisaged because it is believed that the decision of the States Implementation Committee on this matter should be strictly adhered to. In any case, it is believed that the expected Federal Government Decree on the sharing of assets between the newly created States has now been promulgated. This Decree will be studied and its provision will be applied to the sharing of assets of the former Western State Agricultural Credit Corporation as soon as the final audited accounts are made available.

Taiwo
(T. A. Taiwo)

for: Secretary to the Military
Government and Head of Service.

CONFIDENTIAL

Prim. Sec (SC),

Above is submitted f.n.a. please.

See P. 2

CR
C.R.
28/4/77

SAG d/15 26/4
SPIC 201

421/12

MINISTRY
OF AGRICULTURE



AND
NATURAL RESOURCES

ADMINISTRATION AND GENERAL DIVISION

IBADAN · WESTERN STATE OF NIGERIA



Your Ref. No.....
All communications should be
addressed to the Permanent Secretary
quoting
Our Ref. No....ADC.775/361

Date... 19th April, 1977

Mr. T.A. Akinyele,
Secretary to the Military Government
and Head of Service,
Office of the Military Governor,
Ibadan.

US(SN)
Pl. examine

Western State Agricultural Credit Corporation

T. A. AKINYELE

20/4/77

P. 395

P. 9

The letter reference P-YY510W106 of 30th March 1977 which was addressed to you and your Ogun State counterpart by the Manager, Operations Department, Nigerian Agricultural Bank Limited on the above subject, has come to my notice. A copy of the letter was endorsed to this Ministry for information. I have also observed that a letter reference No. SC.18/164 of 15th March 1977 addressed to the Manager of the Operations Department of the Nigerian Agricultural Bank Limited by your Ondo State counterpart was also copied and attached to the letter under reference.

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P. 10

2. I wish to state for your information that we are agreeable to the proposal that the Nigerian Agricultural Bank loan of ₦4,368,210.00 which was granted the former Western State Agricultural Credit Corporation should be shared at the usual ratio of 44:31:25. Using this ratio, therefore, the total loan becomes distributable as follows:-

x/

Oyo State	₦1,922,012.40
Ondo State	₦1,354,145.10
Ogun State	₦1,092,052.50

If none of the States had enjoyed amounts in excess of the sum to which it is entitled as stated above before the dissolution of the Western State Agricultural Credit Corporation, the amount to be guaranteed by each State Government should be limited to the sum stated above.

3. If, on the other hand, any of the States had exceeded the amounts specified before the dissolution of Western State Agricultural Corporation, that State would guarantee the sum already enjoyed whilst the two other States would share the balance using the appropriate ratio. Where two States have exceeded their entitlements, the guarantee to be given by the remaining State would be limited to the amount of the balance of the loan. In short, the calculation should be based on the following formula:-

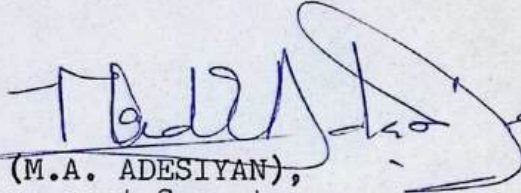
Credit
L

.../2.

See P. 468


13
422

State	Share of N.A.B. Loan on basis of 44:31:25 ₹	Amount Enjoyed before dissolution of WSACC ₹	Balance (i.e. column 2 - 3)	The amount to be guaranteed (i.e. column 3 + 4)


(M.A. ADESIYAN),
Permanent Secretary.

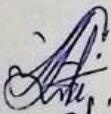
US (SM),

I submit from p. 12 of n.a.
please.


C.R.
28/4/77

C.R.

I have a faint recollection that the subject matter of this file letter has been dealt with in the main file of Oyo State Inv. and Credit Corporation. Can you please attach the main file to enable me take action immediately,


2/5/77

423
472

SP/C. 201/412

29 April, 1977.

Mr. A. A. K. Degun,
Secretary to the Military Government
and Head of Service,
Office of the Military Governor,
Abeokuta.

Upper Ogun Cattle Ranch:
Management of

I am directed to refer to my letter No. SP/C.201/T/3
of 26th February, 1977 on the above subject and to
request for the favour of an early reply.



J. A. Osundina

for Secretary to the Military
Government and Head of Service

B.u. 12/5/77

2/5/77

SMG + HS
PS OMC Gil 2/5.
Sec. (SC), ~~2/5~~ 2/5/77

424

It is understood that the main file which contains the antecedents to the points raised in pp. 2 & 3 is still in action with the SMG & HS. From p.1 which originated from this Office however, there are two basic issues to be disposed of :

- (i) the determination of the liability of each of the three sister 'O' States in respect of a loan of ₦4,368,210.00 which the Nigerian Agricultural Bank Ltd. granted the former Western State Agric. Credit Corporation, and
- (ii) the sharing of the assets and liabilities of the former Western State Agric. Investment Corp. (I am afraid I don't know about that) and the former Western State Agric. Credit Corp.

2. As far as I could recollect, the arrangement in respect of (i) is either that each of the three 'O' State Governments guarantee the proportion of the loan already expended in its State if liability could not be ap^bor_htioned in the agreed ratio of 44 : 31 : 25 per cent to Oyo, Ondo and Ogun States respectively. The other remote suggestion, I think, is that the three States enter into a joint agreement with the N.A.B., that is, in addition to the one earlier entered into by the former Western State Government when the loan was being granted.

3. On (ii) above, the SMG & HS, Abeokuta has now modified the earlier suggestion that Account Officers of the three States should meet to audit the accounts. He has therefore suggested an HEO (Accts.) and an EO (Accts) from each State to start work on Monday 9th May, 1977 at Ibadan on the accounts of the former Western State Agric. Credit Corp. It is also being suggested that the Investment and Credit Corp. of Oyo State (which presumably keeps whatever remains of the accounts) should monitor the audit exercise. Thus, the Federal Govt. Decree on the sharing of assets between or among newly created States would be

no, he has not.
Gil
2/5.

studied and the relevant provisions applied to the sharing of assets of the former W.S.A.C.C. after the audited final accounts have been made available. It is obvious that the Federal Govt. Decree normally takes precedence over whatever decision the dissolved S.I.C. might have taken on such matters, and this is why we need not bother about the details of the policy decision on the sharing of assets in the proportion of 44 : 31 : 25 per cent as earlier mentioned.


4. If then we agree with the arrangement suggested by Abeokuta, we have to inform the PS, M.E.&T. to assign the two appropriate officers, and alert the Investment and Credit Corporation of Oyo State accordingly. But as the emphasis is on auditing and not accounting as such, I would have thought that our request should go to the Auditor-General to make available the services of one of his Auditors and probably that of another HEO (Audit). But I should mention that by virtue of my being in the Ministry of Finance and Economic Development from where I was posted here, I got to know that there was an acute shortage of staff in the Dept. of Audit. Apart from the backlogs which have to be cleared, the audited final accounts of the former Western State have to be prepared.

5. Without prejudice to my para. 4 above, and whatever proposals might have been made on the audited final accounts of the defunct W.S.A.C.C., I would normally suggest that it would be neater, cheaper, and certainly less controversial to have the audited final accounts prepared by a reputable firm of Chartered Accountants, within a given time limit, such that the sharing of assets and liabilities becomes a simple administrative exercise.

6. If then you agree and don't consider it too late in the day, we can inform Abeokuta and Akure for their consideration and concurrence on the need to have the audited final accounts

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6

prepared by Auditors from the Services or better still, by an independent and reputable firm of Chartered Accountants within a given time limit and at an agreed sum to be passed into the account of the Corporation.


(Lola Omojowolo),
Prin. Sec. (SC)
29 April, 1977.

7. There are two main issues to resolve namely:
- (i) Sharing the assets and liabilities of the former Western State Agric. & Invest. Corp. and Western State Agric. Credit Corp.

Before this is done the accounts, of course, have to be audited up-to-date. Government Accounts personnel are not suitable to carry out this type of audit ~~and~~ ^{while} our Audit personnel are already overstretched. The next obvious recourse is commercial audit and in this respect I suggest that the usual professional Auditors normally employed by the Corporation in the past should be asked to do this and be given a time limit of say, two to three months.

- (ii) Determination of the liability of each of the States in the N.A.B. Loan.

This should be referred to the law officers for advice with particular reference to the Federal Decree on the creation of States. We need advice as between a supplementary joint agreement by the three States with N.A.B. and sharing the bank loan on the basis of actual allocation to each State. My personal prediction is for sharing and making each State

7
427

liable for its own share of the loan direct
to the N.A.B.

Gil
(G. O. Abe)
P.S.O.M.G.
2 May, 1977.

Prin. Sec (sc)
Sec. (sc) 200 6/5/77
PSONG
Gil
6/5. Pl. pursue your para 7 above.

~~T. A. AKINYELE~~

5/5/77

ARCHIVES OF OYSCAC

SP/C.201

428

OFFICE OF THE MILITARY GOVERNOR



ABEOKUTA · OGUN STATE, NIGERIA

Your Ref. No.....
All communications should be addressed to the Secretary to the Military Government and Head of Service quoting C.43/137
Our Ref. No.....

Date 22nd April, 1977

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



Western State Agricultural Credit Corporation

I am writing with reference to your letter No. SP/C.201/399 of 12th April, 1977 concerning the above-mentioned subject. We have now obtained the legal opinion of the Solicitor-General and Permanent Secretary, Ministry of Justice in this State on the points raised in your letter No. SP/C.201/307 of 17th February, 1977 and its attachments. A copy of the letter from the Solicitor-General and Permanent Secretary, Ministry of Justice in this State No. C.24/8/187 of 6th April, 1977 is attached hereto for your information and any action you may consider necessary.

P.399
P.307
P.430
P.458

2. You will observe from the letter that it is the view of the Solicitor-General and Permanent Secretary, Ministry of Justice that the effect of the Decree that is soon to be promulgated by the Federal Military Government on the sharing of assets and liabilities by the newly created States is to vest in the Military Governor of each new State created under Decree No. 12 of 1966 all properties of a former State situated in the area comprised in a new State. He has, therefore, suggested that it is now up to the Nigerian Agricultural Bank Limited to indicate whether it will accept an offer by the Government of this State to guarantee a part of the loan represented by projects in this State or to await an arrangement by the three Governments of Ogun, Oyo and Ondo as to how the original loan should be paid.

3. In view of our endorsement No. C.43/126 of 15th April, 1977 in which we suggested that some accounts officials should be assigned from each State to prepare the final accounts of the dissolved Western State Agricultural Credit Corporation, it is suggested that

CR,

In file please

27/4

429
~~424~~

further action on this matter should be held up until the final audited accounts of the dissolved Western State Agricultural Credit Corporation are made available since that exercise will clear the way for the sharing of the assets and liabilities of that Corporation.

Taiwo

(T. A. Taiwo)

for: Secretary to the Military Government and Head of Service.

CONFIDENTIAL

PS (SC),

Please.

& submit from P. 423 f-n-a.

CC
C.R.
2/5/77

CR,

It appears to me there is another 'T' file or may be, another relevant file on the subject matter of pp. 421-424. Kindly merge if a 'T' file or attach if merely a relevant file.

JL

P.S (SC)

2/5

PS (SC),

There is no temporary file for this file file No. SP/C. 201 Vol. II and there is no other relevant file on the subject matter. It may be relevant to point out that the minute at foot of P. 42 was written ^{with} the letter was in a temporary file which had now been merged.

CC
E.R. 3/5/77



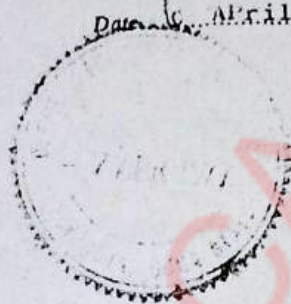
420

ABEOKUTA · OGUN STATE OF NIGERIA

Your Ref. No.....
All communications should be
addressed to the Solicitor-General
and Permanent Secretary quoting
Our Ref. No. C.24/8/197.....

43

Date 6 April, 1977.



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

Western State Agricultural Credit Corporation -
Nigeria Agricultural Bank Limited Loan

104

I refer to your letter No. C.43/104 dated 25th February, 1977 asking for the opinion of this Ministry as to the implication of the promulgation of the Federal Government of a Decree on the sharing of assets of the former States on the above-mentioned loan. I am to inform you that no new point has arisen as the proposal in paragraph 6(a) of the draft Executive Council Memorandum attached to your letter No. C.43/74 dated 18th October, 1976 to the effect that the Government of this State should guarantee an amount of the loan proportionate to that part of the loan which is represented by projects physically situated in Ogun State is in accordance with the provisions of section 1(1)(b) of the States (Creation and Transitional Provisions) Decree 1977 No. 17 which has recently been promulgated by the Federal Military Government.

2. The effect of the Decree is to vest in the Military Governor of each new State created under Decree 12 of 1966 all properties of a former State which is situated in the area comprised in a new State. However, sub-section 2 of the new Decree gives the Military Governor of the new States an option, in respect of any property, to execute an instrument setting out the manner in which it is agreed that such property shall vest.

3. It therefore appears that it is now for the Nigerian Agricultural Bank Limited to choose whether it will accept the offer by the Government of this State to guarantee a part of the loan represented by projects in this State or to await an arrangement by the Governments of Ogun, Oyo and Ono as to how the original loan is to be repaid.

Secy for Gen. Secy
fns

(Signature)

(A. G. Oduyemi),
Solicitor-General and
Permanent Secretary.

CONFIDENTIAL

1131
426

SP/C.201/426

3 May, 1977

Reminder

The General Manager,
Investment and Credit Corporation
of Oyo State,
P.M.B. 5085,
Ibadan.

Western State Agricultural Credit
Corporation

1394 I wish to refer to previous correspondence ending with my letter Ref. SP/C.201/394 of 5th April, 1977 and the attachment on the subject above and to request for the favour of an early reply, including your comments on the said attachment.



(Signature)
(Lola Omojowolo),
for Secretary to the Military
Government and Head of Service.

CONFIDENTIAL

S.M.G. & H.S.

P.S.O.M.G. *File 95.*

Via Sec. (SC), *Joe 4/5/77*

Although you have asked the US (SM) to examine the proposals put forth by the PS, MANR as at pp. 421-422, I feel obliged to take up this assignment since the subject matter now falls squarely on our plate in the Statutory Corporations Division. Going through this file, one discovers an apparent mix-up of the following two issues :-

- (i) the sharing of the assets and liabilities of the defunct Western State Agric. Investment Corporation and the Western State Agric. Credit Corporation, among the three sister 'O' States; and
- (ii) the possible review of a loan of ₦4,368,210.00 granted to the defunct W.S.A.C.C. by the Nigerian Agricultural Bank Ltd., and which loan was guaranteed by the former Western State Government.

2. Admittedly, all the parties concerned are agreed that the sharing of the assets and liabilities of these defunct Corporations would be based on the agreed proportion of 44:31:25 per cent to Oyo, Ondo and Ogun States respectively. The sharing itself would, however, have to await the audited final accounts of these Corporations, hence the suggestion for account officers from the three sister States to meet and prepare the accounts. I wish to recall that only last week, I made a submission in a 'T' file which is still in circulation, suggesting that the accounts be prepared either by auditors from the three States or by an independent and reputable firm of Chartered Accountants.

3. There seems however to be no consensus of opinion on the possible review of the loan granted by the NAB!

- (a) Our own stand here would depend on the advice of our law officers that the matter would be examined vis-a-vis the relevant Decree. Please see the

minutes p.297 by the S-G & PS, Min. of Justice, after which our letter pp. 307-308 issued, requesting for the comments of Abeokuta and Akure.

(b) The stand of the Ondo State Government, as indicated in the endorsement pp. 387-388, seems to support the guaranteeing of the loan on the agreed ratio for sharing of assets and liabilities, plus the fact that each State should be responsible for the repayment to the NAB, the un-repaid loan that was disbursed within its borders by the W.S.A.C.C. This stand is similar to the recommendations of the PS, MANR, in his letter pp. 421-422.

(c) The stand of Abeokuta, as indicated in the letter pp. 423-424, seems to agree with ours that further action on this matter should await the promulgation of the Federal Govt. Decree on the sharing of assets and liabilities by the newly created States, while the audited final accounts of the Corporations are being prepared.

4. As you would kindly observe, I have, on p.394, asked for the comments of the GM, I.C.C.O.S. on the stand of Ondo State. And because the GM has since not written back, I have sent him a reminder as at p.426. Without prejudice to the GM's comments, I wish to say that the seemingly conflicting views of the three States on this issue could be neatly resolved :-

(i) if a subtle distinction is drawn between the need to review the guarantee on the loan and the sharing of the assets and liabilities of the defunct Corporations;

and (ii) if we all talk less of legal technicalities and concentrate more on the substance of the matter.

For all I know, it would take sometime to prepare the audited final accounts of these Corporations, after which the sharing of

434
429

assets and liabilities would have to be effected. The NAB might not have the patience to wait until such a time as the sharing of assets and liabilities would take place. Be that as it may. It is my humble view that, for the sake of consistency, the loan granted by the NAB should be guaranteed by each State Govt. on the agreed proportion of 44:31:25, irrespective of the amount of loan which is represented by projects physically situated in each State.

5. If adopted, this would also appear to be consistent with one of the decisions of the S.I.C. that, should it be necessary for Governments to give loan guarantees on behalf of any investment jointly owned by the three sister 'O' States, the State in which the industry was located should give the guarantee, subject to the condition that, should the Company be unable to fulfil its obligation under the loan agreement, the three State Governments should bear the liabilities on the ratio of 44:31:25 per cent for Oyo, Ondo and Ogun States respectively (underlining mine).

6. Still on the need for consistency, I wish to recall modestly, that while I was in the Ministry of Finance and Economic Dev., there was a case of the sharing of the compensation paid by the Federal Govt. for taking over the property of the former Local Govt. Police Force in the Western State. The sharing ultimately followed the agreed formula, notwithstanding that nearly all the Local Govt. Police property taken over by the Federal Govt. were located in the present Oyo State. If then it is agreed that the loan be guaranteed on the basis of the existing formula for the sharing of assets and liabilities, the guarantee would be as follows :-

- | | | | | |
|------------------|----|----|----|---------------|
| (i) Oyo State | .. | .. | .. | ₦1,922,012.40 |
| (ii) Ondo State | .. | .. | .. | ₦1,354,145.10 |
| (iii) Ogun State | .. | .. | .. | ₦1,092,052.50 |

The appropriate State Govt. Corporations would then be expected to take care of repayment of loan expended in their respective States.

7. Without prejudice to my paras. 4-6 above, I would like to suggest that we refer this issue of the guarantee of loan back to the S-G & PS, Min. of Justice for advice in the light of the relevant provisions of Decree No. 17 - States (Creation and Transitional Provisions) Decree 1977, even as anticipated by the S-G & PS himself in his last advice at p.297.

SL
(Lola Omojowolo),
Prin. Sec. (SC)
4 May, 1977.

8. I'd rather wait for the legal advice before taking any further step.

Prin. Sec (SC)

Jil
G. O. ABÉ
5/5.

Sec. (SC) 9/5

PSONG

Jil
6/5.

Pl. go ahead to seek legal opinion.

T. A. AKINYELE

6/5/77.

ARCHIVES OF

8
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SP/C.201/T1/8

6 May, 1977

The Secretary to the Military
Government and Head of Service,
Office of the Military Governor,
Ogun State,
ABEOKUTA.

The Secretary to the Military
Government and Head of Service,
Office of the Military Governor,
Ondo State,
AKURE.

Western State Agricultural Credit Corporation Accounts

I have been asked to refer to previous correspondence on the subject above, particularly to my letter Ref. No. SP/C.201/384 of 8th March, 1977 to which the Secretary to the Military Government and Head of Service, Abeokuta was reacting in his endorsement Ref. No. C.43/126 of 15th April, 1977, and to express regret that we now have to suggest a modification to the earlier proposal to have the audited final accounts of the former Western State Agricultural Credit Corporation prepared by account officers from our three sister States, after which the assets and liabilities of the said Corporation would have to be shared proportionately.

P.1
P.3

2. I have to explain further that since my letter Ref. No. SP/C.201/384 of 8th March, 1977 issued, we have given the whole matter a fresh thinking, and after another hard look, we have come to the conclusion that, since the emphasis is on auditing and not accounting as such, we should require Auditors to carry out the exercise more appropriately. But as Government Audit personnel are already overstretched, the next obvious recourse is commercial audit.

P.1

3. It is against this background therefore, that we are now suggesting that it would be neater, cheaper, and certainly less controversial to have the audited final accounts firmed out to the professional Auditors normally employed by the Corporation in the past, to complete the exercise within a given time limit of say, two to three months. In that wise, the professional fees would be passed on to the accounts of the Corporation.

firmed?

As kindly, write back soon to indicate your concurrence. Meanwhile, a copy of this letter is being sent to the General Manager, Investment and Credit Corporation of Oyo State who would be required to monitor the audit exercise all the same.



(Lola Omojowolo),
for Secretary to the Military
Government and Head of Service.

See P. 474

See P. 466

See P. 477

9437

Our Ref. No. SP/C.201/T1/9

Ibadan.

Copy to:

6 May, 1977

The General Manager,
Investment and Credit Corporation
of Oyo State,
Cocoa House,
P.M.B. 5085,
Ibadan.

For information and comments, if any, particularly on the firm of auditors normally employed by the defunct Western State Agricultural Credit Corporation in the auditing of its accounts.



[Signature]
(Lola Omojowolo),
for Secretary to the Military
Government and Head of Service.

CONFIDENTIAL

See P. 446

CR,
from overleaf for despatch
by courier service please

Noted.

[Signature]
GFS

[Signature]
C.R.
9/5/77

ARCHIVES



Solicitor-General,

You saw this file last when on page 297, you advised on the contemplated review of the loan agreement between the Nigerian Agricultural Bank and the legal 'successors' to the former Western State Government which had earlier guaranteed the ₦4,368,210.00 loan for the defunct Western State Agric. Credit Corporation. As earlier indicated, can we now have the benefit of your considered opinion on the review of the loan agreement, in the light of the relevant provisions of Decree 17 - States (Creation and Transitional Provisions) Decree 1977? Pages 428-430 from the SMG & HS, Abeokuta and the subsequent minutes pp. 432-435 may be found useful.

LL
(Lola Omojowolo),
Prin. Sec. (SC)

9 May, 1977.

S.M.G. & H.S.,

In your minute above you request legal advice on the guarantee of a loan of ₦4,368,210 made to the former W.S.A.I.C. by the Nigerian Agric. Bank and guaranteed by the former Western State in view of the recently promulgated States (Creation and Transitional Provisions) Decree, 1977.

2. The effect of section 1(1) of the aforesaid Decree No. 17 of 1977 is to vest in the Military Governor of a new State any immovable property or chattel which, immediately before the commencement of the States (Creation and Transitional Provisions) Decree, 1976, was situated in the area of the State the title to which was held by the Military Governor of a former State or by a body corporate established by the law or edict of such State. Sub-section 2 of section 1 however permits a group of States to agree to terms which run contrary to the foregoing provisions, if, but only if,

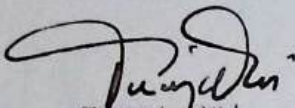
the relevant Military Governors jointly execute an instrument to that effect.

3. It appears that a distinction has to be drawn between (a) the re-payment by the three States of that part of the loan used to finance projects physically located in the respective States and (b) the proportion in which the loan itself ^{be} should/guaranteed by the respective States. Applying the foregoing provisions of the Decree of 1977 to this matter, the effect of section 1(1) is to vest title in all the aforesaid projects physically located in the respective States in their Military Governors unless there is executed a contrary agreement by the three Governors. Consequently, the burden attached to such assets on which part of the loan is utilised falls on whichever State takes the benefit thereof. This accords with the principles of equity which will not allow a person to take the benefit of an asset without at the same time fulfilling the obligations attaching thereto.

X | 4. With regard to the proportion of the loan to be guaranteed by the respective States the same principle would apply, namely, that each State should guarantee the amount of the loan used for projects within its territory, unless, as provided by section 1(2) of the Decree of 1977, there is an instrument jointly executed by the three States setting out the proportion in which the loans should be guaranteed. It would appear, as we pointed out in the advice on page 297 of this file, that this is a matter for policy decision by the government which should now ~~be indicated~~ indicate whether its counterparts of Ondo and Ogun States are prepared to formally agree to the proportion of distribution set out in paragraph 3(ii) at page 392 of this file. In this regard, attention may be drawn to the copy correspondence pages 302 and 388, respectively, from the Secretaries of the Military Governments of Ogun and Ondo States, from which it can be gathered that both these States might be willing to agree to the ratio of guaranteeing the loan as spelt out in the aforesaid page 392 paragraph 3(ii).

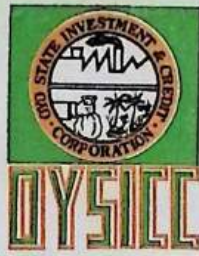
5. As soon as you indicate, after consultation with the Governments of Ondo and Ogun States, that the three States are willing

to guarantee the loan in the aforesaid proportion, and the Nigerian Agric. Bank agrees with this arrangement, a suitable legal instrument will be prepared for execution by the three States as required under s.1(2) of the Decree of 1977. Thereafter the drafting of the guarantee by Oyo State of its own proportion of the loan will be taken in hand by this ministry.


TUNJI ONI,
Principal State Counsel,
For Solicitor-General.

18 May, 1977.

ARCHIVES OF OYSCAO



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OYO STATE INVESTMENT AND CREDIT CORPORATION

(A STATUTORY ORGANISATION OF THE OYO STATE GOVERNMENT)

FLOORS 17-19 COCOA HOUSE, PRIVATE MAIL BAG 5085, IBADAN. TEL: 62810 - 2

OUR REF: SSC.18A/

TELEX NO. 31122 A1. CORP. NG.

YOUR REF:

TELEGRAMS/CABLES: OYSICCO IBADAN

4th M a y, 1977.

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



Dear Sir,

African Cup Winners Series -
I. I. C. C. Shooting Stars International

The I. I. C. C. Shooting Stars International will play the second leg match of the second round series of the African Cup Winners Cup Competition with Bata Bullets Football Club of Malawi in Blantyre on the 14th of May, 1977.

2. The Management of the Corporation would like to obtain approval for 3 officers of the Corporation to accompany the team, the flight tickets for which the Oyo Sports Council has provided.

3. The Corporation would wish that His Excellency the Military Governor could approve that the 3 officers i. e. the Chairman, Secretary and the Team Manager of the Club be financed from the Corporation's funds in respect of Estacode Rates the total break down of which is as follows:-

(i) Esta-Code Rate of N60.00 per night for the Chairman Mr. E.O. Alalade for 8 nights (8th to 15th May, 1977) Grade Level 14	=	N480.00
(ii) Esta-Code Rate for the Secretary Mr. M.A. Adetoye for 8 nights (Sunday 8th to 15th May, 1977) Grade Level 12.	=	N480.00
(iii) Esta-Code Rate for the Team Manager Mr. Yemi Akinpelu for 8 nights (Sunday 8th to 15th May, 1977) Grade Level 09	=	<u>N400.00</u>

N1,360.00

=====

The duration of stay in Blantyre is dictated by non-availability of flights between Lagos and Blantyre.

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4. It will be highly appreciated if His Excellency's approval for the above proposal can be obtained to enable the Ministry of Finance Exchange Control Authority to be issued.

Yours faithfully,
for: Oyo State Investment and Credit Corporation,

M. B. Kassim
(M. B. Kassim)
for: General Manager

Sec(SC),

I submit from p. 1 p. n. a. please.

C.R.
5/5/77

ARCHIVES OF OYO SCAC

3
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S.M.G. & H.S.,

via

P.S.O.M.G., *File 9/5.*

At pp. 1 and 2, the General Manager, Oyo State Investment and Credit Corporation is seeking approval for three officers of the Corporation to accompany the IICC Shooting Stars International on its second leg match of the African Cup Winners Cup Competition with Bata Bullets Football Club of Malawi in Blantyre on the 14th of May, 1977.

2. The flight tickets for the three officers will be provided by the Sports Council. The General Manager is only requesting that the Corporation be allowed to meet the Estacode rate payable to the three officers from the Corporation's funds. The Estacode rate in respect of the three officers is put at ₦1,360.00.

3. In my submission in File SP/C. 144, the names of Messrs E. O. Alalade and M. O. Adetoye appeared on the list of officials and supporters approved to accompany the IICC Shooting Stars, and their Estacode rate and other allowances have been included in the estimates submitted by the Acting Director of Sports. This then leaves only Mr. Yemi Akinpelu the Team Manager of the IICC Shooting Stars for whom no provision has been made. One would have thought that Mr. Yemi Akinpelu should have been treated along with the other officials and supporters by the Sports Council.

4. You will kindly approve that the sum of ₦400.00 be paid to Mr. Akinpelu from the Corporation's funds to meet his expenses in Malawi.

J.A.O.
J. A. Osundina,
Sec. (S.C.),
5th May, 1977.

Joseph I don't think we need
better HE with this one. Pl. convey
approval. *Joseph* 6/5/77

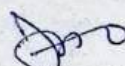
SP/C.201/T/4.

6 May, 1977.


The General Manager,
Oyo State Investment and
Credit Corporation,
P.M.B. 5085,
Ibadan.

African Cup Winners Series
I.I.C.C. Shooting Stars International

P1
I am directed to refer to your letter No.SSC.18A of 4th May, 1977 on the above subject and to convey approval for the payment of Estacode rates in respect of Mr. Yemi Akinpelu, Teem Manager of the Club from the Corporation's funds. Approval for payment of Estacode rates had earlier on been conveyed to the Acting Director of Sports in respect of Mr. E.O. Alalade and Mr. M.A. Adetoye.


(J. A. Osundina)
for Secretary to the Military
Government and Head of Service.



P. A.

6/5/77

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OFFICE OF THE MILITARY GOVERNOR



ABEOKUTA · OGUN STATE, NIGERIA

Your Ref. No.....
All communications should be addressed to the Secretary to the Military Government and Head of Service quoting
Our Ref. No. S.7/Vol.XII/347

SP/C 201

Date.....^{2nd} May, 1977.

Mr. T. A. Akinyele,
Secretary to the Military Government and Head of Service,
Office of the Military Governor,
Oyo State,
Ibadan.



Upper Ogun Cattle Ranch: Management of

P. 357

I must apologise profusely for the delay in replying to your letter No. SP/C.201/T/3 dated 26th February 1977. Like our colleague in Ondo State, I have also had to seek clarification from our Ministry of Agriculture and Natural Resources why the Western Livestock Company has not taken off effectively. The reply from that Ministry was late in coming in.

2. I am pleased to note from the letter from our colleague in Ondo that the Western Livestock Company has now taken off the ground and that it has taken over the management of the five ranches passed to it by the States Implementation Committee. This is good news and I hope it has settled once and for all the problems which the Upper Ogun Cattle Ranch is facing, the Western Livestock Co. being one of the Companies being supervised for us by the Odu'a Investment Company.

P. 402

3. I am sorry I do not agree with the suggestion being made by the Secretary to the Military Government and Head of Service Ondo State in the penultimate sentence of paragraph 1 of his letter No. SG./S.54/112 dated 15th April 1977. It is too early in the day to determine the future of the Western Livestock Company.

A. A. K. Degun

(A. A. K. Degun),
Secretary to the Military Government
and Head of Service.

SECRET

ARCHIVE

See P. 464

Sec (sc)

P. enclose in file & examine.

T. A. AKINYELE

6/5/77



SP/C 201 ~~446~~ 6
~~442~~

OYO STATE INVESTMENT AND CREDIT CORPORATION

(A STATUTORY ORGANISATION OF THE OYO STATE GOVERNMENT)

FLOORS 17-19 COCOA HOUSE, PRIVATE MAIL BAG 5085, IBADAN. TEL: 62810 - 2

OUR REF: A/C .33/Vol.2/T/49

TELEX NO. 31122 A1. CORP. NG.

YOUR REF:

TELEGRAMS/CABLES: OYSICCO IBADAN

SECRET

9th May, 1977

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



Distribution of WSAIC Liquid Assets:
Dishonoured Cheque

P.1418
I refer to your letter No. SP/C.201/T/8 of 21st April, 1977 and its attachments from the Secretary to the Military Government and Head of Service, Ondo State. The account on which the dishonoured cheque was drawn was a former Agricultural Investment Corporation's account into which the Marketing Board made payments in respect of produce delivered to it by the Agricultural Investment Corporation.

P.468
2. When the Western State Agricultural Investment Corporation was dissolved, the Marketing Board ruled that it would only deal with one licensed buying agent in respect of the three States carved out of the former Western State and that all payments in respect of produce delivered by the Ogun, Ondo and Oyo States from 1st July, 1976 when the Agricultural Investment Corporation was dissolved, would continue to be paid into the account previously operated by the Agricultural Investment Corporation for the purpose. The three Corporations involved therefore agreed that they would write the National Bank to suspend payment from this account until the end of the season when payments made into the account with effect from 1st July, 1976, would be shared on the basis of the produce delivered after the dissolution of the Agricultural Investment Corporation by the respective Corporations. It was on the strength of this decision that the letter No. F.4/5/11 of 6th October, 1976 which accompanied the Ondo State Secretary to the Military Government and Head of Service' letter was addressed to the National Bank, suspending the operation of the account. When the National Bank received this instruction, it took actions stated in its letter No. SAD/AOO/631 of 3rd May, 1977, a copy of which is attached.

P.444
3. At a meeting held on the 8th February, 1977 by the representatives of the three States, however, it was decided that the account be operated again. It was also noted that the following sums were due to the States:-

Ogun State	-	N41,594
Ondo State	-	N36,991
Oyo State	-	N19,914

The National Bank was notified of the decision to start operating the account by letter No. F.4/5/12 of 14th February, 1977.

See P.461 **SECRET**

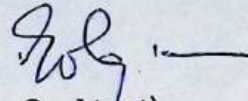
SECRET

447 7
473

- 2 -

4. It is therefore not correct to say that this Corporation has repudiated the agreement reached by the three Corporations as claimed by the General Manager of Ondo State Investment Corporation in the penultimate paragraph of his letter No. F/C.1/2/73 of 15th April, 1977 which is an attachment to the Ondo State Secretary to the Military Government and Head of Service' letter. What has happened was that the Ondo State which originally instructed the National Bank not to honour cheques drawn on the account did not wait until the later decision by the representatives of the three States to reopen the account was communicated to the Bank before sending cheques which unfortunately had to be dishonoured by the Bank on the strength of the directive of the Office of the Military Governor, Oyo State.

5. In the circumstance, it will be appreciated if you will now rescind the instruction contained in your letter of 26th October, 1976, so that this Corporation and its counterparts in Ogun and Ondo States will now be able to draw their own share of the money paid into the account by the Marketing Board since 1st July, 1976.



(G. O. Ajani),
for General Manager.

ARCHIVES OF OYO

SECRET



NATIONAL BANK

NATIONAL BANK OF NIGERIA LIMITED

Cocoa House
P. O. Box 5343 Ibadan.
Telephone: 25156 25157
Cables: Nationbank
Telex: 21348.

Department

Ref: SAD/100/631

3rd May, 1977

The General Manager,
Oyo State Investment & Credit Corp.,
P.M.B. 5085,
Floors 17-19,
Cocoa House,
Ibadan.

Oyo State Investment & Credit Corporation
RECEIVED
DATE: 3/5/77
FOR ACTION: []

Dear Sir,

WESTERN STATE AGRIC. INVESTMENT CORP.

We refer to your letter dated the 2nd of May, 1977, in which you asked for our authority for dishonouring cheques on this account.

Please find the attached photocopy of a letter jointly signed by Messrs Adesida and Kayode. The letter speaks for itself.

As a result of this conflict of authority, we had no alternative than to countermand cheques on this account. We wrote to the Secretary to the Military Government of Oyo State on the 14th of October, 1976 for clearance, and by their letter dated the 26th of October, 1976, signed by Mr. S.C. Oladapo, we were instructed to stop all payments on the account.

We await your instruction on this matter.

Yours faithfully,
for: NATIONAL BANK OF NIGERIA LIMITED,

S.A. DUROSINNI,
MANAGER.

att/..



SP/C 449 9
445

OYO STATE INVESTMENT AND CREDIT CORPORATION

(A STATUTORY ORGANISATION OF THE OYO STATE GOVERNMENT)

FLOORS 17-19 COCOA HOUSE, PRIVATE MAIL BAG 5085, IBADAN. TEL: 62810 - 2

OUR REF: ACC/2/128 Vol.III/39

TELEX NO. 31122 A1. CORP. NG.

YOUR REF:

TELEGRAMS/CABLES: OYSICCO IBADAN

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

10th May, 19 77

(For the attention of Mr. J. A. Osundina)

Western State Agricultural Credit Corporation.

P. 394

I wish to refer to your letter No. SP/C.201/394 of 5th April, 1977 and to state hereunder details of loan disbursement in Oyo State in respect of the N4,368,210 loan approved by the Nigerian Agricultural Bank Limited for the former Western State Agricultural Credit Corporation:-

Year	Circle	Amount Issued	Amount repaid	Balance
1975	Ibadan	156,930.80	82,982.45	73,948.35
1975	Osun	184,660.96	124,731.49	59,929.47
		<u>341,591.76</u>	<u>207,713.94</u>	<u>133,877.82</u>
1976	Ibadan	219,161.00	72,088.17	147,072.83
1976	Osun	264,080.00	70,588.51	193,491.49
		<u>483,241.00</u>	<u>142,676.68</u>	<u>340,564.32</u>
		<u>N824,832.76</u>	<u>350,390.62</u>	<u>474,442.14</u>
Add. Share of Storage Assets		<u>166,223.95</u>	---	<u>166,223.95</u>
		<u>N991,056.71</u>	<u>350,390.62</u>	<u>640,666.09</u>

The loan repayment position is as at February, 1977. The total outstanding loan payable by the Corporation in respect of N.A.B. loan issued in Oyo State is N640,666.09k.

2. Since N1,922,012.40k (One million, nine hundred and twenty-two thousand and twelve Naira and forty kobo) (44% of the original N.A.B. loan) should accrue to Oyo State Investment and Credit Corporation, it means therefore that when the assets of the former Western State Agricultural Credit Corporation are shared, the sum of N930,955.69k (Nine hundred and thirty thousand, nine hundred and fifty-five Naira and sixty-nine kobo) being the balance of the assets to be inherited by the Corporation out of the share of the N.A.B. loan should be credited to the accounts of Oyo State Investment and Credit Corporation.

See P. 833

CR,
Pl. enclose in file and
resubmit.

See (sc)
10/5/77

D. A. Abinusawa
General Manager

See P. 468



SP/C 2450-10
446

OYO STATE INVESTMENT AND CREDIT CORPORATION

(A STATUTORY ORGANISATION OF THE OYO STATE GOVERNMENT)

FLOORS 17-19 COCOA HOUSE, PRIVATE MAIL BAG 5085, IBADAN. TEL: 62810 - 2

OUR REF: A/C.33/Vol.2/T/54

TELEX NO. 31122 A1. CORP. NG.

YOUR REF:

TELEGRAMS/CABLES: OYSICCO IBADAN

13th May, 1977

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



Western State Agricultural Credit Corporation

P. 437

With reference to your letter No. SP/C.201/T1/9 of 6th May, 1977, the meeting of representatives of the Agricultural Investment/Credit and Industrial Investment Corporations in Ondo, Ogun and Oyo States which met on the 25th February, 1977 also decided that the Final Accounts have to be audited before the Assets can be shared.

WSACC

2. Accordingly, the Firms of Messrs. Ogunleye & Co., and Z. O. Ososanya & Co., have since been working on the Agricultural Credit Corporation and Agricultural Investment Corporation accounts respectively. The audit exercise which is being monitored by this office has been completed today in the case of Agricultural Investment Corporation but that of Agricultural Credit Corporation is still in progress because of certain information still expected from some banks in Ondo and Ogun States.

3. You will be notified as soon as the audited accounts are ready.

Sec (SC),

Pages 5 to 10 are submitted f. n. a.
Please.

G. O. Ajani
(G. O. Ajani),
for General Manager.

C.R.
1.15.77

See P 461
" P 463

P. 463
P. 468

H 45/
~~44/77~~
CR,

441-446

The subject matters in the letters at pp 8-10 cannot be processed unless the main file is available as references have to be made to ~~the~~ previous correspondence. Please merge as soon as the main file is available and resubmit.

~~AG~~
AG Sec (SC)
19/5/77

Sec (SC),

Your minute above, the letters are now enclosed in this file being the main one as pp 441 to 446 please.

2. Kindly note that action is pending on pp 438 to 440.

Princ. Sec.

~~AG~~
C.R.
23/5/77

Many subject matters are outstanding in the file. I think we should start to tackle them one at a time

~~AG~~
23/5/75

S.M.G. & H.S.

F.S.O.M.G.

Vis Sec. (SC),

Jil 30/5.

30/5/77

~~448~~
452

I humbly wish to crave your indulgence to minute on some outstanding and related matters in this file in one go:

- (i) the management of the Upper Ogun Cattle Ranch;
- (ii) the dishonoured cheques on the defunct Western State Agricultural Investment Corporation's (W.S.A.I.C.) National Bank Account No. 637;¹ *Jil*
- (iii) the guarantee of the ₦4,368,210 loan granted the defunct Western State Agricultural Credit Corporation (W.S.A.C.C.) by the Nigerian Agricultural Bank; and
- (iv) the audited final accounts of the W.S.A.I.C. and the W.S.A.C.C., prior to the sharing of their assets and liabilities.

It may be pertinent to explain that all these subjects are being treated in this same file on the Investment and Credit Corporation of Oyo State (I.C.C.O.S.) because that Corporation now combines the functions of the former

- (a) Western State Industrial Investment and Credit Corporation (W.S.I.I.C.C.);
- (b) Western State Agricultural Investment Corporation (W.S.A.I.C.); and
- (c) Western State Agricultural Credit Corporation (W.S.A.C.C.), as they relate to Oyo State.

2. The Management of the Upper Ogun Cattle Ranch:

The S.I.C. had earlier approved that the Upper Ogun Cattle Ranch owned, by the defunct W.S.A.I.C., be managed by the Western Livestock Company, a subsidiary of Odu'a. Our objection to this arrangement was that the ranch might lack adequate care from the budding W.L.C. which exists more on paper than in reality. What is more, the decision of the S.I.C.

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on this ranch was a clear departure from the normal practice, whereby agricultural projects formerly managed by the defunct W.S.A.I.C. were, invariably, left with the States in which they are located. It was against this background that you addressed the letter pp. 357-357A (flagged) to your colleagues at Abeokuta and Akure, demanding that the other cattle ranches located in the three sister 'O' States, particularly the Akunnu Cattle Ranch in Ondo State, should be effectively passed to the Livestock Co. or else, the Upper Ogun Cattle Ranch should revert to us. The reply p.402 from Akure gave rise to the conjunctive submission pp. 411-416, culminating in the directive of H.E.M.G. bottom p.416, that the reaction of the SMG & HS, Abeokuta, which was then expected, would indicate our next line of action. The SMG & HS, Abeokuta has now written back as at p.441, implying, as the SMG & HS, Akure did, that the five ranches (Upper Ogun and Ogboro in Oyo State; Meko in Ogun; and Akunnu and Oke-Ako in Ondo), were effectively passed by the S.I.C. to the Livestock Company, and that since the Company has taken off the ground, it should go ahead with the management of the ranches. It should be mentioned, however, that Akure considers the whole arrangement still fluid and subject to a review one way or the other - an indecisive position which the SMG & HS, Abeokuta has now disagreed with in para. 3 of his letter p.441.

3. You would agree that this fluid state of affairs is manifested in the fact that these other two States do not see themselves fully committed to transferring the ranches located in their area of jurisdiction to the Livestock Co. And yet, it is obvious that the raison d'etre for the Livestock Co. is the management of these ranches. It is on this score that I would suggest that we now request the other two State Governments to confirm that the ranches in their respective area of jurisdiction, have been formally transferred to the

On what evidence?

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Western Livestock Company, since it is not on record here that the S.I.C. approved of the formal transfer, as being implied by your colleagues. That, in my view, should be firm commitment on their part, and would have provided the basis for the existence of the Western Livestock Company.

4. The dishonoured Cheques on the W.S.A.I.C. Account:

On p.403, the SMG & HS, Akure had reported the case of a cheque for ₦22,412.49 drawn in favour of the Ondo State Inv. Corp. and dishonoured, allegedly on the instruction of this Office, even though the said sum represents the share of the Corporation from the liquid assets of the W.S.A.I.C. The comment of the GM, Investment and Credit Corp. of Oyo State on this subject, is contained on pp. 442-443, with an attachment on p.444. He confirms that it was a unanimous decision of the replicated State Corporations involved, that the operation of the dissolved W.S.A.I.C. National Bank Account No. 631 be temporarily suspended and that the Bank Authorities be formally informed of this unanimous decision.

5. I have, at the same time, discovered from pp. 496-502 of the attached File SP/C.172 Vol.II, that this Office got involved in the show at the request of the Bank Manager who had reported the conflict of authority over the operation of this same W.S.A.I.C. Account No. 631. As the then US (SIC) pointed out in his submission pp. 500-501 thereof, it was the PS, MANR, Ogun State, who had first taken it upon himself to 'instruct' the Bank Manager to stop all withdrawals from the account. It is still not clear in what capacity he was doing that. Not surprisingly, one other officer, claiming to represent the Chief Accountant of the dissolved W.S.A.I.C., 'instructed' the Bank Manager to disregard such unauthorised directive. In the meantime, the former GM and the Chief Accountant, being signatories to the account, and further claiming the authority of the replicated State Corporations, wrote to instruct the Bank Manager to stop all payments from the accounts. But for

our timely intervention then, lending support to the instruction of the signatories that all payments from the account should be suspended until further notice, the confusion would have been worse confounded.

6. Before I leave this point, I want to take liberty to comment on what would appear to me to be an unholy alliance of our two sister States against us in this simple transaction. You would notice that p.408 issued from Abeokuta to Akure, and that it is all about the dishonoured cheque to the Ogun State Agric. Dev. Corp., also blaming everything on this Office. The two States do not seem to realise, however, that we have stepped into the matter to bring sanity into it, and save the poor Bank Manager any embarrassment of 'unauthorised instructions and counter-instructions'. What is more, it is not even realised now that Ogun State fired the first shot unprovoked, as it were. And by logical inference, the two signatories to the account of the dissolved W.S.A.I.C., would have been most willing to write, as they did, to the Bank Manager to support the PS, MANR, Ogun State's letter to the Manager to stop all payments from the account. Without necessarily being State-conscious, I want to point out that Prince Adewole Adesida, the then GM and the other signatory, Mr. E. Akin Kayode, the Chief Accountant, are both from Ondo State! But by far what appears to me to be really mischievous on their part, is their emphasis on our letter to the Bank Manager to suspend payments from the accounts until further notice. They all pretend not to realise that the hands of the Bank Manager would still be tied technically, except the Ogun State PS, MANR withdraws his unauthorised letter (since the Bank Manager may not be right in law to regard it as unauthorised, coming from a State Govt. functionary as it were), and that the signatories too would need to write again to give the Manager go-ahead order. Finally, I wish to observe, with due respect, that apart from the unnecessary witch-hunting which seems to

have attended this unfortunate incident, there has been a widening communication gap resulting from the drifting apart of the States on this matter.

7. Since then we cannot rule out completely, mischief on the part of Ondo and Ogun States in this matter, I would like to suggest that we write back to the Ondo State SMG & HS who personally signed the letter at p.403, to put the facts straight to him, and copy the SMG & HS Abeokuta. And on the Bank account in question, my advise is that all payments from it should remain suspended. Since, on the information 'X' -p.446 by the GM, I.C.C.O.S., that the audited final accounts of the dissolved W.S.A.I.C. have been completed as at 13th May, 1977, the sharing of the assets and liabilities of the Corporation could come up anytime from now, and the dishonoured cheques would then be 'cleared' in the process. In my humble opinion, this is the only stand that can safeguard our own interest.

8. The guarantee of the N.A.B. loan of ₦4,368,210 to the defunct W.S.A.C.C:

Kindly wade through my earlier submission pp. 432-435, particularly para. 3 thereof, on the stand of each State on the possible review of the loan agreement signed by the former Western State Govt. In fact, it was as a result of that submission that you directed that we seek legal opinion, in the light of the relevant provisions of Decree No. 17 - States (Creation and Transitional Provisions) Decree 1977. The advice of the S-G & PS, Min. of Justice is now contained on pp. 438-440. The long and short of his advice is that there may be need to draw a distinction between

- (a) the repayment by the three 'O' States of that part of the loan used to finance projects physically located in the respective States, and
- (b) the proportion in which the loan itself should be guaranteed by the respective States. // In other words, all depending on the agreement among the three States, the

proportion of the loan to be guaranteed by each would either be the exact amount of the loan used for projects within its territory or in line with the existing policy decision of 44:31:25 per cent to Oyo, Ondo and Ogun States respectively. It seems to the S-G from previous correspondence on the subject, that both Ondo and Ogun States might be disposed to accept this latter option.

9. You would kindly recall that in my submission pp. 431-435, I made a case for this 'proportionate option', mainly on grounds of consistency. I still stand by that recommendation which, in view of the S-G's advice, may now be put to our two sister States for their reaction. Without prejudice to the information p.445 by the GM, I.C.C.O.S., I am still inclined to the idea of guaranteeing the loan in the existing proportion of :

44% to Oyo - - ₦1,922,012.40

31% to Ondo - ₦1,354,145.10

and 25% to Ogun - ₦1,092,052.50

irrespective of the amount expended in each State, and notwithstanding that if we adopt this method, the sum of ₦930,955.69 due to us, but not yet released, should be credited to us whenever the assets and liabilities of the W.S.A.C.C. are to be shared. The point then is that we don't really loose anything since the assets and liabilities of the W.S.A.C.C. too would be shared in the agreed ratio - the outstanding loan from the N.A.B. being a liability, so to speak.

10. The audited final accounts of the defunct W.S.A.I.C. and the W.S.A.C.C.:

It has been agreed by all the parties concerned that, prior to the sharing of their assets and liabilities, the final accounts of the defunct W.S.A.I.C. and the W.S.A.C.C. have to be audited. But instead of the Accounts Officers from each State earlier suggested, we had thought it more economical and less controversial to have the auditing done by a firm of professional Accountants. That explains why our letter

454
458

p.436 issued to Ogun and Ondo, and we endorsed it, on p.437, to the GM, I.C.C.O.S. who is expected to monitor the audit exercise. It is therefore gratifying to note on p.446 that the final accounts of the W.S.A.I.C. have been completed, and that action continues on those of the W.S.A.C.C. The GM has then promised to notify us as soon as the other audited accounts are ready.

11. I wish to recommend therefore that we dispose of the audited final accounts of the W.S.A.I.C. which have been completed. Apart from the fact that there is nothing holding us up, there is the need to dispose of the unfortunate incident of the dishonoured cheques as recommended in my para. 7 above.

12. In sum, you are kindly invited to consider the recommendations in my

- (i) para 3, on the management of the Upper Ogun Cattle Ranch;
- (ii) para 7, on the dishonoured cheques on the W.S.A.I.C. Account;
- (iii) para 9, on the guarantee of the N.A.B. loan to the W.S.A.C.C.;
- & (iv) para 11, on the audited final accounts of the defunct W.S.A.I.C. and the W.S.A.C.C., prior to the sharing of their assets and liabilities.

13. Once more, I humbly wish to apologise for this rather long submission, even though it would have been clumsy to dispose of the various subject matters in a shorter form.

SH OK
2000

DL
(Lola Omojowolo),
Prin. Sec. (SC)
26 May, 1977.

14. On the management of the Upper Ogun Cattle Ranch my view is that this should be surrendered to the Livestock Company to manage along with the other 4 from Ondo and Ogun. Contrary to the recommendation in para. 3 I do not see any need or cause

to doubt the commitment of our sister States with respect to their own ranches and so no need to ask them for any additional confirmation.

15. The issue of dishonoured cheques is an unfortunate episode which should be laid to rest quietly with the sharing of assets and the consequent re-activation of the Bank account. In this respect I endorse the recommendations in para. 7 above.

16. With regard to the guaranteeing of N.A.B. loan I disagree to the proposal and recommendation in para. 9. I prefer the arrangement recommended by the S.G. & P.S., M.J. at X/p.439 namely, "that each State should guarantee the amount of the loan used for projects within its territory". This is not only straightforward but is also more equitable and less susceptible to suspicion and quarrelling in later years. The so-called ratio of 44: 31: 25 should be left to apply to sharing of assets which are practically indivisible in ownership.

17. Finally, the recommendation in para. 11 is supported. The most viable machinery for implementing the sharing is for the G.Ms. of the 3 States' Corporations and their Chief Accountants to put heads together and agree on the share-out.

Gil
(G. O. Abe)
P.S.O.M.G.,
May, 1977.

30

Hni Sec (SC)
Sec (SC) Joo 6/6
P.S.O.M.G., Jil 6/6.

456
450

With reference to the minutes on pages 448 - 455, my comments on the issues raised are as follows :-

(i) The Management of Upper Ogun Cattle Ranch:

While we would like to respect the decision of the S.I.C. on the Upper Ogun Cattle Ranch, the letter of my colleague at Akure on page 402 seems to indicate that he is having a tongue in the cheek, thus giving credence to the unproved information that the Akunnu Ranch in Ondo State is being used by that State Government as if it belonged to it and ~~not~~ the Western Livestock Company. If he is prepared to re-examine the involvement of the Western Livestock Company in managing the ranches, we would be too pleased to join him in that approach, especially as the Upper Ogun Ranch is the only viable agricultural project of the former Western State Agricultural Investment Corporation left behind in Oyo State and it is the only agricultural project of that Corporation that was not left to the ownership and management of the State Government where it is located. The oil palm and rubber plantations of the Corporation in Ondo State are left with that State Government while the Apoje project remains with the Ogun State Government. I would like us therefore to reply S.M.G. & H. S. Ondo State that we would like to join in the re-examination of the issues by officials of this State Government and that instructions are being given to our own Permanent Secretary, Ministry of Agriculture and Natural Resources and the General Manager, Investment and Credit Corporation to liaise with the appropriate ⁱⁿ ~~levels of~~ colleagues in the other two States for this purpose.

(ii) The dishonoured cheques of the W.S.A.I.C. Account:


I do not think we should allow the matter to rest quietly without putting the records straight because these days we have been called various names unfairly because the other States Officials have always attempted to lay blames on each occasion on our door steps invariably unjustifiably. I therefore agree to proposal in paragraph 7, page 452.

(iii) The guarantee of the N.A.B. Loan of #4,368,210 to the defunct W.S.A.C.C.

I think we should keep an open mind on the method to be adopted in sharing the loan either by the agreed ratio of 44 : 31 : 25 or on the basis of the cost of projects financed by loan located for each of the respective States. I would, for the sake of consistency and ease of computation, prefer the first alternative and I would therefore like us to try the suggestion and see how the other States react. If they both react otherwise, then we would acquiesce.

(iv) The Audited Final Accounts of the Defunct W.S.A.I.C. and the W.S.A.C.C.

The recommendation in paragraph 11 is supported along with your paragraph 17.


(T. A. Akinyele),
S.M.G. & H.S.,
6/16/77.


467 458

S.M.G. & H.S.


P.S.O.M.G.

Via Sec. (SC), ~~10/6/77~~ 10/6/77

Pages 456-457 please. Kindly find at back cover, typed draft of suitable reply in each of the four cases. In line with protocol procedure, I have suggested that you sign those letters addressed to your colleagues directly, more so since they too signed theirs to which we are now reacting.


(Lola Omojowolo),
Ag. Prin. Sec. (SC)
10 June, 1977.

Sec. (SC) /
Fair
amended for the drafts as
signature.


G. O. ABE
10/6.

SMG & HS Gil 14/6.
PS OMC
Pl. find abc the originals of letters
in pp 459-467 for signature. You
will kindly initial the file copies
as appropriate, pl.

~~10/6/77~~
Ag Sec (SC)
14th May, 1977.

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SP/C.201/459

15th June, 1977

Mr. T. A. Iwajomo,
Secretary to the Military Government
and Head of Service,
Ondo State,
AKURE.

Distribution of W.S.A.I.C. Liquid Assets:
Dishonoured Cheque

P 403

Thank you for your letter Ref. SC.41/209 of 18th April, 1977 and the attached documents on the subject above. It has taken some time to investigate the full facts of the case, but I am now delighted to put the records straight in an attempt to remove any misgivings about our role in the whole unfortunate incident.

2. The information at our disposal confirms that the Cocoa House National Bank Account No.631, on which the dishonoured cheques were drawn, was the account of the dissolved Western State Agricultural Investment Corporation into which the former Western Nigeria Marketing Board made payments on produce delivered to it by that Corporation. Following the creation of States and subsequent replication of Corporations, the Western State Agricultural Investment Corporation was dissolved. But the Marketing Board ruled that it would still deal with only one licensed buying agent in respect of the three States carved out of the former Western State. Hence, all payments on produce delivered by the Oyo, Ondo and Ogun States from 1st July, 1976 when the Western State Agricultural Investment Corporation was dissolved were made into the Cocoa House National Bank Account No.631.

3. In the meantime, the Permanent Secretary, Ministry of Agriculture and Natural Resources, Abeokuta had, in his letter No. ED.135/13 signed by one E.A.O. Aina on 23rd September, 1976, (and received 30th September, 1976) 'instructed' the Bank Manager to stop all withdrawals from the account. It is still not clear in what capacity he gave that instruction. Almost immediately after, one other J. A. Moronkeji, claiming to represent the Chief Accountant of the dissolved Western State Agricultural Investment Corporation addressed a letter Ref. No. AF/C.1/16 Vol.II/219 of 8th October, 1976 (received same day) to the Bank Manager asking him to disregard the 'unauthorised directive' from Abeokuta. And to further confound a confused situation, the General Manager and the Chief Accountant of the dissolved Western State Agricultural Investment Corporation, being the two signatories to the Bank Account in question, and claiming the authority of the appropriate Corporations in the three States, wrote the Bank Manager their letter No. F.4/5/11 of 6th October, 1976 (received 12th October, 1976) ordering him to stop all payments from the account. In desperation therefore,

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the Bank Manager formally informed us on 14th October, 1976 of the obvious conflict of authority over the operation of Bank Account No.631, and specifically requested us to intervene in the imbroglio in order to restore sanity to the whole arrangement. This explains briefly why we felt obliged to advise the poor Bank Manager to suspend all payments from the account until the conflict of authority would have been resolved.

4. We have observed from the exchange of correspondence between your Investment Corporation and Ogun State Agricultural Development Corporation that the wrong impression seems to have been gathered that we are being unnecessarily difficult in the sharing of the liquid assets of the dissolved Western State Agricultural Investment Corporation, whereas the various sums involved were being drawn on the sale of produce as follows:

- Oyo State - N19,914.00
- Ondo State - N36,991.00
- Ogun State - N41,594.00

Apart from our advice to the Bank Manager, the Permanent Secretary, Ministry of Agriculture and Natural Resources, Abeokuta, still has to withdraw his earlier letter to the Bank Manager, by writing another one to cancel it.

5. I am happy, however, to add that the General Manager, Investment and Credit Corporation of Oyo State has now confirmed to me that the audit of the final accounts of the dissolved Western State Agricultural Investment Corporation was completed on 13th May, 1977. The immediate effect of this seems to be that the Chief Executives and the Chief Accountants of the appropriate State Corporations can now arrange, as soon as possible, to share out the assets and liabilities of the Corporation in the agreed ratio of 44:31:25% to Oyo, Ondo and Ogun State respectively, such that the question of the dishonoured cheques could be settled once and for all. I shall be grateful if you would kindly instruct the appropriate officers in your State's Investment Corporation accordingly.

6. I am endorsing a copy of this letter to the Secretary to the Military Government and Head of Service, Ogun State, Abeokuta for his information and suitable action.



(T. A. Akinyele),
Secretary to the Military
Government and Head of Service.

Our Ref. No. SP/C.201/460

Office of the Military Governor,
Ibadan. 15th June, 1977

Copy to:

The Secretary to the Military
Government and Head of Service,
Office of the Military Governor,
Ogun State,
ABEOKUTA.

For information and suitable action, please, particularly on my paragraph 5 on the sharing of the assets and liabilities of the dissolved Western State Agricultural Investment Corporation.



(T. A. Akinyele),
Secretary to the Military
Government and Head of Service.

CONFIDENTIAL

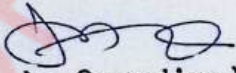
CONFIDENTIAL

465 461
Our Ref. No. SP/C.201/461
Office of the Military Governor,
Ibadan. 16th June, 1977

Copy to:

The General Manager,
Investment and Credit Corporation
of Oyo State,
Cocoa House,
P.M.B. 5085,
Ibadan.

P 442
P 446
For information and suitable action please, reference your letter No. A/C.33/Vol.2/T/49 of 9th May, 1977 on the subject. In the meantime, you would be advised to liaise with your colleagues in the other two States on the necessity to share out immediately, the assets and liabilities of the dissolved Western State Agricultural Investment Corporation whose audited final accounts you reported, in your letter Ref. No. A/C.33/Vol.2/T/54 of 13th May, 1977, have been completed.


(J. A. Osundina),
for Secretary to the Military
Government and Head of Service.



CONFIDENTIAL

ARCHIVES

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SP/C.201/462

16
AS to June, 1977

The Secretary to the Military
Government and Head of Service,
Office of the Military Governor,
Ogun State,
ABEOKUTA.

The Secretary to the Military
Government and Head of Service,
Office of the Military Governor,
Ondo State,
AKURE.

The Audited final Accounts of the defunct
Western State Agricultural Investment Corporation
and the Western State Agricultural Credit Corporation

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I wish to refer to previous correspondence ending with my letter Ref. SP/C.201/T1/8 of 6th May, 1977 on the subject above, and to say that the General Manager, Investment and Credit Corporation of Oyo State has now confirmed that the audited final accounts of the defunct Western State Agricultural Investment Corporation have been completed by the firm of Messrs. Z. O. Ososanya & Co. It is also understood that the firm of Messrs. Ogunleye & Co. have not been able to complete those of the Western State Agricultural Credit Corporation because of certain information still expected from some banks in Ondo and Ogun States.

2. Since it is desirable to dispose of the completed accounts of the Western State Agricultural Investment Corporation, we would like to suggest that the General Managers of the appropriate States' Corporations and their Chief Accountants should put heads together to implement the sharing of the Corporations' assets and liabilities in the agreed ratio of 44:31: and 25 per cent to Oyo, Ondo, and Ogun State respectively.

Jil

(G. O. Abe),
for Secretary to the Military
Government and Head of Service.



See 102

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Our Ref. No. SP/C.201/463

Office of the Military Governor,
Ibadan.

16th June, 1977

Copy to:

The General Manager,
Investment and Credit Corporation
of Oyo State,
Cocoa House,
P.M.B. 5085,
Ibadan.

For information and necessary follow-up action
please, with reference to your letter No. A/C.33/Vol.2/T/54
of 13th May, 1977.

2. In particular, you should kindly liaise with your
counterparts in the other two States to complete the
sharing of the assets and liabilities as early as possible.

P. 2446



Gil

(G. O. Abe),
for Secretary to the Military
Government and Head of Service.

CONFIDENTIAL

ARCHIVES

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468

SP/C.201/464

15th June, 1977

Mr. T. A. Iwajomo,
Secretary to the Military Government
and Head of Service,
Ondo State,
AKURE.

Upper Ogun Cattle Ranch: Management of

P 402

I wish to refer to previous correspondence ending with your letter Ref. No. SG/S.54/112 of 15th April, 1977 on the subject above, and to say that we share your views that the whole basis of the Western Livestock Company and its association with the cattle ranches need further re-examination by officials of the three States in order to determine whether or not the present arrangement whereby the Company manages the ranches should continue. We would very much like to join in the re-examination of the issues involved. Towards this end, I am instructing my Permanent Secretary in the Ministry of Agriculture and Natural Resources and the General Manager, Investment and Credit Corporation of Oyo State to liaise with their appropriate colleagues in the other two States.

2. I have to explain that I am just able to give a reply to your letter under reference because the reactions of our colleague at Abeokuta to my earlier letter Ref. SP/C.201/T/3 of 26th February, 1977 addressed to both of you reached me only recently. I am also endorsing a copy of this letter to him for information.



(Signature)
(T. A. Akinyele),
Secretary to the Military
Government and Head of Service.

Copy to:

Our Ref. No. SP/C.201/464A
Office of the Military Governor,
Ibadan. 15th June, 1977.

Mr. A.A.K. Degun,
Secretary to the Military Government
and Head of Service,
Ogun State,
ABEOKUTA.

P 441

For information, with reference to previous correspondence ending with your letter Ref. No. S.7/Vol.XII/347 of 2nd May, 1977.



(Signature)
(T. A. Akinyele),
Secretary to the Military
Government and Head of Service.

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SP/C.201/465

15th June, 1977

Mr. M. A. Adesiyon,
The Permanent Secretary,
Ministry of Agriculture and
Natural Resources,
Ibadan.

Mr. D. A. Abinusawa,
General Manager,
Investment and Credit Corporation
of Oyo State,
Cocoa House,
P.M.B. 5085,
Ibadan.

OYOSCA

Management of the Upper Ogun Cattle Ranch

P.356A

You would recollect that your Ministry/Corporation was represented at a meeting held in this Office on Thursday, 17th February, 1977 to consider the position of the Upper Ogun Cattle Ranch. As you are aware, this Ranch is the most developed and the only viable agricultural project of the former Western State Agricultural Investment Corporation which ought to have been inherited by this State in conformity with States Implementation Committee's decision that agricultural projects of that Corporation be left with the State in which they are physically established - e.g., the oil palm and rubber plantations in Ondo State are left with that State Government and the Apoje project in Ogun State also left with that State Government.

2. While we would like to respect the decision of the States Implementation Committee to transfer the ownership and management of the Upper Ogun Cattle Ranch to the budding Western Livestock Company, there is every indication that our two other sister States are not fully committed to transferring even the management of the ranches located in their respective areas of jurisdiction to the Company whose raison d'etre is the management of these ranches. What is more, my colleague at Akure has put forth the view that the whole basis of the Western Livestock Company and its association with the cattle ranches be further re-examined by officials of the three States in order to determine whether or not the present arrangement whereby the Company manages the ranches should continue. I have already written back to agree with his view, and to inform him that we would like to join in the re-examination exercise.

3. The purpose of this letter, therefore, is to request you to liaise with your respective colleagues in the other two States for this purpose. For the avoidance of doubt, the position to be taken is that, either the Upper Ogun Ranch should stay with the Investment and Credit Corporation of Oyo State or that the ownership and management of the other four

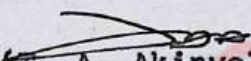
see P. 597

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470

ranches (Ogboro in Oyo State, Meko in Ogun, and Akunnu and Oke-Ako in Ondo) should be formally transferred to the Western Livestock Company.

4. Kindly keep me informed of any development in the re-examination of these issues.




(I. A. Akinyele),
Secretary to the Military
Government and Head of Service.

SECRET

ARCHIVES OF OYO STATE

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SP/C.201/467

15th June, 1977

The Secretary to the Military
Government and Head of Service,
Office of the Military Governor,
Ogun State,
ABEOKUTA.

P 428

The Secretary to the Military
Government and Head of Service,
Office of the Military Governor,
Ondo State,
AKURE.

P 388

N.A.B. Loan to the defunct Western State
Agricultural Credit Corporation

It has not been possible to react to your above quoted letter till now because we were expecting the opinion of our law officers on the review of the N4,368,210.00 loan agreement, in the light of the relevant provisions of Decree 17 - States (Creation and Transitional Provisions) Decree, 1977.

2. The long and short of the legal opinion is that the loan could be guaranteed in either of two ways:

- (i) on the basis of the existing policy decision of 44:31: and 25 per cent proportion for Oyo, Ondo, and Ogun States respectively, or
- (ii) on the basis of the cost of projects physically located in each State.

We would, for the sake of consistency and ease of computation, opt for the first alternative, whereby the loan would be guaranteed as follows:

Oyo State	-	N1,922,012.40
Ondo State	-	N1,354,145.10
Ogun State	-	N1,092,052.50

3. The purpose of this letter therefore is to seek your concurrence and/or comments, so that the Nigerian Agricultural Bank may be informed of the position early.



(T. A. Akinyele),
Secretary to the Military
Government and Head of Service.

P. See P 575

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Our Ref. No. SP/C.201/468
Office of the Military Governor,
Ibadan. 16th June, 1977

Copy to:

The Permanent Secretary,
Ministry of Agriculture and
Natural Resources,
Ibadan.

For information and record purposes please, with reference
to your letter Ref. No. ADC.775/361 of 19th April, 1977.

P.421



(Handwritten signature)

(J. A. Osundina),
for Secretary to the Military
Government and Head of Service.

Our Ref. No. SP/C.201/468A

Office of the Military Governor,
Ibadan. 16 June, 1977

Copy to:

The General Manager,
Investment and Credit Corporation
of Oyo State,
Cocoa House,
P.M.B. 5085,
Ibadan.

For information and record purposes please, with reference
to your letter No. ACC/2/128 Vol.III/39 of 10th May, 1977.

P.445



(Handwritten signature)

(J. A. Osundina),
for Secretary to the Military
Government and Head of Service.

CONFIDENTIAL

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473

Sec. (sc)

①

p. 467.

2. The references mentioned in para. 1 are not indicated against the addressees!

3. Get this done suitably and check the letters for any possible errors; eg. the endorsements at pp. 460, 461, 463 + 468.

Jil
G. O. ABE
14/6/77.

PS OMER,

②

Ref min. above.

2. All necessary amendments have now been made as directed in your min. above. SMG + HS and your good self may now sign the letters a.b.c. and initial the file copies pl.

③

~~Ag Sec (sc)~~
15/6/77
Sec (sc)

SMG + HS.

pl. initial pp.

459 - 467

and sign the min. on pp. 456-7.

originals a.b.c.

Jil
16/6.

Done pl.
~~15/6/77~~

Jil
PSOM 9 15/6.

CR
14/6

470
474
Pri A-S (sc)
~~Sec (sc)~~ 20/6

Pl. k. i. v. replies to pp 459-468.

~~Ag~~
Ag Sec (sc)
19/6/77

CR,

Pls k. i. v for the replies to
the letters from pp 459-468.

~~21/6~~
21/6/77

ARCHIVES OF OYSCAC

SP/C 201
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OFFICE OF THE MILITARY GOVERNOR

AKURE · ONDO STATE, NIGERIA

.....DIVISION

Your Ref. No.....
All communications should be
addressed to the Secretary to the
Military Government and Head of
Service quoting

Our Ref. No...SC.18/5/128...

Date...17th May, 1977.....

✓ The Secretary to the Military
Government and Head of Service,
Office of the Military Governor,
Ibadan.
Oyo State.

The Secretary to the Military
Government and Head of Service,
Office of the Military Governor,
Abeokuta,
Ogun State.



Termination of Contract for the
Construction of Portal Frame Warehouses

On the 16th of September, 1975, the contract for the construction of Portal Frame Warehouses was signed between the Agricultural Credit Corporation of the defunct Western State, and Mr. L.B. Popoola, Builder and Contractor of SW9/354, Odo-Ona, Ibadan. While three of the Portal Frame Warehouses were to be built in Ondo State, the others, numbering seven in all, were earmarked for various places in Oyo and Ogun States. The contract agreement specifically gave Mr. Popoola twenty weeks i.e. up to February, 1976, within which to complete the job.

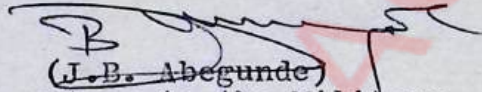
2. In spite of an extension of time granted by the Ondo State Agricultural Credit Corporation to Mr. Popoola to complete the portion of the job in the State, progress on the works has been rather negligible. As will be seen in the attached brief, after more than 78 weeks since the award of the contract, only one warehouse is at the roofing stage. The other two have not gone beyond the foundation stage. In fact, a recent investigation carried out shows beyond doubt that Mr. Popoola is not competent to execute the contract. He seems to have lost interest in the job and he is now probably waiting for Government action, having been warned by this Office, of the consequences of his delay, in the execution of the contract.

3. I am informed that on legal grounds, the Ondo State Agricultural Credit Corporation cannot unilaterally terminate the contract agreement without the consent, individually, of the two sister Corporations belonging to your Government. The purpose of this letter, therefore, is to seek your assistance in getting the consent of the Oyo State Investment and Credit Corporation and the Ogun State Agricultural Development Corporation, respectively, in the termination of the contract. The two Corporations have already been contacted on the matter.

P7-16

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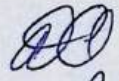
4. The Ondo State Government is anxious to have the warehouses completed without further delay, so that the expensive storage machines already purchased can be put into operation. I should be grateful, therefore, if you would give your blessings to the request above.



(J.B. Abegunde)
for Secretary to the Military
Government and Head of Service.

US (SM),

I submit from p. 5 f.n.a.
please.


C.R.
20/5/77

ARCHIVES OF OYO STATE

Construction of Portal Frame Warehouses:
Progress Report as at 29th March, 1977.

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Introduction

It would be remembered that by the letter forwarded by this Corporation's Solicitor to Messrs Popoola, the Contractor handling the construction of three Portal Frame Warehouses for this Corporation (and seven others for Oyo and Ogun Sister Corporations), Mr. L. B. Popoola was given till March, 1977 to complete the contract works. The original Contract Agreement for the construction of warehouses in the three states was signed on 16th September 1975 and construction was to be completed within twenty (20) weeks, i.e. about Mid-February 1976.

----- 2. A copy of the Solicitors letter is attached herewith as Annexure I. It reads in part as follows: "..... Our client has asked us to recall the moral support which their goodselves have given you right from the moment the contract was awarded to you..... We have been further instructed to state the fact that the storage of crops for which the warehouses are required have been due from about July 1976..... Our client wishes to inform you that it will nonetheless still demonstrate its magnanimity by giving you the last grace of THREE MONTHS It is hoped that you will not constraint our client to take the unpleasant but rightful step of invoking clause 13 of the contract agreement, should you fail to complete the warehouses at March 1977. Our client will not hesitate to draw the sympathy of Oyo and Ogun States to recommend that your company be black-listed by all Governments of the Federation..... The Oyo and Ogun States are being informed by our client of its latest action.....
....."

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Progress Report as at 29th March, 1977

3. Since the next ordinary meeting of the Board of Directors of this Corporation comes up on 1st April 1977, it has become necessary to present a progress report as at the end of March, 1977, to enable the Board take a final decision on this nightmare of a contract.

4. Annexure II (attached herewith) which shows the progress report forwarded to the Governor's Office, Akure, on 17th March still represents the progress of the constructions as at our visit on 29th March 1977.

5. Conclusions and Recommendation

(i) Annexure II and Annexure III show without doubt that Mr. L. B. Popoola is definitely not competent to execute the contract. As a result of his inability demonstrated, so far the advantages of the storage facilities have eluded the farmers of the three states for two crop seasons past. There is every reason to conclude that the warehouses would not be ready for this 1977 crop season or for some two crop seasons to come if left with this contractor.

(ii) As a result of his deliberate inaction, a number of expensive processing and storage machines that have been supplied since 1975 could not be put into operation and are therefore rotting away in the stores while the wooden ones have wobbled. Until the warehouses are ready, these cannot be put into use.

(iii) The last, but perhaps the most important information, available to us about the contractor is that he is not really ready to execute the constructions any further with any vigour. He probably prefers to hold on to a portion of the amount that have been paid to him until the Corporations would be forced to terminate the contract out of desperation.

(iv) Mr. L. B. Popoola's cover-up reason for inaction (while he holds on to a substantial proportion of the amount paid

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so far) would be that prices have increased substantially since the contract was awarded.

(v) It will be illogical on this Corporation's side or the government's for that matter to accede to this reason of price increases to simply terminate the contract without black-listing or to increase the contract price to enable Mr. L. B. Popoola execute the contract. He has demonstrated enough that he is not out to produce a good job in the way he has substituted competent engineering partners with "road side blacksmiths", and the way he has consistently amended foundations of a number of those warehouses laid.

(vi) In the light of the information under iii and iv in above, it will not be sufficient to terminate the contract without black-listing the contractor by all governments of the Federation in view of the losses incurred in machines and use of facilities by the governments and farmers of the three states. Repayments of loans for grains have also been greatly affected by the inavailability of those storage facilities. Only a severe penalty can serve as a deterrent to others.

ARCHIVED

A. AJAKAIYE & CO.
LEGAL PRACTITIONERS

27, Ereguru Street,
P. O. Box 28,
Ado-Ekiti.

Head Office
36/38 New Court Road,
P. O. Box 734,
Ibadan.

Ref. No. ACC/LBP/AA/1/76.

PLEASE REPLY TO ADO-EKITI OFFICE

Mr. L. B. Popoola,
P. O. Box 1887,
Ibadan.

Dear Sir,

RE - CONTRACT NO ACC2/60/627.

We are Solicitors for the Ondo State Agricultural Credit Corporation and your letter No. LBP3/OD/5 of November 1976 which was received by our client on 22nd November 1976 has been passed to us with the following instructions.

Our client hopes that it is actually true that "work in all the sites is progressing impressively" as you stated in your letter. We have been asked to say that our client is, as it has done in the past, prepared to assist you with your needs where possible to enable you complete the job at the very earliest possible time.

However, we have been asked to draw your attention to the fact this contract was supposed to be executed within 20 weeks in accordance with the contract agreement. You know how far behind schedule you have been - from 20 weeks running into 70 weeks. Our client views this situation with serious concern. Your information, therefore, as to "work progressing impressively" on the sites is not too interesting.

Our client has asked us to recall the moral support which their good selves have given you right from the moment the contract was awarded to you. We have further been told that in continuation of our clients' good gestures, you have been invited thrice for a discussion over your difficulties so that our client can know what further areas it can assist you. Our client notes with grave concern, your failure and/or refusal to honour those invitations. Our clients' impression on this side is that you successfully manoeuvred to obtain your 50% contract cost, which was more important to you, and left all other thing to stagnate.

We have been further instructed to state the fact that the Storage of crops for which the warehouses are required have been due from about July 1976. You are fully aware of the fact too that time, primarily, is of the essence of this contract. Our client wishes to inform you that

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it will nonetheless still demonstrate its magnanimity by giving you the last grace of THREE MONTHS (3 months) from date within which to complete the warehouses.

It is hoped that you will not constrain our client to take the unpleasant but rightful step of involving clause 13 of the contract agreement, should you fail to complete the warehouses at March 1977. Our client will not hesitate to draw the sympathy of Oyo and Ogun States (the three States with which you signed this agreement) to recommend that your Company be black-listed by all Governments of the Federation.

Our client emphatically assures you that this is no threat whatsoever.

The Oyo and Ogun States are being informed by our client of its latest action.

We hope you will awake yourself from your inaction.

Yours faithfully,

.....(Sgd.) A. Ajakaiye.....
S o l i c i t o r s .

cc.
The General Manager,
Agric. Credit Corp.,
Ado-Ekiti.

Above for your information vide your letter
No. ACC2/18/22 of 13th December, 1976.

Yours faithfully,

....(Sgd.) A. Ajakaiye.....
S o l i c i t o r s .

ARCHIVED

ACC2/18/42

17th March, 1977.

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

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

Construction of Portal Frame Warehouses

I wish to refer to your letter No. SC. 18/5/T/60 of 11th March 1977 and to report as follows as at 16th March, 1977:

- (a) Igbemo Warehouse - Roofing was $\frac{3}{4}$ completed while cladding of the sides with alluminium was about $\frac{1}{20}$ th completed.
- (b) Aiyedun Warehouse - Construction is still at the foundation stage. In fact, the foundation is at the 3rd time of being destroyed with a view to rebuilding it a fourth time. For instance at the time of our last report under ACC2/18/34 of 2nd February, 1977, bolts that were to hold the proposed steel pillars were already in place in the concrete foundation. At the time of our visit on 16th March 1977, those portions of the concrete foundation holding the bolts in place have been broken up and the bolts removed with a view to rebuilding the foundation a fourth time.
- (c) Efon-Alaye Warehouse - When visited on 16th March 1977, progress has not gone beyond the foundation dug at the time of our visit on 1st February, 1977.

Conclusion

- The total picture in above is that of either inability to prosecute the contract or a deliberate attempt to defraud.

At the rate the work is progressing, the warehouses will not be available for use this crop year i.e. three crop years after the contract supposed to be completed within 20 weeks has been awarded. It is strongly recommended therefore that the contract is terminated and the Contractor black-listed all over the Federation.

(Sgd.) (T. O. Olotu)
General Manager.

T3
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(T. O. Olotu)
General Manager.

/TOO/YOA

Ref.No.ACC.2/18/42A
Ondo State Agric. Credit Corporation,
P. M. B. 5325, Ado-Ekiti.

17th March, 1977.

cc. The Permanent Secretary,
Ministry of Agric. & Natural Resources,
Akure.

(For Personal attention of Mr. Oluwole)

Above for your information further to our
discussion of 9th March, 1977.

(Sgd.) (T. O. Olotu)
General Manager.

ARCHIVES OF OYO STATE

ONDO STATE AGRICULTURAL CREDIT CORPORATION
CONSTRUCTION OF PORTAL FRAME WAREHOUSES.

INTRODUCTION:

The construction of 3 Portal Frame Warehouses at Igbemo-Ekiti, Aiyedun-Ekiti and Efon Alaye in Ondo State was part of a composite provision of storage facilities in different parts of the former Western State of Nigeria. The project was part of a rice and maize production project prepared by the Ministry of Agricultural and Natural Resources. The location of the projects were also made by the Ministry of Agricultural and Natural Resources while execution was passed to the Agricultural Credit Corporation. The Engineering Consultancy for the construction/provision of the storage facilities was provided by the Engineering Division of the Ministry of Agriculture and Natural Resources. Supervision is being jointly provided by the Ministry of Agriculture and Natural Resources and Agricultural Credit Corporation in Oyo, Ondo and Ogun States. For the details of the storage facilities, see Annexure I and Annexure II. Annexure I is Ondo State's component of the storage facilities while Annexure II represents the entire project for the former Western State of Nigeria.

CONSTRUCTION OF PORTAL FRAME WAREHOUSES:

- (a) CONTRACT AGREEMENT - The contract for the construction of the 10 warehouses was signed on 16/9/75. The constructions were to be completed within 20 weeks. Three of the warehouses situate in Ondo State. A 10 per cent of the total cost was to be paid as mobilisation fee on award of contract and another 40 per cent paid with the deposit of materials at sites. Both have been paid.
- (b) AWARD OF CONTRACT - Contract for the construction of the 10 warehouses was made to Messrs Popoola by the State

483 TS

Tenders Board after a second advertisement. Messrs Popoola's tender was the latest. At the first advertisement, the recommendation that Popoola should construct the foundations (as lowest quotation for that portion of the contract) while another contractor provides the frame and roofing of the warehouses was rejected by the State Tenders Board.

On second advertisement, the project was awarded to Messrs Popoola as the lowest bidder. The Ministry of Agriculture and Natural Resources consultant suggested awarding one or two to Popoola as a trial in the first instance if he is to be awarded the contract as lowest bidder.

(c) EXECUTION - The initial and most important problem the Corporation observed after four months of the award of the contract was that Messrs Popoola, without notification to the Agricultural Credit Corporation, broke with his Engineering partner whose workshop and a joint previous work (a warehouse at the Federal Forestry Research Institute Ibadan) with Messrs Popoola the Corporation and Ministry of Agriculture and Natural Resources inspected when briefs were being prepared for the State Tenders Board. Thereafter, Messrs Popoola resorted to engaging nonprofessional partners. Unfortunately, he did not confess breaking with his original partner when that was first suspected.

Other problems observed about the company are as summarised in Annexure III attached herewith. Annexure III also contains in summary, some of the assistances rendered to that Company by the Corporation. The Corporation also stood guarantee for money he collected from a financier before he was due for the 40 per cent of the contract cost as stated in the Contract Agreement.

Annexure IV attached herewith shows the reaction of the Corporation three months after the payment of 50% of contract cost. Annexure V shows the latest reaction of this Corporation through a Solicitor.

486 16

On his part, Messrs Popoola, complained of shortage of cement, but if he was desirous of prosecuting the contract immediately after the award, that would have been no problem as his cost estimate made provision for high cost of cement. Messrs Popoola also complained of lateness in the release of three project sites by the local people. However, his performances on sites where there were no release problems are no better. For example, he had not deposited all materials to problem-free sites 30 weeks after the award of the contract. The result of all above is that of all the three sites in Ondo State, after about 78 weeks of the award of the contract, only one warehouse is almost at the roofing stage. The other two have not gone beyond the foundation stage.

CONCLUSION:

In view of the latest letter of the Corporation to Messrs Popoola through a solicitor, and more importantly, the fact that it is not sure Messrs Popoola has to date spent up to 50 per cent of the contract cost paid him on the contract, it will be necessary to value the work accomplished to date plus materials deposited so far to know at what stage the contract could be terminated. Judging from the pace of the work, it is doubtful if he would complete the projects by March or even before another harvesting season is due. The excessive delay by this Contractor has held up the use of other storage facilities supplied within 20 weeks of awarding the contracts.

SP/C.201/T/17

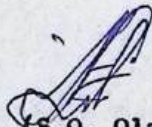
25th May, 1977

The General Manager,
Oyo State Investment and Credit Corp.,
Cocoa House,
Ibadan.

Termination of Contract for the
Construction of Portal Frame Warehouses

PPS-17
I am directed to request for your comment on the attached letter No.SC.18/5/128 of 17th May, 1977 which has just been received from the Secretary to the Military Government and Head of Service, Ondo State, Akure.

2. Please treat as urgent.



(S.O. Oladapo),
for Secretary to the Military Government
and Head of Service.



US (em)

Sp. 496

CL

Pl. bn. 20/6/77

20/6 Ben. for today is hereby noted, pl

SP/G.201/T/18

21st June, 1977

The General Manager,
Oyo State Investment and Credit Corp.,
Cocoa House,
Ibadan.

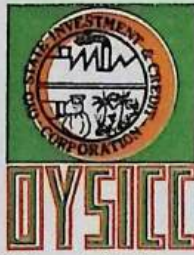
Termination of Contract for the
Construction of Portal Frame Warehouses

I am directed to refer to my letter No.SP/G.201/T/17
of 25th May, 1977 and to request for the favour of an early
comment.



S.O. Oladapo
(S.O. Oladapo),
for Secretary to the Military Government
and Head of Service.

✓ Ben. in month.



SMC 20/89
471
SMG/45
3/6

OYO STATE INVESTMENT AND CREDIT CORPORATION

(A STATUTORY ORGANISATION OF THE OYO STATE GOVERNMENT)

FLOORS 17-19 COCOA HOUSE, PRIVATE MAIL BAG 5085, IBADAN. TEL: 62810 - 2

OUR REF: A/C.33/Vol.2/T/55

TELEX NO. 31122 A1. CORP. NG.

YOUR REF:

TELEGRAMS/CABLES: OYSICCO IBADAN

27th May, 1977

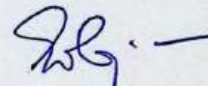
The Secretary to the Military Government
and Head of Service,
Office of the Military Governor,
Ibadan.



Distribution of WSAIC Liquid Assets: Dishonoured Cheque


May I please refer to our letter No. A/C.33/Vol.2/T/49 of 9th May, 1977 in which we referred to your letter No. SP/C.201/T/8 of 21st April, 1977 and its attachments from the Secretary to the Military Government and Head of Service, Ondo State.

2. I shall be very grateful, if you can let us know the present position of things.


(G. O. Ajani),
for General Manager.

Notes

Taken care of by P. 465


2/6

P. 446
P. 418
is att'd.
file

CONFIDENTIAL

SP/C 201

TELEGRAMS: SEC MIL GOV
PRIVATE MAIL BAG No. 2058

TELEPHONE:

OFFICE OF THE



MILITARY GOVERNOR

ABEOKUTA · OGUN STATE, NIGERIA

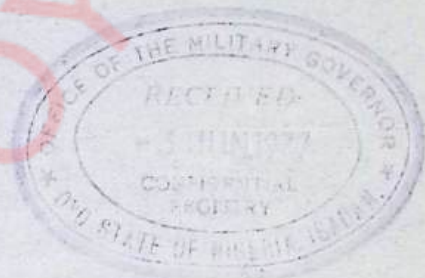
Your Ref. No.....

All communications should be addressed to the Secretary to the Military Government and Head of Service quoting

Our Ref. No. C.43/153.

Date 2 June, 1977

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



Western State Agricultural Credit Corporation

P.436

I write to acknowledge receipt of your letter No. SP/C.201/T1/8 of 6th May, 1977 on the subject of above. Our Agricultural Development Corporation is being consulted in the matter and our reaction to your suggestion will be made known to you before long.

(I. O. Ogunseye),
for Secretary to the Military Government and Head of Service.

CONFIDENTIAL

SP. 466

ARCHIVE

OFFICE OF THE



MILITARY GOVERNOR

ABEOKUTA · OGUN STATE, NIGERIA

Your Ref. No.....

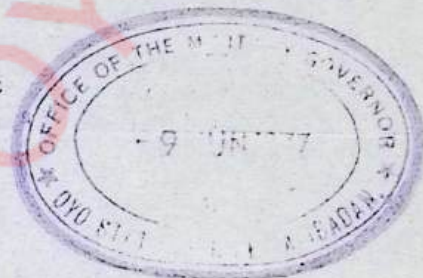
All communications should be addressed to the Secretary to the Military Government and Head of Service quoting

Our Ref. No. C.43/158

Sp/c 201

Date 8th June, 1977.

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



Western State Agricultural Credit Corporation

P.490
Further to my letter No.C.43/153 of 2nd June, 1977, I am now able to inform you that this office raises no objection to the proposal that the Accounts of the defunct Western State Agricultural Credit Corporation up to June, 1976 be given out to the Firm of Auditors usually engaged by the Corporation in the past for auditing within a specified period of time. The cost of such an exercise should, however, be charged to the accounts of the defunct Corporation before the sharing of its assets and liabilities.

(I. O. Ogunseye)

for Secretary to the Military Government
and Head of Service.

Sp. 466

CONFIDENTIAL

TELEGRAMS: SECMILGOV
PRIVATE MAIL BAG No.

TELEPHONE AKURE:.....

OFFICE OF THE MILITARY GOVERNOR



AKURE · ONDO STATE, NIGERIA

PARASTATAL DIVISION

Your Ref. No.....
All communications should be
addressed to the Secretary to the
Military Government and Head of
Service quoting

Our Ref. No. SG. 18/185

Date 8th June, 1977

The Secretary to the Military
Government and Head of Service
Oyo State,
I B A D A N.



(For the Attention of Mr. 'Lola Omojowolo)

Western State Agricultural Credit Corporation

I am directed to refer to your letter No. SP/C.201/T1/B
of 6th May, 1977 on the above-mentioned subject and to say that
our views on same would be communicated to you in due course.

h.h. Ajayi
(A.A. Ajayi)

for Secretary to the Military
Government and Head of Service

In A's please

J.P.
1976

PS(SM)??

sp. 466

From p. 489 submitted please.

AA
C.R.
2116177

P. 436

ARCHIVED

492
474

OFFICE OF THE



MILITARY GOVERNOR

ABEOKUTA · OGUN STATE, NIGERIA

Your Ref. No.....

All communications should be addressed to the Secretary to the Military Government and Head of Service quoting S.27/2/591.

Our Ref. No.....

Date..... 13th June, 1977.

The Secretary to the Military Government and Head of Service, Office of the Military Governor, Akure, Ondo State.

Termination of Contract for the Construction of Portal Frame Warehouses

P.475

I thank you for your letter No. SC.18/5/128 of 17th May, 1977 in connection with which my telegram No.S.27/2 Vol.III/562 of 30th May, 1977 issued. I also have to thank you for the concern which you have shown in this important matter. I am now able to inform you that the Board of Directors of Ogun State Agricultural Development Corporation had considered the subject matter and had come to the conclusion that the contract between the former Western State Agricultural Credit Corporation and Mr. L.B. Popoola should be terminated. I am informed that the Board of Directors came to this conclusion after considering the reports on the quality of the work of Mr. Popoola on the Warehouses being erected in this State.

2. However, in view of the legal taste of this subject, the Ogun State Agricultural Development Corporation is being asked to make its decision formally known to her counterpart in your State. This is to enable the three Corporations in Oyo, Ogun and Ondo States speak with one voice in this matter. I also hope that each of the three Corporations will seek adequate legal advice from their respective Ministry of Justice before finalising action in this matter.

3. I hope this reply adequately meets the requirements of your letter quoted above.

(S.A. Sholola)
for Secretary to the Military Government and Head of Service.

Copy to:-

Our Ref. No. S.27/2/591A.
Abeokuta.

The Secretary to the Military Government and Head of Service, Office of the Military Governor, Ibadan, Oyo State. ✓



Above for your information with reference to letter No. SC.18/5/128 of 17th May, 1977 from the Secretary to the Military Government and Head of Service, Akure, Ondo State.

P.475

(S.A. Sholola)
for Secretary to the Military Government and Head of Service

494

OFFICE OF THE MILITARY GOVERNOR



AKURE · ONDO STATE, NIGERIA

MONITORING

.....DIVISION

Your Ref. No.....
All communications should be
addressed to the Secretary to the
Military Government and Head of
Service quoting
Our Ref. No.....

Sc.41/214

Date.....
17th June, 1977

Mr. T. A. Akinyele,
Secretary to the Military Government
and Head of Service,
Office of the Military Governor,
Agodi,
Ibadan.



1st Reminder

DISTRIBUTION OF WSAIC LIQUID ASSETS: DISHONoured
CHEQUE

P.403

I am directed to refer to my letter No. SC.41/209 of
18th April, 1977, on the above, and to ask for the favour
of an early reply.

J. Coker

J. Coker
for Secretary to the Military
Government and Head of Service.

Sec(SC)

This didn't have to be addressed to
me by name. In any case, I imagine
you would by now have replied Akure.

~~J. A. Akinyele~~

21/6/77

Princ. Sec (SC)

Pl. attach the file where the above
letter was replied and resubmit.

J. A. Akinyele
Sec(SC)
21/6/77

495

Sec (SC),

Kindly see pp. 463-4 w.r.t. your
minute bottom overleaf, please

~~AS~~
As P-3 (SC)
23/6

SMG & HS,

Pp. refer to your min. overleaf.
2. A reply to the letter under reference has
issued as at pp 463 & 464 pl.

~~AS~~
As Sec (SC)
23/6/77

Sec (SC)

Thanks.

~~AS~~
23/6/77

US (SM)

file is referred to you for action on
P. 493 pl.

~~AS~~
As Sec (SC)
23/6/77

496

SP/C.201/496

27th June, 1977

The General Manager,
Oyo State Investment and Credit Corp.,
Cocoa House,
Ibadan.

Termination of Contract for the
Construction of Portal Frame Warehouses

Further to my letter No.SP/C.201/T/17 of 25th May, 1977, I forward herewith, a copy of an endorsement No.S.27/2/591A of 13th June, 1977 just received from the Secretary to the Military Government and Head of Service, Ogun State, Abeokuta on the same issue. I am to request you to please take cognisance of the comments contained in the letter when replying my letter under reference.

2. I am to request you to kindly treat as urgent.



(S.O. Oladapo),
for Secretary to the Military Government
and Head of Service.

CR. Bu. in 3 weeks.

P. See P. 576

27/6

✓

SP/C 201

497



Oyo State of Nigeria Gazette

Published by Authority

No. 24 IBADAN—9th June, 1977 Vol. 2

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		SUPPLEMENT
		Edict No. 9 of 1977 entitled the Investment and Credit Corporation of Oyo State.

OYO STATE NOTICE NO. 175

NEW APPOINTMENTS AND OTHER STAFF MATTERS

The following are notified for general information:

By His Excellency's Command,

T. A. AKINYELE,
Secretary to the Military Government

Ibadan, 9th June, 1977.

NEW APPOINTMENTS

Department	Name	Appointment	Date of Appointment	Date of Arrival
Audit	Odebumni, Miss V. M.	Clerical Officer	1-11-76	—
General Executive Officers Cadre.	Adeyemo, F. S.	Higher Executive Officer (General Duties).	30-6-76	—
Ministry of Health	Olanrewaju,	Registrar (Anaesthesia)	1-11-76	—
Ministry of Justice	Dr (Mrs) C. O.	Clerical Officer	23-5-77	—
	Adejuwon, Miss 'Dupe	Clerical Officer	30-5-77	—
	Adeokun, V. O.	Clerical Officer	30-5-77	—
	Oyeyiola, M. J.	Clerical Officer	23-5-77	—
	Daodu, Miss R. N.	Clerical Assistant	23-5-77	—
	Gafari, Miss W. A.	Clerical Assistant	23-5-77	—
	Gbenro, Miss K.	Clerical Assistant	23-5-77	—
	Ilori, Miss G. A.	Clerical Assistant	23-5-77	—
	Layade, Miss A.	Clerical Assistant	23-5-77	—
	Ogunyemi, Miss Y.	Clerical Assistant	23-5-77	—
Ministry of Local Government and Information.	Olaleru, A.	Clerical Assistant	23-5-77	—
	Yinusa, Miss S. L.	Clerical Assistant	23-5-77	—
	Akinfenwa, J. S.	Assistant Social Development Officer.	9-10-76	—
Ministry of Works and Housing.	Adepoju, A. A.	Clerical Officer	27-5-77	—
	Aderogba, T. O.	Clerical Officer	27-5-77	—
	Adesina, Miss F.	Clerical Assistant	11-5-76	—

498

SP/C.201 Vol.III/498

30th June, 1977.

The General Manager,
Oyo State Investment and
Credit Corporation,
Cocoa House,
P.M.B. 5085,
Ibadan.

(For the attention of Mr. D.A. Abinusawa)

Oyo State of Nigeria Gazette

Please find attached a copy of the Gazette which
contains Edict No.9 of 1977 entitled the Investment and
Credit Corporation of Oyo State.



E. A. Osundiran
(E. A. Osundiran)
for Secretary to the Military
Government and Head of Service.

CR,

Despatch ^{the letter a.b.c} by hand

SAO

30/6/77

see P. 579

see P. 505

SP/C 201

500



OYO STATE INVESTMENT AND CREDIT CORPORATION

(A STATUTORY ORGANISATION OF THE OYO STATE GOVERNMENT)

FLOORS 17-19 COCOA HOUSE, PRIVATE MAIL BAG 5085, IBADAN. TEL: 62810 - 2

OUR REF: SS.623/2

TELEX NO. 31122 A1. CORP. NG.

YOUR REF:

TELEGRAMS/CABLES: OYSICCO IBADAN

11th July, 1977

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



Overseas Visit by Mr. D. A. Abinusawa

Arrangements are being made for three officials of this Corporation led by the General Manager, Mr. D. A. Abinusawa to visit the United States and Italy in connection with the machinery for the rehabilitation of Lafia Canning Factory which are being offered to the Corporation by Manufacturers in the United States and Italy.

2. The officers are expected to travel on the 25th of this month and are expected to be away for about ten days. We shall be grateful if you will approve Mr. Abinusawa's proposed journey.

(G. O. Ajani),
for General Manager.

P. convey approval.

T. A. AKINLE

11/7/77

SP/C.201 Vol.III/501

13 July, 1977.

The General Manager,
Oyo State Investment and
Credit Corporation,
Cocoa House,
P. M. B. 5085,
Ibadan.

Overseas Visit by Mr. D.A. Abinusawa

P. 500
I am directed to refer to your letter No. SS.623/2
of 11th July, 1977 on the above subject and to convey
approval for the proposed journey.



J. A. Osundina
(J. A. Osundina),
for Secretary to the Military
Government and Head of Service.

P.A.

J. A. Osundina
15/7/77

Sec (SC) SP/C 201

502

OFFICE OF THE MILITARY GOVERNOR



AKURE · ONDO STATE, NIGERIA

MONITORING

..... DIVISION

SP/C.201/462

Your Ref. No.
All communications should be
addressed to the Secretary to the
Military Government and Head of
Service quoting

SC.18/209

Our Ref. No.



12th July, 1977

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

The Audited final Accounts of the defunct
Western State Agricultural Investment Corporation
and the Western State Agricultural Credit Corporation

With reference to your letter No. SP/C.201/462 of
16th June, 1977, I am directed to inform you that there is
no objection to the proposal made in paragraph 2 thereof.

Prin Sec (SC)

Sec (SC)

PSOMG.

J. Coker

J. Coker
for Secretary to the Military
Government and Head of Service.

Above is respectfully submitted

G. O. ABE please.
18/7.

CA
C.A.
15/7/77

ARCHIVED

P.S.O.M.G.

Sec. (SC), ~~JSS~~ 19/7/77

You would kindly observe that the Edict No. 9 of 1977 formally establishing the Investment and Credit Corporation of Oyo State has been brought to the notice of the GM, as at page 498. But as you would also observe, the letter head p.500 indicates the name as the Oyo State Investment and Credit Corporation. I am not sure of what legal difference there is between the two names, but I would rather suggest we advise the GM to stick to the name as approved by Exco and published in the said Edict.

~~JSS~~
(Lola Omojowolo),
Ag. Prin. Sec. (SC)
18 July, 1977.

~~JSS~~ Prin Sec (SC)
Sec. (SC) ~~JSS~~ 20/7/77

I'm inclined to think that the letter head on p. 500 belongs to the old stock in hand which the GM. is trying to exhaust before printing a new one with correct caption.

2. None theless he is obliged to amend the caption with his typewriter if he doesn't want to waste his stationery.



504

3. Draw his attention to
the irregularity and ask him
to make nec. amends.

Jil

G. O. ABE

19/7.

ARCHIVES OF OYSCAC

505

SP/e.201/505

21 July, 1977

The General Manager,
Investment and Credit Corporation
of Oyo State,
Cocoa House,
P.M.B. 5085,
Ibadan.

Establishment of the Investment and Credit
Corporation of Oyo State by Edict

1498 I have been directed to refer to my letter No. SP/C.201/Vol.III/498 of 30th June, 1977 and the attachment on the subject above and to advise that you stick to the name of your Corporation as approved by the Executive Council and published in the said Edict. In this connection, I have to observe that your letter head still reads "Oyo State Investment and Credit Corporation" and add that if it is in such quantity that could not but be used up, then you would be obliged to amend the caption in line with the approved name.




SE
(Lola Omojowolo),
for Secretary to the Military
Government and Head of Service.

506

A-5(50)

From p. 503 f-i and
file disposal please


1/17

ARCHIVES OF OYSCAG



SP/C 201 AS(SC) 506

OLUFEMI AKINDAHUNSI & CO.

Chartered Surveyors and Valuers, Estate Agents, Rating Surveyors
and Real Estate Consultants

Your Ref.....

Our Ref OAC/MWH/AAF/1/84



14 Creek Road,
Apapa.
Lagos - Nigeria.
Telephone 45285.

8th July, 1977

His Excellency,
Military Governor of Oyo State,
Governor's Office,
Ibadan,
Oyo State.

His Excellency,

PETITION TO HIS EXCELLENCY THE MILITARY
GOVERNOR OF OYO STATE

RE: COMPENSATION FOR ALHAJI A.B. AKINYEMI'S
FARM AT OJOKORO - AGEGE

PSOMG
~~Son & TS~~
Please, instruct the appropriate arm of Govt. to let me know the facts.
21/7/77

We are sorry to have to bother you on this question of payment of compensation in respect of our client's farm acquired by the old Western Region in 1964. We have made strenuous efforts to get the matter settled by the Lagos State Government who inherited the farm from the old Western Regional Government when Lagos State was created but up to the time of writing, no compensation has been paid. You can only imagine the plight of our client whose hopes and aspirations depend on the compensation to sustain himself and his immediate family which is not forthcoming.

P.511-5112 We attach herewith a copy of our letter of the 4th of May, 1977 to your Oyo State Agricultural & Investment Corporation on the issue to which there is no reply. We may humbly say, Your Excellency, that up to the time of writing, the government of Lagos State has been occupying this particular farm together with the structure installed thereon by our client and deriving profits therefrom and yet our client has not been paid a kobo either for the structures or for the land.

P.510 The Oyo State Agricultural & Investment Corporation by their letter of 28th March, 1977, copy of which is attached, stated that our client is due to pay ₦100,530.29 (One hundred thousand five hundred and thirty naira twenty nine kobo) as principal and interest up to and including 31st March, 1977.

Your Excellency, you will see that it is most inequitable to calculate interest for the whole period until compensation would be paid because the law under which the land was acquired stated that all interest ceases as from the date of acquisition and such interests are attached only to the monetary compensation. It is our contention that interest should cease as from the date of the publication of the notice.

We are of the opinion, Your Excellency, that since we have not obtained justice from your Agricultural and Investment Corporation we have to appeal to you to use your good offices to clear once and for all this particular situation that has existed since 1964. Our

..../2.

Sec. (sc) / 7. n. a. Jil 21/7.

CR

Enclose in file and resubmit 21/7/77

client has been suffering since this property had been acquired and all documents for his properties are with your Finance Corporation/Western State Agricultural & Investment Corporation and so he can neither use the properties to get money to finance any project nor even get the compensation due to him on the same properties.

The Ministry of Works & Planning, Lagos State was willing to pay compensation for the land and the structures as shown by their letter KL/501/203 of 24th March, 1977 but they would like because of a silent understanding to deduct the amount of compensation due to your old Finance Corporation/Western State Agricultural & Investment Corporation.

When this matter came up for argument, the then Western State Agricultural and Investment Corp. wrote to the Solicitor of our client, copy of which is attached, stated categorically the amount of money due and it is to our surprise that though this letter was existing in the file of the Agricultural & Investment Corporation they have disregarded the same and calculated the interest to 31st March, 1977 and perhaps to August, 1977 when the compensation is likely to be paid if only you intervene, thus leaving our client with nothing at all except to refund money to the Lagos State Government on his property acquired. Copy of the letter of the Western State Agricultural & Investment Corp. is attached for ease of reference so also the Oyo State Agricultural & Investment Corporation.

The letters attached speak for themselves and we would direct Your Excellency's attention to the contention supported by the letter of your Corporation's Solicitor dated 16th March, 1972 as shown per attachment. We are of the opinion that the interest has ceased as from the date of the publication of the notice and that interest and capital become payable as from that date. Such interest and capital when calculated can be deducted from the amount of compensation due to our client and paid over to the successors of the Western State Agricultural & Investment Corp. Your Excellency, we contend that interest cannot be charged after the date of the acquisition because :

- (1) The mortgage contract has been frustrated by the Act of acquisition.
- (2) That the mortgagor is an arm of the Government which acquired the property.
- (3) That the law of acquisition attaches all interest to the payment of money and interests ceased and was vested in Government.
- (4) That the fault for non payment of capital and interest is not due to the fault of our client but to the fault of Government who has failed to pay for the land acquired the subject matter of the mortgage.
- (5) That the Government has continued to occupy this land for their function and that it is only equitable that any Government and Government functionary cannot eat its

cake and yet hold it.

- (6) That the property of our client has been used by the Government for earning profit and yet interest is charged on the money unpaid to our client.

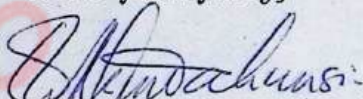
Our client is prepared and has already given an undertaking that the total money - capital and interest of the acquisition notice outstanding as at the date of the publication should be deducted from the compensation and the cheque for the amount so deducted be forwarded to your office. Also that immediately the cheque is received by your office the documents of our client (conveyance No. 54/54/541, 70/70/690 and 53/51/886 - Lagos) be forwarded to our client.

We shall be very grateful if you can use your good offices to settle this matter once and for all in the interest of justice and fair play to both parties.

Once again, we are sorry. We know your Excellency is always very busy and we are sorry to bother you with these details because the economic existence of our client is being threatened by the non payment of this money. and we feel that you as one of our fathers who can da justice to all parties concerned.

Thank you very much. We shall be very grateful for an early reply.

Yours faithfully,



For: OLUFEMI AKINDAHUNSI & CO.

ARCHIVES

WESTERN STATE AGRICULTURAL AND INDUSTRIAL INVESTMENT CORPORATION

Telephone: IBADAN 23001 - 3
25121 - 2

All communications should be addressed to:
THE GENERAL MANAGER

LEBANON STREET, 509

P. M. B. 5119,
IBADAN, NIGERIA.

Your Ref.

Our Ref. FC. 5/14/391

16 March, 1972

J. O. Coker & Co.,
11, Abibu Oki Street, (R)
Lagos.

Dear Sir,

Re: A. B. Akinyemi

I am to refer to your letter dated 4th March, 1972 addressed to my Chairman and to inform you that the advertised sale of your client's landed properties has been suspended but your client should be prepared to refund to us the Auctioneer's expenses of one hundred and thirty-five pounds and eighteen shillings (£135. 18/-) only.

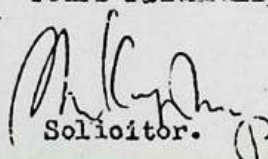
2. Moreover, your client should request the Lagos State Ministry of Agriculture, Trade and Industry to give a written undertaking that they would pay direct to us the outstanding loan whenever due compensation would be paid for the acquired parcel of land. In the alternative, your client should authorise the Ministry to ~~se~~ act, endorsing same to us. In this connection, I am to inform you that the outstanding loan as at the 31st December, 1963 is £16,326. 11. 8d as follows :-

Principal outstanding	£10,336. 11. 10d
" overdue	1,663. 8. 2
Interest due	<u>4,326. 11. 8</u>
Total =	<u>£16,326. 11. 8d</u>

Our records also show that your client paid a total sum of £150 in April, May and June, 1964. In the circumstances, your client's indebtedness to us with effect from the 31st December, 1963 when interest ceased is now sixteen thousand, one hundred and seventy-six pounds, eleven shillings and eight pence (£16,176. 11. 8d) only. It may interest you to learn that the £9,284 referred to in your letter under reference did not take into account the principal not yet due at that material time (vide my letter No. ACC. 5/14/253 of 12th June, 1965).

3. In closing, I am to advise that, unless your client is prepared to abide by the foregoing conditions and terms, we shall have to resuscitate the auction sale exercise please.

Yours faithfully,


Solicitor.

ACC.5/14

28th March,

77

The Permanent Secretary,
Ministry of Works and Housing,
Lagos State Government,
Lands Division,
Ikeja.

Re: Albert A. B. Abinyed's Claim to
Cancellation in Respect of the Acqui-
sition of Abinyed's Farm at Oshere, Agoda.

I am directed to refer to your letter No. KL.501/203 dated 24th March, 1977 in connection with the above subject matter and to state in response to your enquiry that the amount owing as at 31st March, 1977 is ₦100,530.29 (One hundred thousand, five hundred and thirty naira, twenty-nine kobo), made up as follows:-


Principal	₦24,000.00
Auctioneer's charges	380.60
Interest Overdue	76,149.69
	<hr/>
	₦ 100,530.29
	<hr/>

See P. 506

2. Cheque for payment of the above amount should be drawn in favour of the General Manager, Oyo State Investment and Credit Corporation, P. M. B. 5085, Cocoa House, Ibadan.

3. ^{forward} To look to receiving your remittance in due course.

Yours faithfully,


M. B. Nassir
For: General Manager.

511

'C O P Y'

OAC/MWH/AAF/1

4th May, 1977

The General Manager,
Oyo State Agricultural & Investment Corporation,
Cocoa House,
Ibadan,
Oyo State.

Dear Sir,

RE ACQUISITION OF ALHAJI A.B. AKINYEMI'S
FARM AT OJOKORO - AGEGE, LAGOS STATE -
RE: COMPENSATION IN RESEPECT OF

We are reliably informed that in response to a letter to you from the Ministry of Works & Planning, Lagos State, you quoted that our client is owing you an amount of approximately ₦101,000.00 (One hundred and one thousand naira only) as at the 31st of March, 1977 and by now it would have been more than this figure.

We do not need to remind you that the property is covered by a deed of mortgage dated the 10th of November, 1959 and that the said loan was meant for the venture i.e. the running of a poultry farm which has been frustrated by an act of the Government.

You are also aware that the Western Nigeria Government by a notice No. 513 dated the 3rd of December, 1964 and published in Gazette No. 24 Volume 14 of the 27th of May, 1965 acquired the property which has been the subject matter of the mortgage referred to above. We would humbly refer you to the paragraphs of this notice i.e. paragraphs 2 - 8 which stipulates the course open to anybody having interest in the acquired property. Our client informed us that after the publication of this notice you published an auction sale of the said property which if it is a fact is irregular and illegal. Irregular because you are a part of the Government which acquired the property and you cannot be heard to say that you do not know that the government had acquired the property. Illegal because you cannot sell the government property without the consent of the government of which you are a part. It is our submission that such auction notices are of no consequence and therefore such amount as expenses on futile auction sales cannot be charged to the account of our client. One would think that your organisation being an arm of the government would be aware of this notice which is to the world at large and that such will preclude you from dealing with such acquired property.

We are of the opinion, Sir, that as from the date of the publication of the notice of acquisition (27/5/65) all interest in the said property ceases to exist and are vested in the government of which you form a part. Since you (the Western Nigeria Government and the Western Region Finance Corporation which is the forerunner of Western Nigeria Investment Agricultural Credit Corporation) from which your Corporation took root acquired this property which is the subject matter of the mortgage and since you have taken physical possession and you have since

.../2

continued to earn profits on the said property, we would say, Sir, that equity will preclude you for charging interest or reaping in both ways. It is our contention that the subject matter has become frustrated and made impossible to perform and therefore it is inequitable for you to continue charging interest on a loan which by your action have been made impossible to perform.

This has been pointed out to you sometimes ago by the Solicitor to our client in his letter dated the 4th of March, 1972 which prompted a reply from your Solicitor FC5/14/391 of the 16th of March, 1972 and his letter ACC5/14/253 of 12th June, 1965. Even though we are not sure that the notice of your interest in the property has been given within the appropriate time of 12 months from the date of the notice otherwise it is statute barred, yet our client has acknowledged his indebtedness to you and has given a written indication that this amount contained in your letter No. FC5/14/391 of 16th March, 1972 will be deducted from any compensation due to him and be paid over to the rightful successors of the Western Nigeria Investment Agricultural Credit Corporation. Your Solicitor in paragraph 2 of the said letter advised that the interest ceased at the date of the notice to acquire and we do not see why you should now come round to act otherwise contrary to the advice of your Solicitor.

Since there is no Western State Investment Agricultural and Credit Corporation, we would like to have a legal confirmation as to the successors of Western State Agricultural and Industrial Corporation to whom this money should go.

We shall be grateful for an early reply as this matter has been long overdue and our client is anxious to conclude this matter and to pay the successors or assignees of the Western State Agricultural Industrial Investment Corporation, the successors of the Western Region Finance Corporation the said amount as contained in your letter No. FC5/14/391 of the 15th of March, 1972.

Thank you very much. We hope to hear from you soon.

Yours faithfully,

Original Signed by:-

O. AKINDAHUNSI

(Signed) O. Akindahunsi

For: OLUFEMI AKINDAHUNSI & CO.

ARCHIVED

SP/C.201/514

25 July, 1977.

The General Manager,
Investments & Credit Corporation
of Oyo State,
P. M. B. 5085,
Ibadan.

Re: Compensation for
Alhaji A. B. Akinyemi's Farm
at Ojokoro - Agege

I am directed to refer to the photo copy of the letter attached addressed to His Excellency the Military Governor by Olufemi Akibdahunsi & Co. on behalf of Alhaji A. B. Akinyemi. His Excellency has requested that he should be briefed on the full facts of the case so as to enable him give a suitable reply to the petition.

2. I should therefore be grateful if you would forward your brief to this Office as early as possible.



J. A. Osundina
for Secretary to the Military
Government and Head of Service.

B. U. 15/8/77

see p. 578
see p. 500
26/2/77

515

NOTE

Former Page 515 of this file on the Lafca
Canning Factory has been removed
into its proper file — SP/C 123/32
as p. 46.

~~Sub~~
PS (S.D.)
29/7/77

Sec. (Sec.)

Overleaf is hereby submitted
as BU for today pt.

Advin
15/8/77



Sp/c 201



CR 516

OYO STATE INVESTMENT AND CREDIT CORPORATION

(A STATUTORY ORGANISATION OF THE OYO STATE GOVERNMENT)

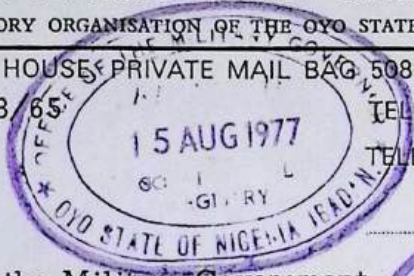
FLOORS 17-19 COCOA HOUSES PRIVATE MAIL BAG 5085, IBADAN. TEL: 62810 - 2

OUR REF: ACC.2/128/Vol.3/85

TELEX NO. 31122 A1. CORP. NG.

YOUR REF:

TELEGRAMS/CABLES: OYSICCO IBADAN



19 77

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

Nigerian Agricultural Bank Loan for Agricultural Credit

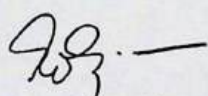
The Nigerian Agricultural Bank has agreed in principle to consider this Corporation's application for loan which the Corporation will in turn grant to farmers for the production of cash crops and food crops.

2. The amount involved is N30,330,000 made up as follows:-

<u>Crop</u>	<u>Total Hectarage/ Tonnage</u>	<u>Amount</u>
(a) Rice, Maize and Cassava	69,069 hectares	N14,000,000
(b) Cocoa Marketing	23,000 tonnes	<u>16,330,000</u>
	Total	<u><u>N30,330,000</u></u>

3. The Bank requires Government guarantee to cover the loan, and this guarantee must accompany the application form which we have already completed. It will be appreciated if a letter of guarantee can be arranged immediately to avoid delay.

4. A copy of this letter is being forwarded to the Solicitor-General and Permanent Secretary, Ministry of Justice, for his information.


(G. O. Ajani),
for General Manager.

Sp 524
see p. 568

ARCHIVED

517

Sept 201



OFFICE OF THE MILITARY GOVERNOR

AKURE · ONDO STATE, NIGERIA

MONITORING

.....DIVISION

Your Ref. No.....
All communications should be
addressed to the Secretary to the
Military Government and Head of
Service quoting SC.18/5/266

Our Ref. No.....

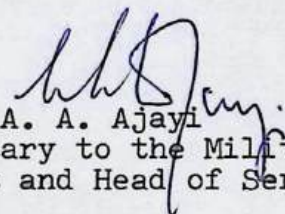
Date. 11th August, 1977

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



Termination of Contract for the
Construction of Portal Frame Warehouses

P.475 I am directed to refer to my letter Ref. No. SC.18/5/128
of 17th May, 1977, on the above-mentioned subject to which no
reply has been received and to request for the favour of your
early assistance.



A. A. Ajayi
for Secretary to the Military
Government and Head of Service.

P. 577

ARCHIVED

SP/V 201

518

 A member of
Standard Chartered Bank Group

 **Standard Bank
Nigeria Limited**

IBADAN (MAIN) BRANCH

Bank Road,
P. M. B. 5111, IBADAN,
Telephone: Ibadan 61810.
Telegraphic address: Banking Ibadan
Incorporated in Nigeria.

Your ref:
Our ref: **ADVANCES: EOF/TMG**

5th August, 1977

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



Dear Sir,

WESTERN STATE AGRIC. INVESTMENT CORPORATION HEADQUARTERS A/C
WESTERN STATE AGRIC. CREDIT CORPORATION

We still maintain accounts in our records in the above names and all our efforts to obtain definite information as to what to do with them have yielded fruitful results.

/not

However, we have been directed by Odu'a Investment & Company Ltd. to contact you for directive on behalf of Oyo, Ondo and Ogun State Governments. A copy of their letter is attached with this letter and we shall appreciate your making available to us useful information including relevant gazettes which may guide us in this respect.

One of our representatives has been asked to deliver this letter personally and has been requested to have an interview with the appropriate officer on this former Western State Agencies, and your cooperation in this regard would be greatly appreciated.

Yours faithfully,
for: **STANDARD BANK NIGERIA LIMITED,**


ASSISTANT MANAGER.

8P-257

Sec(sc)

I have discussed with the gentlemen who delivered the letter that the a/c should remain dormant. Meanwhile pl. let me know the present position of the arrangements earlier agreed.

519
S.M.G. & H.S,

Via

P.S.O.M.G., *Am* 17/8/77.

Please refer to your minute at p.518.

2. I had a telephone conversation with the General Manager, Investments & Credit Corporation of Oyo State this morning requesting to know the steps so far taken to implement the directives concerning the audited final accounts of the defunct Western State Agricultural Investment Corporation and the Western State Agricultural Credit Corporation.
3. The General Manager informed me that it is not quite correct that the audit exercise in respect of the Agricultural Investment Corporation being done by the firm of Messrs Z.O.Ososanya & Co. had been completed as the letter at p.450 would want us to believe. The letter was written in anticipation of the completion of the exercise as the auditing had been virtually done with, leaving only finishing touches to be put in order to produce the final audited report. Unfortunately however, the person who was to do this proceeded on leave, thereby bringing further action on the matter to a halt. The G.M. is however optimistic that the final report would soon be ready and that a meeting with his counterparts in Ondo and Ogun States and their Chief Accountants would be summoned to do the sharing of the assets immediately the audited report is ready.
4. The G.M. further disclosed that ^{a meeting of} the Chief Accountants of the I.C.C. of the three States was held about 2 weeks ago. The meeting which lasted for about one week, tried to reconcile the Bank Accounts of the defunct Western State Agricultural Credit Corporation. The officials have not succeeded in doing this and they have therefore fixed another meeting for next week.
5. The G.M. hopes that it should be possible to dispose of the two issues by the middle of September. On return of file, I intend to issue a formal reminder to pp.465 & 467 asking for the

present position, please.

[Handwritten signature]

(J. A. Osundina)

Ag. Sec.(S.C.),

17th August, 1977.

Sec (SC)

Yes, but let him know the need for urgency in view of the fact that the ^{to} loans of the defunct Corp. with the Bank will continue to be debited with accrued interest.

~~T.A. Akin~~

17/8/77



ARCHIVES OF OSAC

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SP/C. 201/521

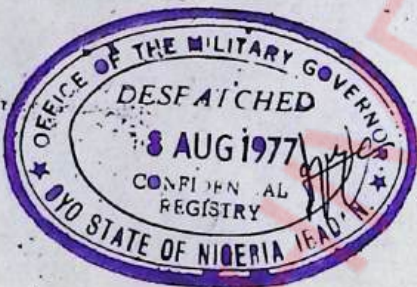
17 August, 1977

The General Manager,
Investments & Credit Corporation
of Oyo State,
Cocoa House,
P. M. B. 5085,
Ibadan.

The Audited Final Accounts of the
defunct Western State Agricultural
Investment Corporation and the Western
State Agricultural Credit Corporation

I am directed to refer to my endorsements
Nos. SP/C. 201/461 and SP/C. 201/463 both of 16th June, 1977
on the above subject and to ask for the present position.

2. An early action will be appreciated as the Secretary
to the Military Government and Head of Service is anxious
that the issue should be disposed of expeditiously in view
of the fact that the outstanding loans of the defunct
Corporations with the Banks will continue to be debited with
accrued interest.



J. A. Osundina
for Secretary to the Military
Government and Head of Service.

C.R.
B.U. 8/9/77 ✓

Ag sec. (sec)
18/8/77

see P. 561
558

S.M.G. & H.S.,

Via

P.S.O.M.G.,

Please see the letter at p.516 in which the Oyo State Investment & Credit Corporation is requesting for the State Government's letter of guarantee to cover the loan of N30,330,000 which it is already negotiating with the Nigerian Agricultural Bank. It appears from the tone of the letter that Government guarantee is a pre-condition for further negotiation by the Bank with the Corporation.

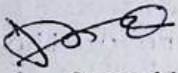
2. The Corporation intends to use the loan, if granted, to give credit to farmers for the production of cash and food crops like cocoa, rice maize and cassava. It will be recalled that a group of farmers in Iwo Local Government area had recently petitioned H.E.M.G. about the failure of the I.C.C. to grant them the usual credit facilities which they had hitherto enjoyed up to the last planting season (please see pp.67 - 75 of file SP/C.201/2 attached). The Corporation's excuse was that it did not have enough funds to take care of the requirements of all the applicants. It then disclosed that it was already making efforts to secure sufficient funds through bank loans in order to be able to meet the needs of farmers during the coming planting season.

3. The letter at p.516 has not been explicit enough to allow an objective appraisal to be made as to the reasonableness or otherwise of the huge sum of money being negotiated for. One will, for instance, want to know whether the whole sum of over N30 million will be disbursed to farmers in a single planting season or whether it will be spread over a number of years. And if it is to cover a number of years, how many years? What will be the rate of interest on the loan, and what are the terms of repayment? What safety measures do the Corporation intend to

523

adopt to ensure that the farmers to whom loans are granted comply with the terms of repayment? Although I am aware that negotiations have not been finalised with the Bank, the Corporation should at least by now be in a position to supply sufficient information which will serve as a working basis to guide this office in considering its application. It is only fair that Government should be left in no doubt about the degree of risk it is being called upon to take in guaranteeing a loan of that magnitude.

4. If you agree, a letter will be addressed to the General Manager, Investment & Credit Corporation of Oyo State, asking for more details as in para.3 above, please.


(J. A. Osundina)
Ag. Sec. (S.C.),

19th August, 1977

Sec (Sc)

You better proceed to ask the Oyo State Investment and Credit Corporation to comment on the issues raised in parag. 3 of your minute overleaf and above before further action is taken on the request of the Corporation.



19/8/77

524

SP/C.201/524

22 August, 1977

The General Manager,
Investment & Credit Corporation
of Oyo State,
Cocoa House,
P.M.B. 5085,
Ibadan.

Nigerian Agricultural Bank Loan for
Agricultural Credit

P-516

I am directed to refer to your letter No. ACC.2/128/
Vol.3/65 of 10th August, 1977 on the above subject and
to say that before further consideration can be given
to your request, more detailed information with regard
to the loan which your Corporation is at present negotiating
with the Bank should be supplied.

2. To enable this Office make an objective appraisal
of your request, it will be necessary to know

- (i) whether the whole sum of over N30 million being
negotiated for will be disbursed to farmers during
a single planting season, or whether it will be
phased over a number of years. If it is to be
spread over a number of years, how many years?
- (ii) the rate of interest that will be payable on
the loan and the terms of repayment to the Bank;
- (iii) the estimated number of farmers who will benefit
from the scheme; how much loan goes to the
individual farmer and how this amount is determined;
the rate of interest the farmers will be called
upon to pay on the loan;
- (iv) the safety measures the Corporation intends to
adopt to ensure that the farmers to whom loans
are granted comply with the terms of repayment.

3. It is only fair that Government should be fully briefed
on every aspect of the subject if it is to be called upon
to guarantee a loan of that magnitude with all the risks
involved. It will therefore be appreciated if you will
supply answers to the issues raised in paragraph 2 above in
addition to any other information which can assist Government
in taking a quick decision on your request.

SP 530

(J. O. Osundina)
for Secretary to the Military
Government & Head of Service.

AS(sec)

K. U. V. ~~S~~
23/8/77



525
CR,

K. I. V. for the reply to
the letter at page 524.

~~MAO~~
W. L. S. L. C.

ARCHIVES OF OYSCAC



(22) 21



NIGERIAN AGRICULTURAL BANK LTD.

P.M.B. 2155,
18/19 AHMADU BELLO WAY,
KADUNA.
PHONES:
GEN. MANAGER 42203
23551 EXT. 290
PROJECTS 42204
OPERATIONS
ADMIN. & FIN. 42205
TELEGRAMS: NAGRIBANK
TELEX: 71115 NABANK NG

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SP/207

Our Ref: P-YY510W106

The Secretary to the Military Government
and Head of Service, Oyo State,
I B A D A N,
Oyo State.

17th August, 1977

Dear Sir,

WESTERN STATE AGRICULTURAL CREDIT CORPORATION

We observe that it is now eighteen (18) months since three States were created out of the former Western State necessitating the disengagement of the above subject.

We also observe that up to date no conclusive action has been taken with regards to the disengagement of this subject and the response to our correspondence to you on this issue has not been encouraging.

In view of the fact that we cannot suspend our records on the accounts of this subject with us indefinitely, we have decided to take the following lines of action:

- (i) The accounts of the three organizations that have inherited the assets and liabilities of the subject under reference are being debited with the total value of physical assets (Maize Storage Cribs) located in the area of jurisdiction of each of them.
- (ii) The balance, both disbursed and undisbursed, is being shared between the three organizations on the basis of 25, 31 and 44 per cent for Ogun, Ondo and Oyo States respectively since this is the ratio adopted in sharing the assets and liabilities of the Western State between the three States.



AS(SC)

See P. 575

.... / 2

submitted please -

DIRECTORS: DR. W. O. UZOAGA (CHAIRMAN), J. M. AKINSUNMADE, E. O. AYO, DR. H. A. EJUEYITCHIE, E. A. O. FASHORO, G. O. OBATOYINBO, B. S. OLORUNTOBA, C. N. NWAGWU, W. SAMAILA.

C.R.
24/8/77

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By this method we have arrived at the following new loan volumes for these organizations:

Ogun State Agricultural Development Corporation	-	₦1,083,302.51
Ondo State Agricultural Credit Corporation	-	₦1,345,895.12
Oyo State Investment and Credit Corporation	-	₦1,939,012.37
Total		<u>₦4,368,210.00</u>


Details are shown in the attached table.

These new loan volumes are being treated as the share of each State in the loan granted to the above subject by the NAB.

If there are any variations between these figures and the figures you arrive at when the disengagement of the Western State Agricultural Credit Corporation is completed our records will be amended accordingly.

We only thought it fair to apprise you of this decision and are assuring you of our continued co-operation at all times.

Yours faithfully,
NIGERIAN AGRICULTURAL BANK LIMITED


(C. E. Nwachuku)
MANAGER, OPERATIONS DEPARTMENT

Attd:

- cc: 1. The General Manager,
Western State Agricultural Credit Corporation,
Lebanon Street,
P. M. B. 5119,
IBADAN,
Oyo State.
2. The General Manager,
Oyo State Investment and Credit Corporation,
P. M. B. 5085,
IBADAN,
Oyo State.

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- cc: 3. The General Manager,
Ondo State Agricultural Credit Corporation,
P. M. B. 5325,
ADO - EKITI,
Ondo State.
4. The General Manager,
Ogun State Agricultural Development Corporation,
P. M. B. 2101,
ABEOKUTA,
Ogun State.
5. Manager, Admin./Finance Department
6. Area Office, Ibadan.

ARCHIVES OF OYSCAC

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I T E M	S T A T E S			T O T A L
	OGUN	ONDO	OYO	
1. Total value of physical assets (maize storage cribs) located in the State	10,000.00	15,000.00	50,000.00	75,000.00
2. Other sums disbursed to date shared on the basis of 25, 31 and 44%	499,608.81	619,514.93	879,311.51	1,998,435.00
TOTAL DISBURSED	509,608.81	634,514.93	929,311.51	2,073,435.25
3. Undisbursed balance shared on the basis of 25, 31 and 44%	573,693.70	711,380.19	1,009,700.86	2,294,774.75
GRAND TOTAL	1,083,302.51	1,345,895.12	1,939,012.37	4,368,210.00

ARCHIVES

SP/C 201

530



OYO STATE INVESTMENT AND CREDIT CORPORATION
(A STATUTORY ORGANISATION OF THE OYO STATE GOVERNMENT)

FLOORS 17-19 COCOA HOUSE, PRIVATE MAIL BAG 5085, IBADAN. TEL: 62810 - 2
OUR REF: ACC.2/128 Vol.III/68 TELEX NO. 31122 A1. CORP. NG.
YOUR REF: TELEGRAMS/CABLES: OYSICCO IBADAN

26th August, 19 77

The Secretary to the Military Government
and Head of Service,
Office of the Military Governor,
Ibadan,
Oyo State of Nigeria



Nigerian Agricultural Bank Loan for
Agricultural Credit

P.524

I am directed to refer to your letter, No. SP/C.201/524, dated the 22nd August, 1977 and to submit requisite information as follows:-

- (i) The sum of N30,330,000 being proposed to be raised as loan from the Nigerian Agricultural Bank, and for which Government guarantee is required, is intended to be disbursed annually (i.e. in a single planting season). In comparison with what are obtaining in Ondo and Ogun States in Nigeria, the amounts already approved by the Nigerian Agricultural Bank to counterpart Corporations for agricultural credit are tabulated as follows (as a confidential information):-

Loan Purpose	Proposals for Oyo State	In comparison with approved loans by the Bank to	
		Ondo State Agric. Credit Corpn. Ado-Ekiti (N)	Ogun State Agric. Dev. Corporation Abeokuta (N)
Rice, Maize & Cassava	14,000,000	7,000,000	7,000,000
Cocoa Marketing	16,330,000	21,000,000	4,000,000
TOTAL	30,330,000	28,000,000	11,000,000

- (ii) The rate of interest that will be payable on the proposed Nigerian Agricultural Bank loan is 3 per cent per annum. It is a short-term loan, which is repayable within two years.

560
See P.565

(iii) (a) The estimated number of Farm Families, who will benefit from foodcrop loans, are as follows:

Rice	-	98,760	Farm families
Maize	-	172,880	" "
Cassava	-	42,080	" "
		<u>313,720</u>	

(b) The minimum hectarage eligible for loan under the loan scheme is 4 hectares. Farmers eligible are mainly farming groups and also individuals who can cultivate up to the minimum hectarage.

(c) The loan requirement per hectare for each project is determined in association with the Planning Division of the Ministry of Agriculture and Natural Resources vide Analysis Table attached herewith as Annexure I, I(A) & I(B). The Table of Loan Requirement per project is attached as Annexure II to this letter. By comparison a table of processed applications for rice and maize this planting season is attached as Annexure III to this letter. Loan requirement per hectare for the proposed loan is as follows:-

Rice	-	N268 . 45 per hectare
Maize	-	N184 . 06 " "
Cassava	-	N277 . 28 " "

(d) It is a condition of the Nigerian Agricultural Bank Loan that the loan to be obtained from the Bank at an interest rate of 3 per cent per annum, should be on-lent to farmers at 5 per cent per annum.

(iv) (a) In the case of proposed financing of Cocoa Marketing, the breakdown of loan requirement of N16,330,000 is as follows:-

Marketing Costs	Rate per Tonne (N)	Quantity (Tonnes)	Total Loan Req'd. (N)
i. Purchase Cost	660.00	23,000	15,180,000
ii. Handling Charges	5.00	23,000	115,000
iii. Buyers' Commission	20.00	23,000	460,000
iv. Evacuation Costs	25.00	23,000	575,000
TOTAL	710.00	23,000	16,330,000

(b) The loan requirement is normally computed by the Bank at the rate of 25 to 30 per cent of total production of cocoa in the State. To start with, the proposed loan requirement for Oyo State, was based on 25 per cent of the total gradings for 1975/76, i.e. 90,935 tons, vide copy of Table of Comparative Statistics of Purchases of Cocoa, etc in the three new States of Oyo, Ondo and Ogun, from

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ARCHIVE

1973/74 to 1975/76 seasons obtained from the Cocoa Commodity Board, and attached herewith as Annexure IV to this letter. We could increase, however, our loan requirement next season, if we can justify the increase by results of proposed operation

- (c) The rates of marketing costs per ton indicated in paragraph (iv) (a) above were based on current Cocoa Commodity Board rates.
- (d) The proposed loan for cocoa marketing, which will be made to Licensed Buying Agents, would enable 25 per cent of cocoa producers in Oyo State to receive the proceeds of their sales of cocoa (to Licensed Buying Agents, so financed) at the time of sale, without the unnecessary time-lag, which many cocoa farmers are facing at the present.
- (e) In addition, the proposed loan would also assist to arrest the current practice of Licensed Buying Agents from Ondo State, armed with ready cash, coming to purchase cocoa produced in Oyo State from farmers located in areas along the boundary with Ondo State, due to proximity and the advantage such farmers gain from receiving immediate payment for their cocoa sales. The overall advantage would tend to reflect actual volume of cocoa production in Oyo State, vis-a-vis other cocoa producing States.
- (f) The advantage to the Licensed Buying Agent, is that the loan can be made to him by the Corporation at 5 per cent, as against a rate of 8 to 10 per cent from a Commercial bank.
- (v) Safety measures for ensuring that loan borrowers comply with the terms of repayment are broadly summarised as follows:-
 - (a) Repayment of cocoa marketing loans to reputable and experienced Licensed Buying Agents directly dealing with farmers will be channelled through the Cocoa Commodity Board. By making disbursement of loans in instalments, it will be ensured that borrowers submit certified weekly returns of deliveries and stock.
 - (b) Loans for food production will be directed mainly to farming groups, although worthwhile and industrious individuals are also eligible. The foodcrop projects will be run by the following four agencies in Oyo State:-
 - (1) The Extension Services Division and the new Agricultural Inputs and Services Unit (AISU) of the Ministry of Agriculture and Natural Resources
 - (2) Investment and Credit Corporation.

(3) Farmers Groups and Individual Farmers

(4) Storage Cooperatives

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(5) The agreed responsibility of each agency in the integrated programmes are set out in Annexure V to this letter.

(c) The Extension staff and the Corporation staff will follow the progress of participants after harvest and it will be a joint responsibility to ensure that time of sales of produce is known to both the extentioner and the credit officer. Loans will be recovered immediately after produce is sold.

(d) To this end, farmers will be encouraged to make use of storage facilities provided in agro-centres and other areas of the State.

(e) Considering the time lag between harvests and transportation to agro-centres and other big centres meant for storage, farmers will be encouraged to construct simple on-the-farm-storage-facilities(i.e. farm cribs) or assisted with loans, if unable to do so, up to a maximum loan of N100 per farm crib, which will serve the produce of 4 hectares of maize and rice. Total cribs requirement will be as follows:-

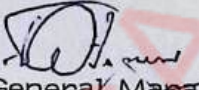
CROP	Hectarage	Required Crib Units	Value in Naira at N100 per crib
RICE	19,751	4,938	N493,800
MAIZE	34,578	8,645	N864,500
TOTAL	54,329	13,583	N1,358,300

(f) It may be pointed out that loan requirement for farm cribs would have to be financed by the State, as financing of capital projects require a much longer period to process by the Bank.

2. It may be pointed out that the Nigerian Agricultural Bank does not, as a policy, grant cocoa maintenance loans. The Bank is prepared to make a loan for cocoa marketing, with effect from this year, provided the loan application and letter of guarantee could get there on time. Loan disbursement for cocoa marketing should start from 1st of October, 1977 through January, 1978 to be of benefit to the loan beneficiaries.

3. It may also be clarified that, if even a loan of N14,000,000 is approved annually in principle by the Bank for food production to the Corporation, the Bank will only release funds in instalments for the volume of loans actually approved in a particular season, after sending details of approved loans to the Bank.

4. It would be appreciated, therefore, if early attention could be given to the consideration of the loan proposal, to enable a letter of government guarantee to be issued to support any amount decided to be applied for and so facilitate early processing of the application by the Bank, for timely release of loan funds to the Corporation.

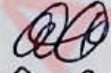

for General Manager.

LIST OF ANNEXURES

- 1. Analysis of the Rice Project - Annexure I (vide para.(iii)(c), page 2 of letter)
- 2. Analysis of the Maize Project - Annexure IIA) "
- 3. Analysis of the Cassava Project - Annexure I(B) "
- 4. Loan Requirement per Project - Annexure II "
- 5. Comparative Analysis of Processed Applications for Foodcrops (1977 Planting Season on Zonal Basis) - Annexure III "
- 6. Comparative Statistics of Purchases of Cocoa, Palm Kernels, etc for Oyo State: 1973/74 to 1975/76 Seasons (Loag Tons) - Annexure IV (vide para.(iv)(b) page 2 of letter.
- 7. Integrated Approach to Food Production in Oyo State. - Annexure V (vide para.(v)(b)(5) page 4 of letter.

Sec (sc)

I respectfully submit from p.530 please.


C.R.
29/8/77

ANALYSIS OF THE RICE PROJECT

ANNEXURE I

Cost of Producing 1 hectare of Rice

Operations and Materials	Unit	Physical Inputs	Rate ₦		Cost ₦	
			Farmer	Market	Farmer	Market
Seed	Kg	45	0.22	0.29	9.90	13.05
Fertilizer 15: 15: 15:	Kg	158	0.04	0.08	6.32	12.64
Preparation of land	M/day	15	2.10	2.10	31.50	31.50
Mechanization	-	-	-	-	25.00	25.00
Planting	M/day	30	2.10	2.10	63.00	63.00
Fertilizer Application	M/day	10	2.10	2.10	21.00	21.00
1st Weeding	M/day	15	2.10	2.10	31.50	31.50
2nd Weeding	M/day	20	2.10	2.10	42.00	42.00
Scarring of birds	M/day	10	2.10	2.10	21.00	21.00
Harvesting Carrying	M/day	25	2.10	2.10	52.50	52.50
Threshing & Winnowing	M/day	18	2.10	2.10	37.80	38.80
Marketing Expenses	-	-	-	-	2.00	2.00
Total =					343.52	352.99

FINANCIAL ANALYSIS

Items:	Farmers Cost	Government	Total
Materials Fertilizer & Seed	16.22	9.47	25.69
Mechanization	25.00	-	-
Labour	300.30	-	-
Marketing	2.00	-	2.00
Staff	-	29.21	29.21
Total	343.52	38.68	382.20

LOAN REQUIREMENT PER HECTARE

ITEMS	LOAN (₦)
Fertilizer and seed	16.22
Mechanization	25.00
LABOUR (75%)	225.23
Transportation	2.00
TOTAL =	268.45

YIELD : 2 tons/hectare

PRICE : ₦230/ton.

MAIZE PROJECTANNEXURE 1(A)Cost of Producing 1 hectare of Maize

Operations and Materials	Unit	Physical Input	Rate		Cost	
			Subsidi- sed	Market	Subsidi- sed	Market
Seed	kg.	28	0.13	0.23	3.64	5.88
Fertilizer 15:15:15	kg.	252	0.04	0.22	10.08	55.44
Light 25:10:0	kg.	126	0.04	0.22	5.04	27.72
Preparation of Land	Monday	15	2.10	2.10	31.50	31.50
Ploughing Harrowing/Ridging	-	-	-	-	24.70	24.70
Planting	Monday	8	2.10	2.10	16.80	16.80
Fertilizer Application	Monday	10	2.10	2.10	21.00	21.00
1st. Weeding	"	15	2.10	2.10	31.50	31.50
2nd Weeding	"	15	2.10	2.10	31.50	31.50
Harvesting and carrying	"	15	2.10	2.10	31.50	31.50
Shelling	"	10	2.10	2.10	21.00	21.00
Marketing			2.00	2.00	2.00	2.00
Total					230.26	300.54

FINANCIAL ANALYSIS

Items	Farmer's Cost ₹	Govt. Cost ₹	Total
Material Fertilizer & Seed	18.76	89.04	107.80
Mechanization	24.70	-	24.70
Labour	184.80	-	184.80
Staff Cost	-	31.23	31.23
Marketing	2.00	-	2.00
Total	230.26	120.27	350.53

Loan Requirement

Items	Loan ₹
Fertilizer and Seed	18.76
Mechanization	24.70
Labour	138.60
Transportation	2.00
T o t a l	184.06

YIELD: 2 tons/hectare

PRICE: ₹120 per Metric ton

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CASSAVA PROJECT
Analysis of Costs per hectre

ANNEXURE 1 (B)

Operations and Materials	Unit	Physical	Rate	(N)	Cost	(N)
			Partner	Social	Farmer	Social
Fertilizer 15:15:15	kg	126	0.04	0.08	5.00	10.10
Production of Cuttings	-	-	-	-	-	15.00
Cuttings Collection	M/day	12	2.10	2.10	25.20	25.20
Clearing of land	"	15	2.10	2.10	31.50	31.50
Ploughing and ridging	-	-	-	-	25.00	25.00
Planting	M/day	15	2.10	2.10	31.50	31.50
1st Weeding	"	20	2.10	2.10	42.00	42.00
Fertilizer Application	"	5	2.10	2.10	10.50	10.50
2nd Weeding	"	20	2.10	2.10	42.00	42.00
2ND YEAR:						
3rd Weeding	"	20	2.10	2.10	42.00	42.00
Harvesting	"	50	2.10	2.10		105.00
					359.70	379.80

FINANCIAL ANALYSIS

Items	Farmers	Govt.	Total
Fertilizer and Cuttings	5.00	25.10	30.10
Mechanization	25.00	-	25.00
L a b o u r	329.70	-	329.70
Staff Cost	-	42.59	42.59
Total	359.70	67.69	427.39

I T E M S	L O A N
Materials	5.00
Mechanization	25.00
Labour (75% of Total)	247.28
Total	277.28

YIELD: 19 tons/hectre
PRICE: #25 per ton

LOAN REQUIREMENT PER PROJECT

ANNEXURE II

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CROP	No. of Societies	Acreage to be Planted	Est. Yield	Est. Produce	I N P U T								
					KIND OF INPUT	QUANTITY		C O S T S					
						Number	Unit	Per Unit	TOTAL				
RICE	2469	19751 Hectares	2 tonnes	39502 ton	Fertilizer (N.P.K. 15-15-15)	3121	kg	6.32	124,826 . 32				
					Seed	889	"	9.90	195,534 . 90				
					Mechanization	19751	Hect.	25.00	493,775 . 60				
					Hired Labour	"	m/days	225.23	4,448,602 . 78				
					Transportation	"	"	2.00	39,502 . 00				
												Sub-Total	5,302,241 . 00
MAIZE	4322	34578 Hectares	"	69156 tons	Fertilizer (15-15-15)	8713.66	kg	10.08	348,546 . 24				
					" (20-10-0)	4356.8	"	5.04	174,273 . 12				
					Seed	968	"	3.64	125,863 . 92				
					Mechanization	34578	hect.	24.70	854,076 . 60				
					Hired labour	"	m/days	184.70	4,792,510 . 12				
					Transportation	"	"	2.00	69,156 . 00				
												Sub-Total	6,364,426 . 00
CASSAVA	1052	8415 hect.	19 ton	159,885 tons	Fertilizer	1060.3	kg	5.00	42,075 . 00				
					Mechanization	8415	hect.	25.00	210,375 . 00				
					Hired labour		m/days	247.28	2,080,883 . 00				
											Sub-total	2,333,333 . 00	
								TOTAL	14,000,000 . 00				

OYO STATE INVESTMENT AND CREDIT CORPORATION

ANALYSIS OF PROCESSED APPLICATIONS FOR FOOD-CROPS (1977 PLANTING SEASON) ON ZONAL BASIS

ZONE	Local Govt. Council Area	Loan Base	1st Set of Loans Approved		2nd Set of Loans Approved		TOTAL			POPULATION (1976)	% of Total
			No.	Amount (N)	No.	Amount (N)	No.	Amount (N)	% of Total		
IBADAN	Ibadan	Ibadan	93	83,240	48	42,190	302	125,430		885,859	
	Lagelu	Iyana Offa	161	123,305	-	-	161	123,305		309,451	
	Oluyole	Moniya)								154,118	
	Akinyele	Omi-Adip)	23	20,951	135	122,287	158	143,238		262,634	
	Ibarapa	Eruwa & Igboora	51	44,835	748	698,285	799	743,120		165,131	
	Iwo	Iwo	-	-	256	208,676	256	208,676		475,591	
	Irewole	Gbongan	46	34,942	85	61,530	131	96,472		383,636	
	Total		374	307,273	1272	1,132,968	1600	1,440,241	31.63	2,636,420	36.01
ILESA	Obokun	Ijebu-Jesa	6	10,750	92	93,515	98	104,265		250,520	
		Erinmo	15	26,814	30	47,674	45	74,488			
	Ilesa	Ilesa I & II	10	12,571	467	467,489	477	480,060		231,141	
	Oranmiyan	Ile Ife	4	10,884	50	57,170	54	75,534			
		Olode	5	6,075	2	1,985	7	8,060		513,926	
	Atakumosa	Iwara	40	57,467	12	17,163	52	74,630		195,520	
	Total		80	124,561	653	6,92,476	733	817,037	18.39	1,191,107	16.27
OSOGBO	Ifelodun	Ikirun	30	29,977	111	106,565	141	136,542		298,744	
	Odo Otin									250,797	
	Ila	Ila	27	41,206	-	-	27	41,206		217,075	
	Ogbomoso	Ogbomoso	72	118,285	313	391,315	385	575,160		484,710	
	Ejigbo	Ejigbo	32	38,191	48	60,228	80	98,419		158,561	
	Osogbo	Osogbo	91	68,378	156	134,059	247	202,437		353,364	
	Irepodun Ede									220,723	
	Total		252	296,037	628	787,727	880	1,053,764	23.74	2,241,797	30.63
OYO	Irepo	Igboho	-	-	77	71,760	77	71,760		224,488	
	Ifedapo	Shaki	45	51,315	112	128,229	157	179,544		197,117	
	Kajola	Okeho	101	87,580	40	24,095	141	111,675		160,832	
	Iseyin	Iseyin	135	156,285	101	86,300	236	242,585		232,305	
	Oyo	Oyo	85	92,840	258	467,972	343	560,812		435,334	
		Total		366	388,020	588	778,356	954	1,166,376	26.26	1,250,075
GRAND TOTAL			1072	1,115,891	3141	3,361,527	4194	4,477,418	100	7,319,399	100

COOPERATIVE STATISTICS OF PURCHASES OF COCOA PAL-KERNELS AND COFFEE FOR OYO ONDO AND OGUN STATES: 1973/74 TO 1975/76 SEASONS (LONG TONS)

STATES	<u>COCOA</u>			<u>COFFEE</u>			<u>PAIM-KERNELS</u> (MARKETING YEARS)		
	1973/74	1974/75	1975/76	1974/75	1975/76	1974	1975	1976	
OYO	97,607	94,334	90,935	362	226	78,116	68,817	71,098	
ONDO	80,833	85,192	94,372	99	104	15,180	13,624	14,492	
OGUN	9,361	12,195	12,616	-	16	21,196	20,322	22,725	
TOTAL	187,801	191,721	197,923 (a)	461	346	114,492	102,763	108,315 (a)	

(a) In Metric tonnes.

REQUEST FOR LOAN FROM THE NIGERIAN AGRICULTURAL BANK

INTRODUCTION: The agricultural sector is still the back-bone of the economy of the Oyo State. This sector without conscious efforts has performed fairly well in the past that it has been taken for granted that the agricultural structure makes for automatic adjustment to changes in the State economy. This assumption must have contributed to inadequate attention given to the sector in the past Government efforts and this has contributed to the noticeable per capita decline in agricultural production in the State. In order to arrest this trend and to ensure adequate supply of agricultural production in the State, conscious efforts must be made to keep agriculture moving in the State. An acceptance of the inadequacy of the performance of the existing agricultural sector is reflected in emergency programmes like the Operation Feed the Nation (OFN) and National Accebrated Food Production Programe (NAFPP).

The programmed presented here are directed to this end. Projects are presented on three basic food crops (rice, maize and cassava). The loan on food production is for both production and storage.

Organization: The running of the programmes will be organized in a way that is amenable to the existing structure of production for the programmes under consideration. The organizations for food production have been tried and found successful (in pilot projects) in the last two years.

1. ORGANIZATION FOR FOOD CROP PROGRAMMES: The food crop projects will be run by the following agencies: in Oyo State.

1. Ministry of Agriculture and Natural Resources
 - (a) Extension services Division;
 - (b) Agricultural Inputs & Services Unit (AISU)
2. Investment & Credit Corporation.
3. Farmers and Farmer Groups.
4. Storage Cooperatives.

Responsibilities:

Ministry of Agriculture and Natural Resources: Extension Services Division

The Division will be responsible for technical advice. The Division will also determine the acreage for participation in line with the project targets and will organize the farmers into operating groups for ease of input distribution. The Division will work hand in hand with the State Credit Corporation to make sure that default on loan repayment is minimized. It will keep records of production input and output.

Investment and Credit Corporation; The Corporation will administer and service the loans programme to the farmers by

- (a) disbursement of loan
- (b) collection of loan repayment
- (c) maintain physical contact with the participants to ascertain progress and/or problems that may lead to default in paying loans.

Farmers and Farmer Groups: They will see to the following:

- (a) ensure that operations are carried out as advised by the Ministry of Agriculture and Natural Resources staff;
- (b) immediate liquidation of loan after the sales of produce.

Storage Cooperatives: The Cooperatives will

- (a) buy, process and store the produce
- (b) sell the produce at the most optimum price;
- (c) be responsible for storage loan repayment.

Agricultural Inputs & Services Unit (AISU).

This Unit will deal with

- (a) installation of storage facilities and repairs of existing ones;
- (b) technical advise on operation of the storage facilities ;
- (c) keeping of technical records as regards storage of produce;
- (d) mechanization services.
- (e) production and distribution of seeds and supply of fertilizer.

Operation of the Organization; The staff of the Extension Division will organize and locate the plots under the project, ensure that the land is prepared and ready for mechanization in line with the Scheduled

planting period. He will arrange for the Tractor hiring section of Agro Service Centres to plough and harrow / or ridge the plots as well as ensure that storage facilities are put into workable order before the produce is due in the centres.

Credit Administration: The Extension Officer specifically assigned to the project will be responsible for coordinating the activities of the farmers, and the Credit Corporation. He will arrange the meeting of producers and notify the Credit Corporation and other participating agencies accordingly. The Credit Corporation will arrange to give the loans to cover the materials and services to the producer who will there and then pay the Agro Service Centre staff for the material and services supplied. In this type of meeting, loan for hired labour will be disbursed for certified job done. The amount of loan will be as specified in the project document.

The Extension staff as well as the Corporation staff will follow the progress of participants after harvest and it will be a joint responsibility to ensure that time of sales of produce is known to both the extensioner and the loan officer. Loans will be recovered immediately after produce is sold. The same process will be followed for Cooperatives which handle storage alone.

Conditions and Eligibility: In order to be eligible for participation in the food crop project the participant must satisfy the following conditions:

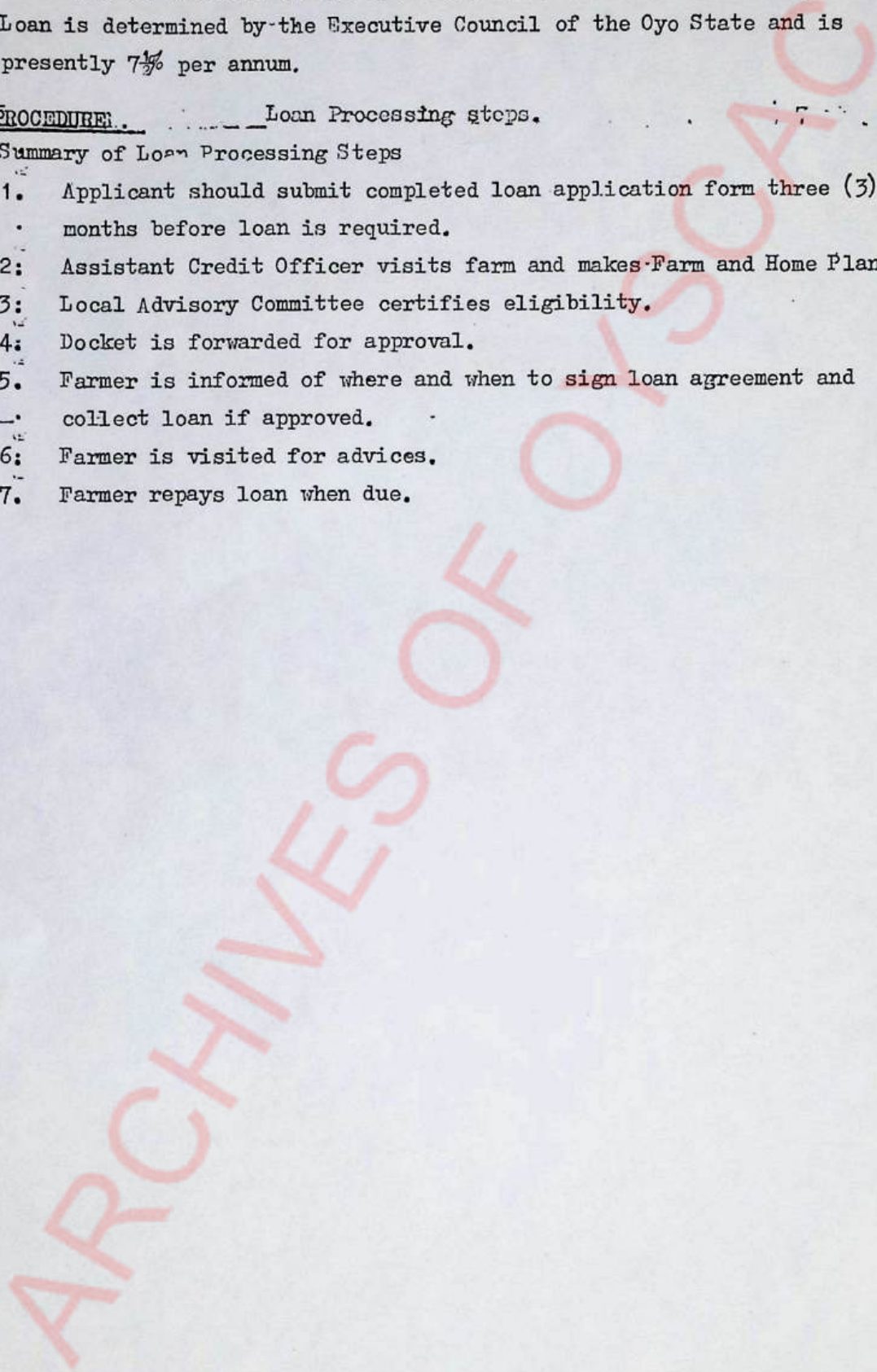
- (a) The group of farmers must agree to plant at least 4 hectares (10 acres) of one of the specified crops (maize, cassava and rice). In a case where a group decides to plant more than one of the crops the minimum acreage for individual crop will still be 4 hectares (10 acres;)
- (b) In cases where an individual farmer shows an ability to manage a minimum of 4 hectares (10 acres) of a specified crop, such a farmer will be allowed to participate in the project but he must join a recognised production organization in his area; participate in all meetings and other activities of the Production Organization in his area.
- (c) The land on which the crop is going to be planted must be shown to the M.A.N.R. Officer who will certify its suitability as regards fertility and size;
- (d) All participants must agree to take part in the project under the credit regulations of the Investment and Credit Corporation.
- (e) All participants must agree to adopt the management practices and use all the material inputs recommended by the M.A.N.R.

Rate of interest on the Oyo State Investment and Credit Corporation Loan is determined by the Executive Council of the Oyo State and is presently 7 $\frac{1}{2}$ % per annum.

PROCEDURE Loan Processing steps.

Summary of Loan Processing Steps

1. Applicant should submit completed loan application form three (3) months before loan is required.
2. Assistant Credit Officer visits farm and makes Farm and Home Plan.
3. Local Advisory Committee certifies eligibility.
4. Docket is forwarded for approval.
5. Farmer is informed of where and when to sign loan agreement and collect loan if approved.
6. Farmer is visited for advices.
7. Farmer repays loan when due.



- 5 -

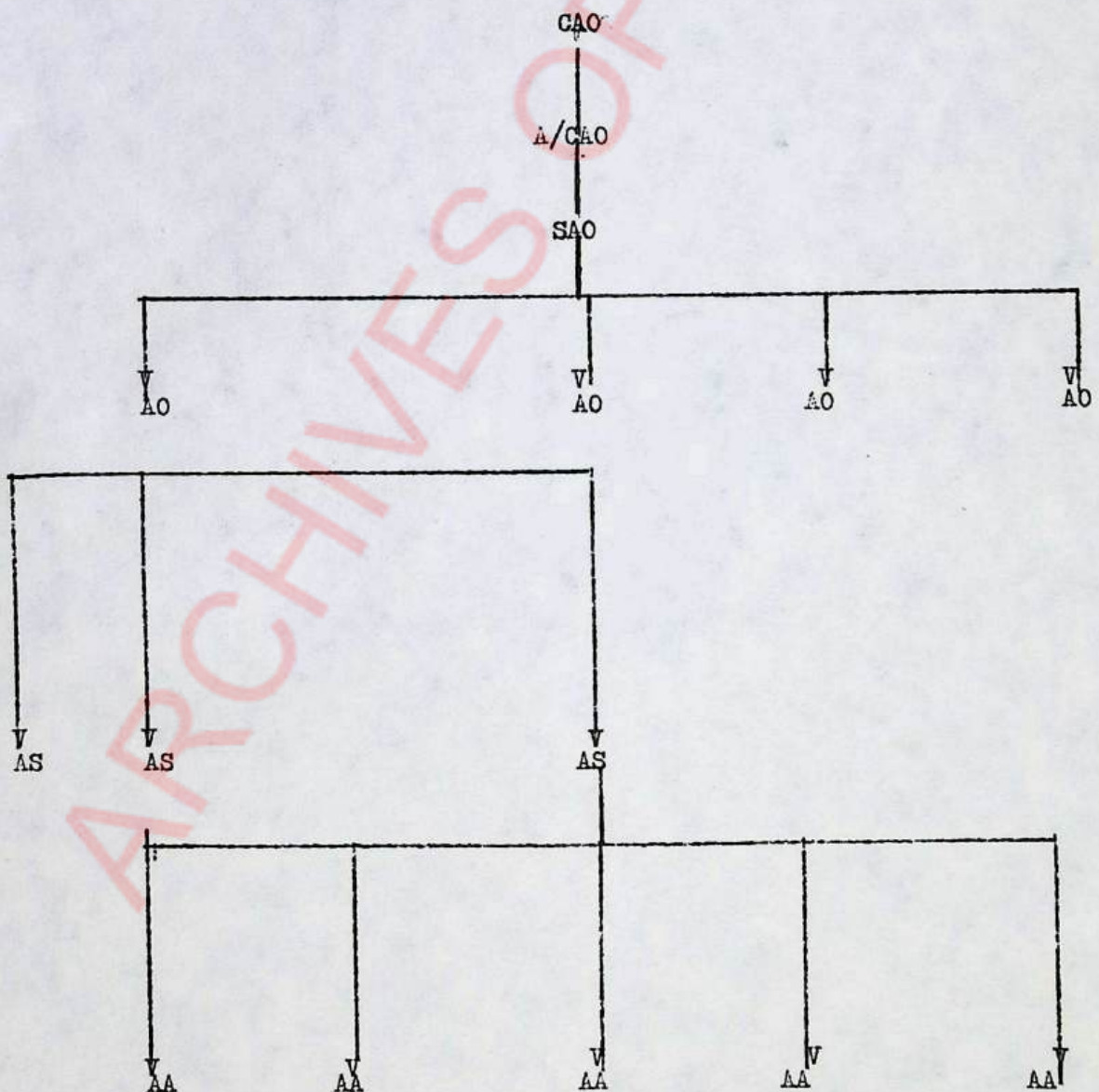
SECTION I

FOOD PROGRAMMES

- A. RICE PROJECT (Production, Storage and Milling)
- B. MAIZE PROJECT (Production and Storage)
- C. CASSAVA PROJECT (Production)

ARCHIVES OF OYSCAC

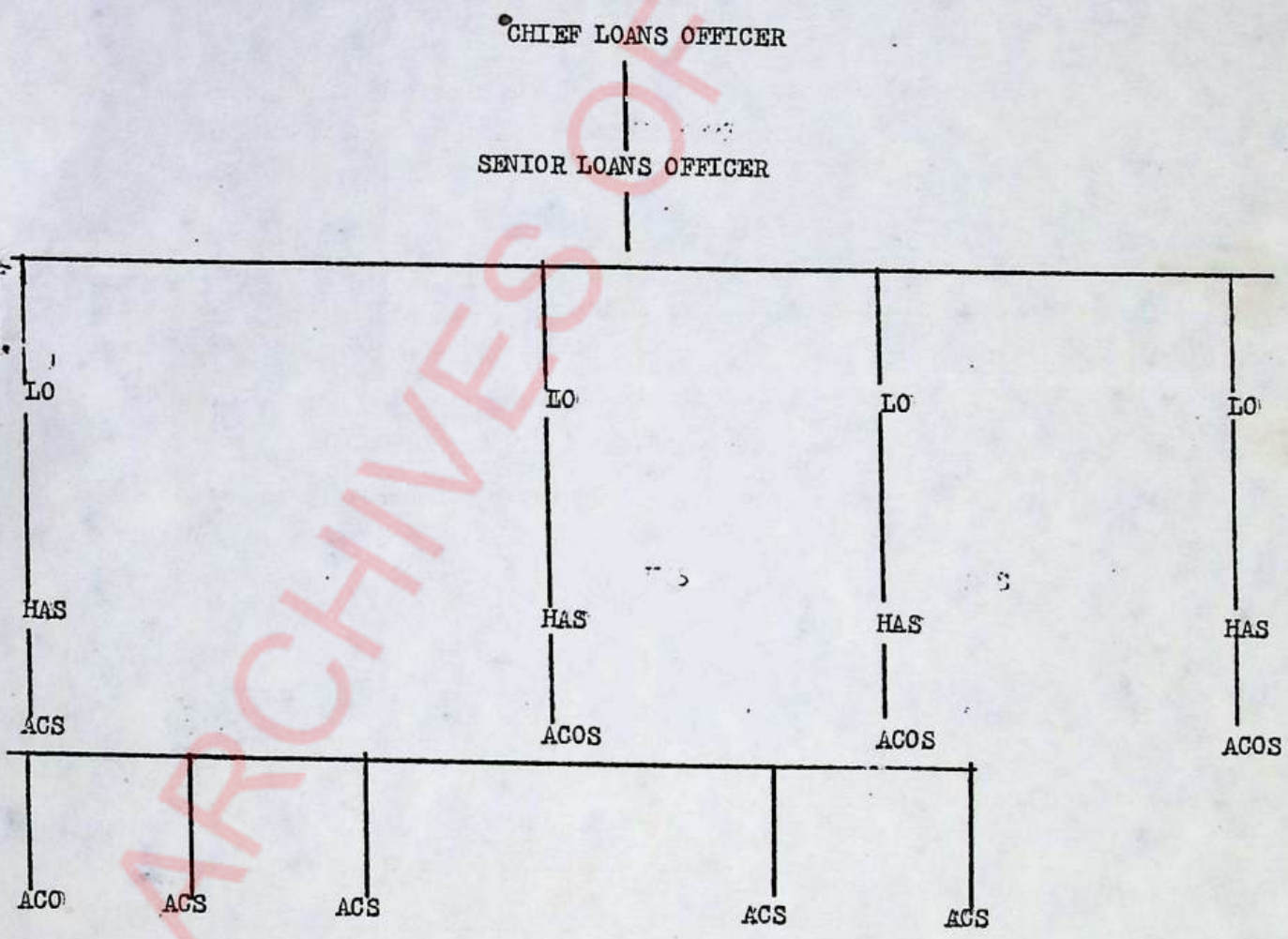
This section presents the food drop programme consisting of production projects for maize, rice and cassava and storage projects for rice and maize Supervision and staffing of Production Projects. The food production programme will be supervised by extension staff of Ministry of Agriculture and Natural Resources specifically assigned to the programme. The over-all control of the programme will be under the Asst. Chief Agricultural in charge of food production in the State. He will be assisted by a Senior Agricultural Officer. The Senior Agricultural Officer will coordinate all the State activities in this programme, write the State monthly as well as quarterly and annual progress reports on the programme. At the Zone level the programme will be supervised by Programme Officers supported by Agricultural Superintendents. The contact officer with the participating farmer will be of the level of Agricultural Assistant. An Agricultural Assistant will be responsible for supervising about 162 hectares (400 acres). An Agricultural Officer will supervise 3 Agricultural Superintendent and an Agricultural Superintendent will supervise 5 Agricultural Assistants. The State Organization of food production programme will be as shown below:



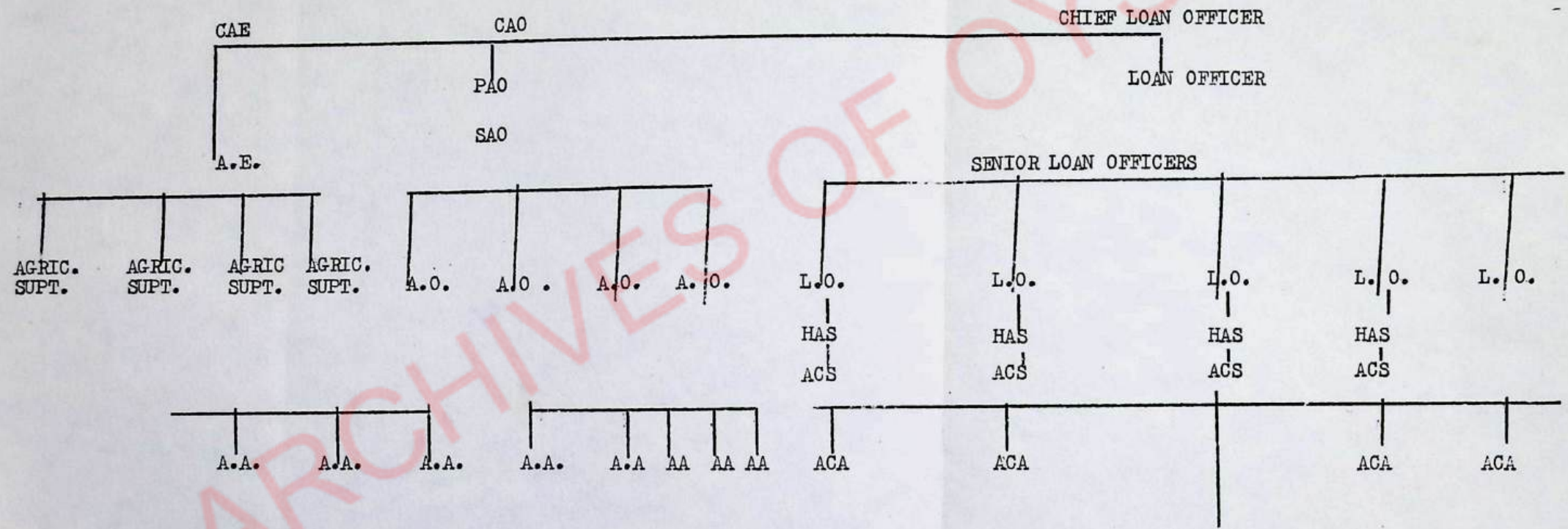
Supervision of the Storage Project: The overall technical control will be the responsibility of Project Manager (AISU) or any suitable officer he may designate. The technical supervision will be under an Agricultural Engineer who will be assisted by four (4) Agricultural Superintendents and ten (10) Agricultural Assistants with adequate training in storage technology and in the supervision of cribs silos and Warehouses. The silos located at the settlements Agro Service Centres will be supervised by the resident agricultural staff. Technical problems will be referred to the Agricultural Engineer in charge of State storage programme.

Supervision of Credit for Food Production and Storage: The Investment and Credit Corporation will be responsible for supervising the credit for the project. The Corporation will be responsible for disbursement and collection of loans, The organisation of supervising staff of credit corporation is given below:

AGRICULTURAL CREDIT STAFF ORGANISATION FOR FOOD PRODUCTION AND STORAGE PROJECTS



Overall supervision of the Food Production and Storage Projects: The overall supervision of the projects will be under the Chief Agricultural Officer. He will be responsible for coordinating the activities of all the agencies participating in the projects - (Investment and Credit Corporation Agric. Extension ^{Division} and Agric. Engineering Division and the AISU). He will be responsible for on time delivery of production and storage inputs. He will ensure that adequate action should be taken to remove any bottle-neck. The overall organization of the project is given below:



549
Y. E.,

via

S.M.G. & H.S.,

P.S.O.M.G., *30/8/77.*

At p. 516, the Investment & Credit Corporation of Oyo State is requesting that the State Government guarantees a loan of ₦30,330,000 which it is already negotiating with the Nigerian Agricultural Bank. The Bank has made a letter of guarantee from the Oyo State Government a condition for giving the Corporation's application further consideration.

2. PP. 530 - 548 contain a detailed write-up on the loan. The Corporation intends to use the loan to grant credit to farmers for the production of food crops - namely, rice, maize and cassava during the coming planting season. The following information has been supplied in the brief:

A. Food crops:

- (i) the rate of interest which the Corporation will pay to the Nigerian Agricultural Bank is 3% p.a. and repayable within two years. The Corporation will in turn lend to both foodcrop ^{farmers} and Licensed Buying Agents ~~farmers~~ at 5% p.a.
- (ii) 313,720 farm families each cultivating at least 4 hectares of land will benefit from the foodcrops loans which will total ₦14,000,000, the balance of ₦16,330,000 having been earmarked for cocoa marketing. (As a matter of policy, the Nigerian Agricultural Bank does not grant loans to maintain cocoa farms);
- (iii) the loan requirement per hectare for each project is determined by the Corporation in conjunction with the Planning Division of the Ministry of Agriculture & Natural Resources.

549
Y. E.,

via

S.M.G. & H.S.,

P.S.O.M.G., *Apr 30/8/77.*

At p. 516, the Investment & Credit Corporation of Oyo State is requesting that the State Government guarantees a loan of ₦30,330,000 which it is already negotiating with the Nigerian Agricultural Bank. The Bank has made a letter of guarantee from the Oyo State Government a condition for giving the Corporation's application further consideration.

2. PP. 530 - 548 contain a detailed write-up on the loan. The Corporation intends to use the loan to grant credit to farmers for the production of food crops - namely, rice, maize and cassava during the coming planting season. The following information has been supplied in the brief:

A. Food crops:

- (i) the rate of interest which the Corporation will pay to the Nigerian Agricultural Bank is 3% p.a. and repayable within two years. The Corporation will in turn lend to both foodcrop ^{farmers} and Licensed Buying Agents ~~farmers~~ at 5% p.a.
- (ii) 313,720 farm families each cultivating at least 4 hectares of land will benefit from the foodcrops loans which will total ₦14,000,000, the balance of ₦16,330,000 having been earmarked for cocoa marketing. (As a matter of policy, the Nigerian Agricultural Bank does not grant loans to maintain cocoa farms);
- (iii) the loan requirement per hectare for each project is determined by the Corporation in conjunction with the Planning Division of the Ministry of Agriculture & Natural Resources.

B. Cocoa Marketing:

- (i) the loan requirement for cocoa marketing is computed by the Bank at the rate of 25 to 30 per cent of total cocoa production in the State. The proposed loan requirement was therefore based on 25% of the total gradings in 1975/76 i.e. 90,935 tons as shown in Annexure IV p. 540.
- (ii) the proposed loan will enable at least 25% of cocoa producers in Oyo State to receive immediate cash for their sales to Licensed Buying Agents so financed without the unnecessary time lag during the coming cocoa marketing period, i.e. 1st, October, 1977 through January 1978. It will also assist in arresting the current practice in which Licensed Buying Agents from Ondo State buy with ready cash, cocoa produced in this State from farmers located along the boundary of Oyo and O_ndo States.

3. To ensure that persons to whom loans are given comply with the terms of repayment, the following safety measures are proposed:

- (a) loans for food production will be directed mainly to farming groups although a few industrious individual farmers will also be eligible. The foodcrop projects will be jointly run by the Extension Services Division of the Ministry of Agriculture & Natural Resources, Investment & Credit Corporation, Farmers Groups & individual farmers and Storage Co-operatives. Each of these four agencies has special services to render so as to ensure that the farmers projects succeed, and to enable them (the farmers) repay their loans on the agreed terms. While the Extension Services Division of the Ministry of Agriculture and Natural Resources will be responsible for technical

advice, the Investment & Credit Corporation will administer and service the loans. The Farmers and farmer groups will, on their part, ensure that operations are carried out as advised by the Ministry of Agriculture and Natural Resources and liquidate loans immediately after the sales of produce. The Storage Co-operatives will be responsible for buying, processing and storage of produce, sale of the produce so stored, and ensure storage loan repayment;

- (b) The loans to the Licensed Buying Agents will be channelled through the Cocoa Commodity Board which will disburse the loans in instalments only after ensuring that borrowers submit certified weekly returns of deliveries and stock.

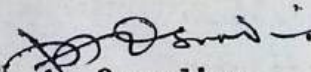
4. The Brief goes on to work out the cost of producing one hectare of rice, maize and cassava with their loan requirements put at ₦268.45, ₦184.06 and ₦277.28 respectively (please see pp. 535 to 537). Annexure II on p. 538 breaks down the cost on input basis - fertilizer, seed, mechanisation, hired labour and transportation. On p. 539 is the analysis, on Zonal basis, of processed applications for foodcrops for 1977 planting season. All the 24 Local Government Areas are covered, thus ensuring that the advantage of the loan scheme is fairly spread throughout the State. Annexure V pp. 541 to 548 show how the programme will be run so as to ensure its success.

5. The Investment & Credit Corporation has been able to give a detailed information on the loan of ₦30,330.00 which it is at the moment negotiating with the N.A.B. It has also succeeded in backing its loan requirements with facts and figures.

Going through the write-up, one has the impression that a good

planning had already been done at the initial stage. One is therefore optimistic that the Credit Scheme will no doubt succeed. Sufficient attention has been given to the need to ensure that farmers repay their loans promptly to enable the Corporation in turn repay the Bank loan which the Government is being called upon to guarantee. In fact, the anxiety which farmers exercise about the scheme is demonstrated by the petition which a group of farmers addressed to H.E.M.G. about two months ago on the failure of the Corporation to grant them the usual credit facilities which they had hitherto enjoyed up to the last planting season. The Corporation's excuse then was that it did not have enough funds to take care of the requirements of all the applicants. The loan being negotiated now should therefore be seen as an opportunity for the I.C.C. to meet its obligation to the farmers, many of whom are still grumbling for non-availability of credit facilities.

6. We are informed confidentially in (i) at p. 530 that the Nigerian Industrial Bank had already approved ₦28 million and ₦11 million to the Agricultural Credit Corporations in Ondo and Ogun States respectively. There is no reason why this State should not take similar advantage to assist our foodcrop farmers and our Licensed Buying Agents. In the light of the information supplied at pp. 530 - 548, and considering the fact that farmers in this State should be given every encouragement in order to boost production of foodcrops, I humbly recommend for Y. E.'s consideration that the Oyo State Government should agree to guarantee the loan of ₦30,330,000 which the Investment and Credit Corporation is at present negotiating with the Nigerian Agricultural Bank. If Y. E. approve⁹, the Solicitor-General & Permanent Secretary, Ministry of Justice will be requested to prepare draft of a letter of guarantee to be addressed to ~~be addressed to~~ the N.A.B., Please.


J. A. Osundina,
Ag. Sec.(S.C),
30th August, 1977.

PSDF:ED

Please see from p. 530. In order to accelerate action on the clearance of the application of the Oyo State Investment & Credit Corporation for Govt guarantee of a loan of ₦30.33m which it is already negotiating with Nigerian Agricultural Bank and which will eventually be referred to the Exco, I shall be pleased if you will seek the reactions of your Commissioner to the application. The Chairman of the Corporation informed me yesterday that time is of the essence of the matter since agricultural loans are seasonal in their effect and because the NAB is right now in the process of considering late applications. Kindly treat as most urgent.

~~...~~ Alimiyale
 T. A. AKINYELE
 8764HS
 35/8/77.

554

S.C.,

You will recall that I discussed with you the minutes from the S.M.G. & H.S. which is on p.113. The purpose of the minutes is to obtain your reaction to the request from the Nigerian Agricultural Bank for Govt. guarantee for a loan of N30.33m. from that Bank, before the loan can be released to the Oyo State Investment and Credit Corporation.

2. The application by the I.C.C. to N.A.B. conforms with the suggestion which was presented to the Treasury Board on the need to encourage Statutory Corporations to seek financial assistance from the open market as much as possible, and also from Federal Govt. agencies. Consequently, there should be no reason why we should not give support to this request particularly having regard to possible effect of the loan on food production within the State.

3. However, a guarantee by Govt. is to all intents and purposes, an acknowledgement by Govt. that it would be prepared to pay back the loan in the event of the Corporation unable to do so. The only reason why the Corporation may fail is if it cannot collect the loan back from the farmers.

Therefore, whilst agreeing to sign a guarantee on behalf of Govt., it would be necessary for us to demand an assurance of the competence of the Corporation to recover the loan. The assurance should include a clear programme of the process of recovery which should be lodged with us, and also, an indication that the Corporation will every quarter, beginning with the first quarter / the receipt of the loan from the Nigerian Agricultural Bank, give a progress report indicating clearly how much loan was given out, how much was expected to be collected, how much had been collected, reasons where there is a deficiency in the rate of collection.

.../2

X

/after

4. Already, we have given a loan of N3.2m. to the Corporation for on-lending to farmers, and we are just about to send our Task Force and Monitoring Unit to monitor the performance of this loan vis-a-vis the level of production in regard to the items for which the loans were given. I thought I should mention this.

5. Finally, subject to the views which I have expressed above, I invite you to agree that Govt. should give a guarantee to the Nigerian Agricultural Bank to provide a loan of N30.33m. to Oyo State Investment and Credit Corporation for on-lending to the farmers in the State.

(Sgd.)
(A.A. Babalola)
P.S.,
31/8/77.

P.S.,

Agreed, subject to the views you expressed at X.

(Sgd.) Dr. J.A. Atanda,
S.C. for F. & E.D.
31/8/77

S.M.G. & H.S.,

I refer to your minute on p.553. I shall be glad if you will glance through the minute I addressed to my Commissioner, pp.554-555, and his reaction thereto. I shall also be glad if note is taken of para.3 of my minute on p.554.

~~(A. A. Babalola)~~
P.S., M.F. & E.D.
31/8/77.

Y.E.

Your Excellency is humbly invited to read from p. 549 the minutes dealing with the application of the Oyo State Investment and Credit Corporation for Govt's guarantee of a loan of ₦30.33m which it is already negotiating with the N.A.B. The Ministry of Finance has been consulted and it has indicated support for the application subject to the conditions shown at X/p. 554. The matter will formally go to Ekos when the Corp has succeeded in the

2. Negotiations -

2. Y.E. is humbly invited to agree that Government will be prepared to guarantee the loan if the Corp. succeeds in obtaining it subject to the conditions laid down at X/p. 554.

~~T.A. AKINYELE~~

1/9/77

Agreed

1/9/77 Sec (sc) Jil 2/9.
via PSONG

M. take f.n.a. as in para 2 above.

~~T.A. AKINYELE~~

2/9/77



A member of
Standard Chartered Bank Group



Standard Bank
Nigeria Limited

IBADAN (MAIN) BRANCH

Your ref:

Our ref: **ADVANCES: SOE/**



Bank Road,
P. M. B. 5111, IBADAN,
Telephone: Ibadan 61810.
Telegraphic address: Banking Ibadan
Incorporated in Nigeria.

24th August, 1977.

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



Dear Sir,

WESTERN STATE AGRIC. INVESTMENT CORPORATION HEADQUARTERS A/C.
WESTERN STATE AGRIC. CREDIT CORPORATION.
=====

We refer to our letter dated 5th August, 1977 in connection
with the above-mentioned Corporation. As stated in the letter
under reference, we now attach hereto photo-copy of a letter
from the Company Secretary/Legal Officer to Odu'a Investment
Company Limited, in which he advised us to contact you for
necessary directive on behalf of Oyo, Ondo and Ogun State
Governments.

We regret our omission to attach the Company's Photo-copy
letter to our letter of 5th August, 1977. Please accept our
apology for the error.

Yours faithfully,

[Handwritten Signature]
ASSISTANT MANAGER.

Attd.

*A-5(cc)
Prin Sec (SC) 31/8/77*

*The file in which the letter of 5/8/77
is enclosed is in action with SMC/HS/HEM/CP pl.*

[Handwritten Signature]
22/8/77

BOARD OF DIRECTORS

CHAIRMAN: MALLAM AHMADU COOMASSIE; VICE CHAIRMAN & CHIEF EXECUTIVE: S. O. ASABIA; MANAGING DIRECTOR: H. J. WATSON (BRITISH);
DIRECTORS: ADEJOJU ADEYEMI, E. I. O. AKPATA, H. C. ARNOLD (BRITISH), P. A. GRAHAM (BRITISH), THE RT. HON. LORD BARBER, T. D. (BRITISH), MICHAEL AUDU BUBA,
ALHAJI SANUSI DANTATA, CHIEF IDRI HENRY OLOYEDE FAJEMIROKUN, JOHNSON CHUKWUEMEKA OBI, J. A. C. SMITH (BRITISH), MALLAM MAMMAN SULE.

558 2



Ode'a Investment Company Limited

Tel. 24158, 62440, 62813-62815, Cable & Telegrams: ODINCO IBADAN. Telex No. 31225 NG.

Our Ref: C/FA.1/13

Cocoa House,
(Floors 20-22),
P. M. B. 5435,
Ibadan.

Your Ref:

23rd June, 1977

The Manager,
Standard Bank Nigeria Limited,
P. M. B. 5111,
Bank Road,
Ibadan.

Dear Sir,

Western State Industrial Investment and Credit Corporation Account

In reply to your letter reference No. ADVANCES: BOF/COA dated 13th June, 1977 I wish to inform you that this Company has no responsibility in the operations of the accounts of:

- (1) Western State Agricultural Credit Corporation;
- (2) Western State Agricultural Investment Corporation; and
- (3) Western Nigeria Marketing Board.

In view of this I would advise that you refer the matter to the Secretary to the Military Government and Head of Service, Office of the Military Governor, Ibadan, who should be asked to give necessary directive on behalf of Oyo, Ondo and Ogun State Governments.

In respect of the Western State Industrial Investment and Credit Corporation's accounts, I wish to inform you that we are finalizing the accounts of the Corporation and you would be informed in due course what is to be done with the balances thereof.

I wish to add that the Western Nigeria Printing Corporation is one of the other Agencies under the control of this Company and we are in the process of incorporating it into a Private Limited Liability Company.

We hope that above information will assist you in your enquiries.

Yours faithfully,

V. A. Odunaiya
(V. A. Odunaiya),
Company Secretary/Legal Officer.

STANDARD BANK NIGERIA LIMITED
BANK ROAD IBADAN
24 JUN 1977
RECEIVED

Sec (SC)

Via Prin. Sec (SC)

Page 1 contains a letter addressed to the SMG&HS. In the letter, the Assistant Manager, standard Bank Nigeria Limited indicated that he ~~mistakenly~~ forgot to attach the letter at page 2 to his letter dated 5th August, 1977 in which the Odu'a Investment Company Limited advised him to contact the SMG&HS for necessary directive on the accounts of the defunct WSIICC on behalf of Oyo, Ondo and Ogun States.

2. I understand the main file is still with the SMG&HS. I am sure action must have been taken on the matter.

~~EA Osundiran~~
E. A. Osundiran,
AS (SC)
15th September, 1977.

3. I'm afraid you may have to resubmit on the main file since the antecedents to this case would be contained therein

~~LL~~
Lola Omojowolo
15/9

CR,

Please merge with the main file

~~SAO~~
15/9/77.

ARCHIVES OF OYO STATES

560557

SP/C. 201 Vol. III/557

2nd September, 1977.

The General Manager,
Oyo State Investment & Credit
Corporation,
Ibadan.

Nigerian Agricultural Bank Loan for
Agricultural Credit

I am directed to refer to the exchange of correspond-
ence on the above named subject ending with your letter
on Ref. ACC.2/128 Vol. III/68 of 26th August, 1977 and to
confirm that this State Government will be prepared to
guarantee the loan, if your Corporation succeeds in
obtaining it subject to your being able to give an assurance
of the competence of your Corporation to recover the loan.
This assurance should include:

- (a) a clear programme of the process of recovery;
- (b) an indication that your Corporation will, every
quarter, beginning with the first quarter after
the receipt of the loan from the Nigerian
Agricultural Bank give a progress report indicating
clearly
 - (i) how much loan was given out;
 - (ii) how much was expected to be collected;
 - (iii) how much had been collected
 - (iv) and reasons, where there is a deficiency in
the rate of collection.



lale
F. F. Ogunlade (Mrs)
for Secretary to the Military
Government and Head of Service.

CR.

Please despatch MOW

*lale
2/9*



SP/C 201 561 558

OYO STATE INVESTMENT AND CREDIT CORPORATION
(A STATUTORY ORGANISATION OF THE OYO STATE GOVERNMENT)

FLOORS 17-19 COCOA HOUSE, PRIVATE MAIL BAG 5085, IBADAN, TEL: 62810 - 2

OUR REF: A/C 33/Vol 2/T/75

TELEX NO. 31122 A1. CORP. NG.

YOUR REF:

TELEGRAMS/CABLES: OYSICCO IBADAN

31st August, 1977

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



The Audited Final Accounts of the
defunct Western State Agricultural
Investment Corporation and the Western
State Agricultural Credit Corporation

P.521

With reference to your letter No SP/C .201/521 of 17th August, 1977, I regret to inform you that there has been a little set-back in respect of the Accounts of the Agricultural Investment Corporation as the Auditors have alleged that a lot of corrections have to be made before the usual report can be presented. Hopefully the report will be ready before the end of September.

In the case of Agricultural Credit Corporation the final Accounts are just about to be forwarded to the External Auditors and it is hoped that the Auditors' report will also be ready by the end of September, 1977.

We appreciate the State Military Government's anxiety about the effect of the delay and we are in constant touch with the Auditors to ensure that action is completed soon enough.

See (sc)

G. O. Ajani
(G. O. Ajani),
for General Manager.

5/9 Above is note, pls

562 ~~559~~

Our Ref. No.SP/C.201/559

Office of the Military Governor
Agodi - Ibadan.

for September, 1977.

560

Copy to:

The Permanent Secretary,
Ministry of Finance and Economic
Development,
Ibadan.

Above for your information.



Sade

(F. F. Ogunlade)(Mrs)
for Secretary to the Military
Government and Head of Service.

Desp

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S.M.G.&.H.S.

via P.S.O.M.G. *Lil 7/9.*

May I invite your attention to the letter at page ⁵⁶¹~~558~~ from the General Manager of Oyo State Investment and Credit Corporation.

2. It will be recalled that consequent upon the request received from the Manager of the Standard Bank Nigeria Limited at page 518 for a directive on what to do ^{about} ~~on~~ the accounts of the defunct Western State Agricultural Investment Corporation and the Western State Agricultural Credit Corporation, the General Manager of O.S.I.C.C. was urged at page 521 to submit early the audited accounts of the two defunct Corporations. According to the letter at page ⁵⁶¹~~558~~ everything possible is being done by the Investment and Credit Corporation to get the audited accounts of the defunct Corporations ready by the end of September, 1977.

3. In the circumstances, we will ~~therefore~~ have to wait till then for the audited accounts. This is therefore for your information at this stage.

F.F. Ogunlade
(F. F. Ogunlade)(Mrs)
Secretary (S.C.),

7th September, 1977.

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8MC 201 564 560
CR, Plee file 561
Lade 7/9

OYO STATE INVESTMENT AND CREDIT CORPORATION
(A STATUTORY ORGANISATION OF THE OYO STATE GOVERNMENT)

FLOORS 17-19 COCOA HOUSE, PRIVATE MAIL BAG 5085, IBADAN. TEL: 62810 - 2

OUR REF: ACC.2/128 Vol.II/90

TELEX NO. 31122 A1. CORP. NG.

YOUR REF:

TELEGRAMS/CABLES: OYSICCO IBADAN

7th September, 1977

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

For the attention of Mrs. F. F. Ogunlade

Nigerian Agricultural Bank Loan for
Agricultural Credit

Thank you for your letter, No. SP/C.201 Vol.III/557, dated 2nd September, 1977. I hereby supply the required information as follows:-

- (i) The amount of N16,330,000 earmarked for cocoa marketing, under the conditions laid down in paragraph (v) (a) of my letter ACC.2/128 VOL.III/68 dated 26th August, 1977, is planned for disbursement and recovery as follows:-

Month of Cocoa Purchases	Amount of Disbursement	Period of Recovery
Oct. 1977	N6,000,000	On or before 30th November, 1977
Nov., 1977	N5,000,000	On or before 31st December, 1977
Dec., 1977	N4,000,000	On or before 31st January, 1978
Jan., 1978	N1,330,000	On or before 28th February, 1978
TOTAL	N16,330,000	-

- (ii) The amount of N14,000,000 earmarked for food production is proposed for disbursement and recovery as follows:-

Crop	Hectarage	Amount of Loan Required	Period of Recovery
Rice	19,751	N15,302,241	Jan to 31st Mar., 1979
Maize	34,578	N16,364,426	Jan to 31st Mar., 1979
Cassava	8,415	N2,333,333	On or before 31st December, 1979
		N14,000,000	

P. 560

P. 530

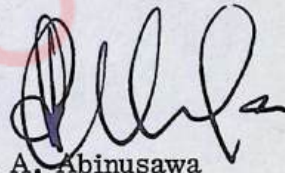
see p. 567
see p. 564

see p. 415

see p. 415 of
VOL VI

565 56T
~~562~~

- (iii) The basic essential for good loan recovery in food production lies in adequate storage facilities. The easiest approach to this evolutionary requirement lies in ensuring that adequate farm cribs are available as proposed in (v) (e) of my previous letter referred to above.
 - (iv) It is further clarified that the purpose of asking for N14 million for food production at this stage is to secure a basis for expansion of food production in the future, as it might be more difficult to obtain better loan facilities in the future, if conditions are more stringent, as the proposed loan is intended to be revolving each year. Attention is also invited to the indication given in that letter of the amount of loans already approved for the two sister States of Ondo and Ogun.
2. The necessary quarterly returns stipulated in your letter under reference will be submitted as requested.



D. A. Abinusawa
General Manager.

ARCHIVES OF OYO STATES

566 563

SMG + HS
P.S.O.M.G. *Lil 9/9.*

You saw this file last at page 556 when the S.M.G.&.H.S. directed that we should demand an assurance of the competence of the O.S.I.C.C. to recover the N30 million loan which it proposes to obtain from the Nigerian Agricultural Bank should it succeed in obtaining it.

2. The General Manager of the Corporation has now written back at pages 560-562 of this file confirming the ability of his Corporation to recover the loans back from the farmers. To support this, he has drawn-up a programme of the disbursement and recovery of this loan in respect of the Cocoa Marketing and Food Production Programmes.

3. Since it was the P.S.M.F.&.E.D. who raised the issue of obtaining this assurance, I intend, subject to your approval, to clear the programme with him. In the meantime however, that is, pending the receipt of the Ministry of Finances's explanation of this assurance, the Solicitor and P.S.M.J. will be approached to prepare, as ^a matter of urgency, the letter of guarantee required by the Corporation. In his discussion with me the General Manager of the Corporation has confirmed that the application for the loan has to be accompanied by this guarantee before any consideration could be given to it by the Bank.

4. *Pl. also see the earlier submission on p. 560.*

Sade
(F. F. Ogunlade) (Mrs)
Secretary (S.C.)

9th September, 1977.

Sec. (SC)

Lil P.S.O.M.G.
12/9.

Action as in para 3 above pl. I have also noted p. 560.

T. A. ARINYELE
15/9/77

564 567
564-5
564-2

Our Ref. No.SP/C.201/564

Office of the Military Governor,
Agodi, Ibadan.

Copy to:

12th September, 1977.

The Permanent Secretary,
Ministry of Finance and Economic
Development,
Ibadan.

(For the attention of Mr. A. A. Babalola)

Above for your information and comments with reference to your earlier comments on the application of the Oyo State Investment and Credit Corporation for Government's guarantee of a loan of ₦30.33 million which it is already negotiating with the Nigerian Agricultural Bank.

2. In the meantime, the Solicitor-General and Permanent Secretary Ministry of Justice is being approached to prepare the letter of guarantee which has to accompany the application for the loan. I should therefore appreciate it if you would let me have your comments soonest as the Oyo State Investment and Credit Corporation is anxious to obtain this loan.

S.O.

(F. F. Ogunlade)(Mrs)
for Secretary to the Military
Government and Head of Service.



see p. 571

Deep

see p. 580

ARCHIVES

~~568~~ ~~565~~
568 572

SP/C.201/565

12th September, 1977

The Solicitor-General and
Permanent Secretary,
Ministry of Justice,
Ibadan.

(For the attention of the Chief Legal Draftsman -
Mr. T. A. Ariyo)

Nigerian Agricultural Bank Loan for Agricultural Credit

By copy of letter No.ACC.2/128/Vol.3/65 of 10th August, 1977 (a copy is attached for ease of reference), the General Manager, Oyo State Investment and Credit Corporation intimated you with its intention to obtain a loan of N30.33 million from the Nigerian Agricultural Bank which it intends to grant, in turn, to farmers in the State for the production of food and cash crops. Please find attached also a copy of the letter No.ACC.2/128 Vol.III/68 of 26th August, 1977 showing the details of the Corporation's programmes for which the loan is required.

2. In this connection, the Bank requires the Government guarantee to cover the loan and His Excellency the Military Governor has graciously agreed that the State Government should guarantee the loan. I should therefore be grateful if, as a matter of great urgency, you will kindly prepare the draft of the letter of guarantee to be addressed to the Nigerian Agricultural Bank.

Saul

(F. F. Ogunlade)(Mrs)
for Secretary to the Military
Government and Head of Service.



B.V. 23/9/77

Pls. See P-573

516
P. 516
Corporation's L
P. 516-534

SP/C 201

567

MINISTRY OF JUSTICE
DRAFTING DIVISION



IBADAN · OYO STATE OF NIGERIA

Your Ref. No.....
All communications should be
addressed to the Solicitor-General
and Permanent Secretary quoting
Our Ref. No. G.107/10/33..

Date... 19th September, 1977

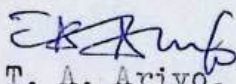
Secretary to the Military Government
and Head of Service,
Office of the Military Governor,
Agodi,
Ibadan.

(For the attention of Mrs. F. F. Ogunlade)

Nigerian Agricultural Bank Loan for Agricultural Credit

Please refer to your letter Ref. No. SP/C.201/565 of 12th
September, 1977 together with the attachments relative to the
above.

2. Attached herewith please find a suitable letter of guarantee
addressed to the Nigerian Agricultural Bank and which may
accompany the application for loan by the Oyo State Investment
and Credit Corporation. On granting the loan a full guarantee
agreement will be entered into by the Commissioner for Finance
and Economic Development being the appropriate functionary to
enter into such agreements for and on behalf of the Government
of this State.


T. A. Ariyo,
Chief Legal Draftsman.
for Solicitor-General and
Permanent Secretary.

ARCHIVES

P568

P.570
x a-b-e

~~PL 200 P 573~~

To: Nigerian Agricultural Bank

LETTER OF GUARANTEE

IN consideration of the Nigerian Agricultural Bank (hereinafter called the Bank which expression shall where the context so admits include the bank's assigns) giving a loan of ₦30.33 million to the Oyo State Investment and Credit Corporation, of Cocca House, Ibadan (hereinafter called the Corporation which expression shall where the context so admits include the Corporation's assigns) I, the undersigned.. J. S. E. P. H.

ADEBOWALE AFANDA, Commissioner for Finance and Economic Development of the Ministry of Finance and Economic Development, Secretariat, Agodi, Ibadan for and on behalf of the Government of Oyo State of Nigeria HEREBY AGREE to guarantee the repayment of the loan of thirty million, three hundred and thirty thousand naira (₦30.33 million) to be made by the bank to the Corporation and also to execute subsequently in favour of the Bank a full guarantee agreement on such terms and conditions as may be agreed.

DATED this... 22nd ... day of... September ... 1977.

Sgd. J. A. A.
 COMMISSIONER FOR FINANCE AND
 ECONOMIC DEVELOPMENT FOR AND
 ON BEHALF OF THE GOVERNMENT
 OF OYO STATE OF NIGERIA.

ARCHIVES
 Same as p. 514

571

SP/C.201/571.

19th September, 1977.

The Permanent Secretary,
Ministry of Finance and Economic
Development,
Ibadan.

(For the attention of Mr. A. A. Babalola)

Nigerian Agricultural Bank Loan for Agricultural Credit

Further to my endorsement No.SP/C.201/564 of 12th September, 1977, I forward herewith the draft of the letter of guarantee prepared by the Ministry of Justice, which will accompany the application of the Oyo State Investment and Credit Corporation for a loan of ₦30.33 million which it is currently negotiating with the Nigerian Agricultural Bank.

2. I should be grateful if you would place the letter before your Commissioner for favour of his signature.
3. An early action would be highly appreciated.



Sade
 (F. F. Ogunlade)(Mrs)
 for Secretary to the Military Government
 and Head of Service.

Deep

IMMEDIATELY

Pls see P. 590



OYO STATE INVESTMENT AND CREDIT CORPORATION
(A STATUTORY ORGANISATION OF THE OYO STATE GOVERNMENT)

FLOORS 17-19 COCOA HOUSE, PRIVATE MAIL BAG 5085, IBADAN. TEL: 62810 - 2

OUR REF: I/C.2/176

TELEX NO. 31122 A1. CORP. NG.

YOUR REF:

TELEGRAMS/CABLES: OYSICCO IBADAN

12th September, 1977

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



(For the attention of Mrs. F.F. Ogunlade)

International Breweries Limited

P. 573

On the 16th of June, 1977, I addressed a letter to the Permanent Secretary, Ministry of Finance and Economic Development requesting him to release the sum of ₦ 525,000 which is the balance of the ₦ 600,000 debenture to be granted to the International Breweries Limited, Ilesha. The Government and earlier approved that an investment of ₦ 1 million as equity and ₦ 600,000 long term loan be made in the Company. I attach a copy of the letter referred to above for easy reference.

P. 574

2. The Permanent Secretary, Ministry of Finance and Economic Development in his letter No. F497/1/142 of 4th of July, 1977 (copy attached) declined to release this amount. Instead he requested that the obligation to the International Breweries Limited be met from the sum of ₦2.5 million approved for the Corporation as capital grant for the 1977/78 financial year. If the advice of the Ministry of Finance and Economic Development is complied with, the Corporation will be plunged into a serious financial chaos since the ₦2.5 m. approved for capital projects had already been earmarked for specific programmes.

3. The purpose of this letter is to enlist your support for the release of the fund by the Ministry of Finance and Economic Development, since the sum of ₦1,075,000 initially provided for the project was released as a result of your intervention.

D. A. Abinusawa
General Manager.

L/C. 2/128

The Permanent Secretary,
Ministry of Finance and Economic Development,
Secretariat,
Ibadan.

16 June, 77

(For the attention of Mr. E. A. Oshunkunle)

International Breweries Limited.

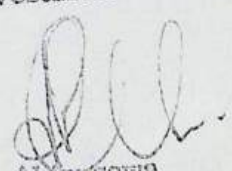
It will be recalled that the Executive Council at its meeting of 16th February, 1977 approved:-

- (1) that Oyo State Investment and Credit Corporation should invest a sum of N1,000,000 in the International Breweries Limited and that it should also grant the International Breweries Limited a loan of N600,000; and
- (2) that the Ministry of Finance and Economic Development should release a sum of N1,075,000 to the Corporation so that it could invest in the new project as indicated above.

2. Following this directive, you released N1,075,000 to this Corporation, out of which a sum of N1,000,000 was disbursed as equity in the International Breweries Limited. The Chairman of the Company was informed of the Corporation's intention to invest in the Company's equity and grant a long-term loan of N600,000 following the approval of this investment arrangement by the Board of the Corporation. I would like to inform you at this stage that two other institutional investors i.e. the Nigerian Industrial Development Bank and Nigerian Bank for Commerce and Industries are each granting the Company a long-term loan of N2.7 million in addition to equity investments of N300,000 each.

3. At the last Board meeting of the International Breweries Limited, the two institutional investors indicated that they were prepared to disburse their long-term loans to the Company and, therefore, presented to the Company their loan agreements for execution. The Corporation's nominee director on the Board of the Company advised that the agreements should not be discussed until the Corporation submits its own loan agreement so that the three institutional investors could agree on which of the Company's fixed and floating assets each of them would have lien upon.

4. In view of the above information, could you please release a sum of N325,000 to supplement the N75,000 which is the unspent amount out of the N1,075,000 loan granted earlier, to make up the total amount of N600,000 to be granted to the International Breweries Limited as long-term loan. The advantage of granting this long-term loan now is that it would start to earn interest for the Corporation during the period of moratorium even before the equity investment starts to earn dividends.


D. A. Adimasawa
General Manager

574

TELEPHONE: IBADAN 62100

TELEGRAMS: PERMEN

MINISTRY OF
AND



FINANCE
ECONOMIC DEVELOPMENT

EXPENDITURE

DIVISION

PRIVATE MAIL BAG 5341 · IBADAN · OYO STATE OF NIGERIA

Your Ref. No.....
All communications on this matter
should be addressed to the Permanent
Secretary quoting F. 497/1/142
Our Ref. No.....

Date... 1st July, 1977.

The General Manager,
Oyo State Investment and
Credit Corporation,
Floors 17-19,
Cocoa House,
Ibadan.

Oyo State Investment & Credit Corporation	
RECEIVED	
DATE	5/7/77
FOR ACTION	C-F.

(For the attention of Mr. E.O. Alalade)

As you are no doubt aware, you have at different dates in the past few weeks requested us to release a total sum of ₦1,623,420 to enable your Corporation invest in the following projects:

- | | | |
|---|---|------------|
| (i) Purchase of shares in P.Z. Industries Limited, S.C.O.A. (Nig.) Limited, and BEWAC Motor Company; | } | ₦87,500 |
| (ii) Capital programmes in the 1977/78 Approved Budget, involving Headquarters, agro-industrial complex rehabilitation of Eleiyele Cashew Factory, Lafia Canning Factory and Marketing Depot; | } | ₦1,010,920 |
| (iii) International Breweries, Ilesa. |) | ₦525,000 |

I have been asked to inform you that all these requests will be met from the sum of ₦2.5 million approved for your Corporation as capital grant during the 1977/78 financial year. The implication is that the balance of the grant due to you during the remaining part of the financial year, after the sum of ₦1,623,420 might have been released to you is ₦876,580.

2. In view of the foregoing, I wish to assure you that you will hear from us within the first two weeks of July by which time the general releases to Ministries/Departments/Corporations/Boards for the second quarter of the 1977/78 financial year should have been effected.

e/s.
01

(B. A. Osunkunle)
for Permanent Secretary.



575

OFFICE OF THE MILITARY GOVERNOR
IBADAN · OYO STATE OF NIGERIA

Your Ref. No.....

All communications should be
addressed to the Secretary to the
Military Government and Head of
Service quoting

Our Ref. No. SP/C.201/575

Date. 21 Sept. 1977.

The Secretary to the Military
Government and Head of Service,
Office of the Military Governor,
Ogun State,
Abeokuta.

The Secretary to the Military
Government and Head of Service,
Office of the Military Governor,
Ondo State,
Akure.

N.A.B. Loan to the defunct Western State
Agricultural Credit Corporation

1471
1526
I have been directed to request for your reaction to the proposals contained in my letter No. SP/C.201/467 of 15th June, 1977 on the subject above. The necessity for this would now appear emphasised by the decision of the Nigerian Agricultural Bank Limited as contained in their letter No. P-YYS10W106 of 17th August, 1977 and the attachment, the photostat copies of which I enclose herewith for your comments, having regard to the issues raised in my own letter under reference. By our own calculation, however, the proportionate liability of each State, out of the ₦4,368,210.00 Nigerian Agricultural Bank loan to the defunct Western State Agricultural Credit Corporation would be as earlier stated in our letter quoted above, that is:

44% to Oyo	-	₦1,922,012.40
31% to Ondo	-	₦1,354,145.10
25% to Ogun	-	₦1,092,052.50

2. You would kindly observe that although the letter from the Nigerian Agricultural Bank Limited was addressed to me, the Bank has considered it necessary to endorse same to other authorities, including the appropriate parastal in each of our sister States.

3. We shall be grateful for an early reply.

S.P.

('Lola Omojowolo),
for Secretary to the Military
Government and Head of Service.



CONFIDENTIAL

.../2

See P. 621

CONFIDENTIAL

576

SP/C.201/576

21 Sept. 1977

The General Manager,
Investment and Credit Corporation
of Oyo State,
Cocoa House,
P.M.B. 5085,
Ibadan.

Termination of Contract for the
Construction of Portal Frame Warehouses

P 496
I have to refer to my letter No. SP/C.201/496
of 27th June, 1977 ^{with} and the attachment on the subject
above to which no reply has been received and to request
for favour of an immediate action, more so as my
counterpart in Ondo State is pressing to know the
position.

LL

(Lola Omojowolo),
for Secretary to the Military
Government and Head of Service.



CONFIDENTIAL

See P. 817

CONFIDENTIAL

577

SP/C.201/577

21 Sept. 1977

The Secretary to the Military
Government and Head of Service
Office of the Military Governor,
Akure,
Ondo State.

Termination of Contract for the
Construction of Portal Frame Warehouses

P. 517
I have been directed to refer to your reminder
No. SC.18/5/266 of 11th August, 1977 on the subject
above and to say that you would be informed of the
position as soon as we receive a feed-back from the
General Manager of our Investment and Credit Corpora-
tion to whom the matter has been referred for comments.



[Signature]
(Lola Omojowolo),
for Secretary to the Military
Government and Head of Service.

CONFIDENTIAL

578

SP/C.201/578

21 Sept. 1977

The General Manager,
Investment and Credit Corporation
of Oyo State,
P.M.B. 5085,
Ibadan.



Re: Compensation for
Alhaji A.B. Akinyemi's Farm
at Ojokoro - Agege

I have been directed to refer to my letter No. SP/C.201/514 of 25th July, 1977 with the attachment on the subject above to which no reply has been received and to request for favour of an early action so that we can be in a position to give His Excellency the Military Governor necessary feed-back.

P 514

(Lola Omojowolo),
for Secretary to the Military
Government and Head of Service.

CR,
from P. 575 for
early despatch and
return of file to me
f.f.a on pp. 572-4
21/9

La 1 601

579

SP/C.201



OYO STATE INVESTMENT AND CREDIT CORPORATION
(A STATUTORY ORGANISATION OF THE OYO STATE GOVERNMENT)

FLOORS 17-19 COCOA HOUSE, PRIVATE MAIL BAG 5085, IBADAN. TEL: 62810 - 2

OUR REF: A/C.169/137

TELEX NO. 31122 A1. CORP. NG.

YOUR REF:

TELEGRAMS/CABLES: OYSICCO IBADAN

19th September, 1977

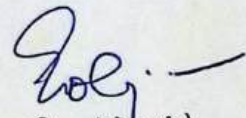
The Secretary to the Military Government
and Head of Service,
Office of the Military Governor,
Secretariat,
Ibadan.

Investment and Credit Corporation
of Oyo State: Edict 1977

I refer to your letter No. SP/C.201/Vol.III/498 of 30th June, 1977 forwarding a copy of edict number 9 on the above subject.

The Board of the Corporation has examined the provisions of the edict and members are of the opinion that the edict does not appear ideal in its present form in that a number of essential information about the Investment and Credit Corporation are expected to be found in the various edicts establishing the Agricultural Credit Corporation, Agricultural Investment Corporation and Industrial Investment and Credit Corporation.

The Board has accordingly recommended that another edict be substituted to contain all the essential materials drawn from edicts numbers 8, 9 and 11 of 1973 in such a way that there will be little or no reference to those edicts. In this connection, the Board would appreciate it much if comments on the draft Edict forwarded under cover of our letter No. A/C.169/18 dated 26th August, 1976 is given further consideration.


(G. O. Ajani)
for General Manager

P.498

No. 498
A/C.169/18

MINISTRY OF
AND



FINANCE
ECONOMIC DEVELOPMENT

.....DIVISION
PRIVATE MAIL BAG 5341 · IBADAN · OYO STATE OF NIGERIA

Your Ref. No.....
All communications on this matter
should be addressed to the Permanent
Secretary quoting F. 704/121
Our Ref. No.....

Date ^H 20 September, 1977

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




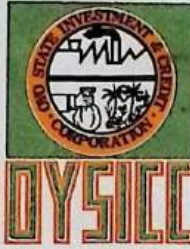
For the attention of Mrs. F. F. Ogunlade

Nigerian Agricultural Bank Loan for
Agricultural Credit

I refer to the endorsement No. SP/C.201/564 of 12th September, 1977. There is nothing really to comment upon in the letter from the General Manager of Investment and Credit Corporation. The information in his letter are proposals which the Corporation intends to carry out when the loan is made available to it. The meat of the whole operation will come much later when information will be required on how much had been collected as a percentage of the total expected to be collected, together with reasons when there is a deficiency in the rate of collection. However, there is indication that the Corporation is well aware of the need to plan effectively for recovery of whatever loan is given, particularly since the Government is being invited to guarantee the loan.

2. For the moment, one can only hope that the Corporation will be able to carry out the programme as contained in your endorsement to me.


(A. A. Babalola)
Permanent Secretary



OYO STATE INVESTMENT AND CREDIT CORPORATION

(A STATUTORY ORGANISATION OF THE OYO STATE GOVERNMENT)

FLOORS 17-19 COCOA HOUSE, PRIVATE MAIL BAG 5085, IBADAN. TEL: 62810 - 2

OUR REF: ACC.5/14^T/27

TELEX NO. 31122 A1. CORP. NG.

YOUR REF:

TELEGRAMS/CABLES: OYSICCO IBADAN

19th September, 1977

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

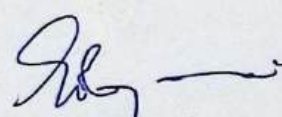


Re: Compensation for
Alhaji A. B. Akinyemi's Farm at
Ojokoro - Agege

A. 514
I refer to your letter No. SP/C.201/514 dated 25th July, 1977 and regret the delay in sending this reply which was due to the search for the relevant documents. It has just been discovered that the documents have been forwarded to Ogun State and this makes it difficult for us to give the full facts of the case.

However we are able to confirm that the former Western Nigeria Government acquired the farm of Alhaji A.B. Akinyemi in 1964 and that this land was later transferred to the Lagos State Government when States were created in 1967.

We regret however that we are unable to comment on the main issue of whether the interest on the loan due from Alhaji Akinyemi ceased when this Farm was acquired. This is a legal issue which can only be referred to the Solicitors when the full facts of the case are known. We have accordingly called for the full facts from the Agric. Development Corporation, Ogun State and these will be passed to you as soon as they are received.


(G. O. Ajani)
for General Manager

See P. 601



S/MC 201

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582

OYO STATE INVESTMENT AND CREDIT CORPORATION
(A STATUTORY ORGANISATION OF THE OYO STATE GOVERNMENT)

FLOORS 17-19 COCOA HOUSE, PRIVATE MAIL BAG 5085, IBADAN. TEL: 62810 - 2

OUR REF: F/C.4/7/Vol.VI/147

TELEX NO. 31122 A1. CORP. NG.

YOUR REF:

TELEGRAMS/CABLES: OYSICCO IBADAN

His Excellency,
The Military Governor of Oyo State,
Governor's Office,
Agodi,
Ibadan.

16th September, 1977

S. M. O. S. Sec(sc)
Please, advise.
M. J. 21/9

Your Excellency,

Application for Vesting Grant

The purpose of this letter is to bring to your Excellency's notice the very precarious financial position of the Corporation. I am constrained to point out with all seriousness the situation confronting the Board and the Management of the Corporation. We are at a situation where non-availability of assured fund is hampering the performance of the Corporation.

Very early at the inception of the Corporation, we were made to believe that the Corporation could apply for Government loan if and when the needs arise. We have experimented this approach and it has proved quite unworkable for a business oriented Investment Corporation like ours. On several occasions this year, the Ministry of Finance and Economic Development has refused to make available to us the necessary funds for investments. Let me cite a few examples to illustrate this:-

1. We requested on three different occasions for the total sum of N87,500 investment for the purchase of shares in P.Z. Industries Limited, SCOA (Nig.) Limited and BEWAC Motor Company Limited. The Ministry of Finance and Economic Development refused to make available this amount. We were asked to provide for this from our capital grant of N2.5m. - a capital grant which was meant for entirely different things as contained in our approved budget for the year.
2. We requested the Ministry of Finance and Economic Development to make available to the Corporation the balance of N525,000 already approved for the payment of its equity participation and debenture to be granted to the International Breweries at Ilesha. Again, the Ministry refused to grant this request. Instead, we were asked to provide the loan from our capital grant of N2.5m. (I attach herewith photocopy of the letter from the Permanent Secretary, Ministry of Finance and Economic Development to collaborate the above).

It should be stated very clearly that the N2.5m. from which the Ministry would like the Corporation to meet its expenditure on investment projects had already been earmarked for specific capital programmes in the Corporation's

P.586-589
~~P.573-576~~

~~590~~
583

approved budget. The ₦2.5m. is meant to cover the following:-

(i) Improvement to Existing Industrial and Agricultural Projects	₦1,506,290
(a) <u>AGRIC. PROJECTS (FEASIBILITY STUDIES)</u>	
(i) Maize Project and Feed Mill	25,000
(ii) Rice Project and Mill	25,000
(iii) Pineapple Project	25,000
(iv) Plantain and Banana Project	25,000
(b) <u>INDUSTRIAL PROJECTS</u>	
(i) Industrial Gases	25,000
(ii) Refridgerating/Ice Cream Plant	20,000
(iii) Plastic Crates and Bottles	20,000
(iv) Soft Drinks Production	20,000
(c) <u>INVESTMENTS</u>	
(i) Improvement to Premier Tobacco Co.	160,000
(ii) Starch and Glucose Production	150,000
(iii) Other Investments	<u>500,000</u>
	<u>₦2,496,290</u>

We have made contacts with NIDB and NBCI requesting their participation in some of our projects, e.g. Beer Brewery Plant, Clay Burnt Bricks, Pre-stressed concrete, Agricultural Implements and Purchase of stocks and shares in profitable ventures. We appeared ridiculous to these Institutions when they knew that the Corporation has no vesting grant from which the Corporation could meet its own part of the equity participation and loans. The same lack of assured fund on the part of the Corporation has hampered successful negotiations and bargaining with commercial banks and lending institutions. On each occasion, they are of the opinion that a serious Investment Corporation should have something to show as a proof of its keen interest in collaborative efforts in investment programmes.

OPTIONS OPEN TO GOVERNMENT:-

The Corporation should not be left to perform its statutory objectives under these uncertain circumstances. I would like to point out that there are two options open to the Government.

The first option is for the Government of this State to decide to scrap the Corporation instead of wasting money on the payment of personal emoluments of the staff of the Corporation who have not much fruitful ventures on which to invest their time. At the present, the emolument of the Staff of this Corporation is close to a million naira. Such an expenditure on staff emoluments could only be justified by a

X

commensurate level of financial commitment to invest.

The second option is for the Government to provide substantial capital which the Corporation could use to prosecute its development programmes and therefore substantially make an impact on the economic development of this State.

Honestly speaking, the second option is preferable since it will be to the benefit of the people and government of this State. If this second option is adopted however, there should be an end immediately to the idea of the Corporation going cap in hand to the Ministry of Finance and Economic Development every time the Corporation needs money. This practice of going cap in hand, apart from inhibiting execution of projects, is embarrassing and humiliating to say the least.

I would like Your Excellency to liken the relationship between the Government and this Corporation to that of husband who is interested in setting up his wife in a successful business venture. If the husband does not provide the wife with the necessary seed money (usually referred to as "capital" or "Okoo" in Yoruba) the wife cannot do much; except a miracle happens or the wife gets involved in illicit transactions and malpractices the business cannot take off and the objective of the husband cannot be achieved. On the other hand, if the husband provides the wife with the capital (a substantial one for that matter), he can sit back, watch the wife progress, monitor the performance of the business and in two or three years later, request the wife to give an account of her performance.

In the same way, the Government of this State can regard the Corporation as its arm set up to do business and to do the business, the Government provides the seed money (that is vesting grant) and two or three years time, the Government can request the Corporation to give an account of its missions. If the Corporation cannot justify the degree of investment entrusted to it, the Corporation will have itself to blame and all the officials involved will stand condemned.

The Amount Requested:-

Your Excellency, what I am trying to impress on you is that this Corporation cannot take off and cannot achieve the desired objectives under the existing funding arrangement and under the existing paucity of allocated funds. You will recall that when Odu'a Investment was set up, the Company was given a vesting grant of ₦8m. and this is a Company that has quite a number of companies and quite a substantial number of established avenues of generating money. On the contrary, our Corporation is new.

On behalf of the Board and Management of this Corporation, I am appealing to you to make available to this Corporation a vesting grant of ₦15 million as an outright grant so that the Corporation could:-

- (a) embark upon viable projects on its own;
- (b) improve its lending and bargaining power with other institutional investors like NIDB and NBCI and other entrepreneurs that approach it for financial aid. (The Corporation has been embarrassed several times when other institutional investors call upon it to contribute its share in their joint ventures).
- (c) act promptly and work as a serious business organisation instead of being tied to the apron strings of Ministries in the execution of its development programmes.

I have put up the above proposals with all sense of responsibility and great concern for the economic future of the State and I hope that Your Excellency will graciously consider and approve the Corporation's funding requirements.

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585

Of the ₦15 million requested, ₦8 million will be for industrial projects while ₦7 million will be for agricultural investment projects.

It would interest your Excellency to know that we are actively pursuing the establishment of the following projects:-

- (i) Beer Brewery Plant
- (ii) Clay Burnt Bricks
- (iii) Pre-stressed Concrete
- (iv) Agricultural Implements; and
- (v) Purchase of Stock and Shares in profitable ventures
- (vi) We have received quite a number of applications from the citizens of this State requesting our Corporation to participate in profitable industrial ventures.

Our equity participation involvement in these projects is about ₦8 million.

Other institutional investors such as NIDB and NBCI and Commercial Banks are willing to participate if the Corporation is also willing to bear a part of the equity and loan requirements.

In the Agricultural Investment sector, we would need another ₦7 million within the next two years to be able to execute our development programmes if we are to meet our targets.

The following are a few of the programmes to be carried out by the Corporation during the period:-

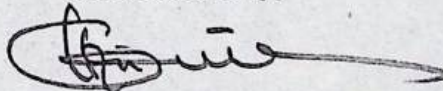
- (i) Establishment of Marketing Depots in major towns in the State;
- (ii) Establishment of Commercial Agriculture in different local government council areas;
- (iii) Establishment of Mechanised Agricultural Production Company;
- (iv) Cattle Ranch and Dairy Project;
- (v) Poultry for Eggs and Broilers; and
- (vi) Ranch for Beef, Breeding Animals and Abattoir.

It should be pointed out that the ₦15 million we requested does not include loans to farmers. The Corporation is pursuing its application for a ₦30m. loan from the Nigerian Agricultural Bank Limited in order to meet its target in Agricultural Credit programmes for cocoa and arable crops in the State.

Your Excellency, please come to the aid of this Corporation by making available the ₦15m. requested. This ₦15m. could be released in two instalments - ₦7.5m. to be released now while the remaining ₦7.5m. should be released next financial year. Government should regard this ₦15m. grant as the first and final to be made to this Corporation. Armed with this substantial grant the Corporation will not only be self-sufficient and self-reliant, but it will, in the immediate future, be a revenue earner for the Government of this State. Nothing ventured nothing gained.

I will appreciate your immediate action on this.

Yours faithfully,



Dr. 'Poju Onibokun
(Chairman)

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TELEPHONE: IBADAN 62100

MINISTRY OF
IND



FINANCE
ECONOMIC DEVELOPMENT

EXPENDITURE

DIVISION

PRIVATE MAIL BAG 5341 · IBADAN · OYO STATE OF NIGERIA

Ref. No.
Communications on this matter
should be addressed to the Permanent
Secretary
containing F.497/1/142

Date: 1 July, 1977

The General Manager,
Oyo State Investment and
Credit Corporation,
Floors 17-19,
Cocoa House,
Ibadan.

RECEIVED
DATE 5/7/77
FOR ACTION C-F

(For the attention of Mr. E.O. Alalade)

As you are no doubt aware, you have at different dates in the past few weeks requested us to release a total sum of ₦1,623,420 to enable your Corporation invest in the following projects:

- (i) Purchase of shares in P.Z. Industries Limited, S.C.O.A. (Nig.) Limited, and BEWAC Motor Company; } ₦87,500
- (ii) Capital programmes in the 1977/78 Approved Budget, involving Headquarters, agro-industrial complex rehabilitation of Eleiyele Cashew Factory, Lafia Canning Factory and Marketing Depot; } ₦1,010,920
- (iii) International Breweries, Ilesa.) ₦525,000

I have been asked to inform you that all these requests will be met from the sum of ₦2.5 million approved for your Corporation as capital grant during the 1977/78 financial year. The implication is that the balance of the grant due to you during the remaining part of the financial year, after the sum of ₦1,623,420 might have been released to you is ₦876,580.

2. In view of the foregoing, I wish to assure you that you will hear from us within the first two weeks of July by which time the general releases to Ministries/Departments/Corporations/Boards for the second quarter of the 1977/78 financial year should have been effected.

B. A. Osunkunle
(B. A. Osunkunle)
for Permanent Secretary.

efo
Please be urged by
budget file
5/7

GM
I was with Mr. Osunkunle this morning and his explanation is that last week the ₦2.5 million capital grant will be extracted before the end of the quarter. The balance of the grant due to you during the remaining part of the financial year, after the sum of ₦1,623,420 might have been released to you is ₦876,580.

A/C. 82/19

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27th May,

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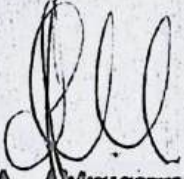
The Secretary to the Military Government
and Head of Service,
Office of the Military Governor,
Agodi,
Ibadan.

Investment in P.Z. Industries Limited

His Excellency the Military Governor graciously approved that the Ministry of Finance and Economic Development should grant this Corporation a loan of N62,000 to purchase 50,000 shares in the U.A.C. of Nigeria Limited early this month. This information was conveyed to this office in your endorsement No. SP/S.308/61A of 12th May, 1977.

2. The Corporation has again decided to buy 50,000 shares of P. Z. Industries Limited recently advertised by the Company through the Lagos Stock Exchange. The cost is N30,000.

3. It will be greatly appreciated if the Ministry of Finance and Economic Development could be requested to provide the sum of N30,000 needed for the purchase of the 50,000 shares. In anticipation of the approval, necessary steps are being taken to pay for the shares from the resources of the Corporation before the closing date i.e. 31st of May, 1977.


D. A. Abinusawa
General Manager

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2588

A/C. 82/20

7th June,

77

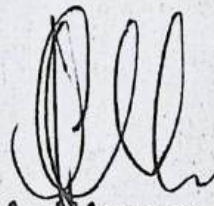
The Secretary to the Military Government
and Head of Service,
Office of the Military Governor,
Agoffi,
Ibadan.

Investment in S.C.O.A. (Nig.) Limited,

This Corporation has decided to invest in the S.C.O.A. Nigeria Limited by purchasing 50,000 shares of 50K each at a total cost of N25,000. This decision is in keeping with the Corporation's effort to raise the level of economic development in the State.

2. Looking at S.C.O.A.'s operations and the needs of the economy, one is tempted to conclude that within the next five to ten years, the present level of profit performance of the Company will be maintained if not exceeded. The Company's belief in the future is so strong that its programming capital expenditure of N3m. in the next two years is to be financed internally. Considering the past performances of the Company and also in view of the fact that the Federal Military Government has recently directed that Peugeot Cars be used by government functionaries (including the Armed Forces) any investment in the Company should be regarded as a profitable proposition.

3. As the Corporation cannot now generate the necessary fund required for this investment from its own resources due to lack of finance, it will be greatly appreciated if the Ministry of Finance and Economic Development could be requested to provide a loan of N25,000 needed for the purchase of the 50,000 shares. The Corporation is prepared to enter into agreement for the repayment of any money approved for the purchase of shares.



D. A. Abinusawa
General Manager

ARCHIVE

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A/C. 82/22

17th June,

77

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

For the attention of Mr. J. A. Ogunlana

Investment in BEWAC Motor Corporation Ltd.

In compliance with the directive contained in your circular letter No. SP/S.308/975 of 12th April, 1977, this Corporation has applied for the purchase of 50,000 shares of BEWAC Motor Corporation Limited advertised by the Company through the Lagos Stock Exchange. The cost is N32,500.

2. Like in the previous cases i.e. Investment in P.Z. Industries Limited and S.C.O.A. (Nigeria) Limited, the Corporation has paid for this purchase from its resources in the hope that it would be reimbursed by the Ministry of Finance and Economic Development.

3. It will therefore be greatly appreciated if efforts could be made to request the Ministry of Finance and Economic Development to reimburse the Corporation in form of loan the amount already spent on the purchase of shares.

D. A. Abimusa
General Manager.

PS(SC)

From p 579 note for action, pl

22/9

MINISTRY OF
AND



FINANCE
ECONOMIC DEVELOPMENT

.....DIVISION
PRIVATE MAIL BAG 53416 IBADAN, OYO STATE OF NIGERIA



Your Ref. No.....
All communications on this matter
should be addressed to the Permanent
Secretary quoting
Our Ref. No. F. 704/125.

Date 22nd Sept. 1977.

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

For the attention of Mrs. F. F. Ogunlade

Nigerian Agricultural Bank Loan for
Agricultural Credit

I refer to your letter No. SP/C.201/571 of 19th
September, 1977. The Honourable Commissioner for
Finance and Economic Development has now signed the
Guarantee which I forward herewith for further action.

(A. A. Babalola)
Permanent Secretary

SECRET

PS(sc)

Above is auto, pls

22/7

P.571

at the bag
cover

570

591

SP/C.201/600 591

23 Sept. 1977

The General Manager,
Investment and Credit Corporation
of Oyo State,
Cocoa House,
P.M.B. 5085,
Ibadan.



(For the attention of Mr. D.A. Abinusawa)

Nigerian Agricultural Bank Loan for
Agricultural Credit

I wish to refer to previous correspondence ending
with your letter No. ACC.2/128 Vol.II/90 of 7th September
--- 1977 on the subject above and to enclose herewith for
further action at your end, the original of the required
Guarantee duly signed by the Honourable Commissioner for
Finance and Economic Development on 22nd September, 1977.

S.L.

(Lola Omojowolo),
for Secretary to the Military
Government and Head of Service.

er,
Above and attachments
to be despatched by
hand immediately
please

S.L.
- 23/9

see pp. 414 - 416 of
vol. VI

To: Nigerian Agricultural Bank

LETTER OR GUARANTEE

IN consideration of the Nigerian Agricultural Bank (hereinafter called the Bank which expression shall where the context so admits include the bank's assigns) giving a loan of ₦30.33 million to the Oyo State Investment and Credit Corporation, of Cocoa House, Ibadan (hereinafter called the Corporation, which expression shall where the context so admits include the Corporation's assigns) I, the undersigned JOSEPH ADEBOWALE ATANDA, Commissioner for Finance and Economic Development of the Ministry of Finance and Economic Development, Secretariat, Agodi, Ibadan for and on behalf of the Government of Oyo State of Nigeria HEREBY AGREE to guarantee the repayment of the loan of thirty million, three hundred and thirty thousand naira (₦30.33 million) to be made by the bank to the Corporation and also to execute subsequently in favour of the Bank a full guarantee agreement on such terms and conditions as may be agreed.

DATED this 22bd day of September, 1977.

(Sgd.) J. A. ATANDA
COMMISSIONER FOR FINANCE
AND ECONOMIC DEVELOPMENT
FOR AND ON BEHALF OF THE
GOVERNMENT OF OYO STATE
OF NIGERIA.

CONFIDENTIAL

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SP/C.201/592

22 Sept. 1977

The General Manager,
Investment and Credit Corporation
of Oyo State,
Cocoa House,
P.M.B. 5085,
Ibadan.

Re: Compensation for Alhaji A.B. Akinyemi's
Farm at Ojokoro - Aqege

My reminder No. SP/C.201/578 of 21st September, 1977 on the subject above had hardly been despatched when your letter No. ACC.5/14T/27 of 19th September, 1977 on the same subject reached us. The purpose of this letter therefore is to request that you expedite action on the search for the full facts of the case, and to suggest that if need be, one of your officers can make a personal visit to Abeokuta to get the details, so that His Excellency could be briefed earliest.



(Lola Omojowolo),
for Secretary to the Military
Government and Head of Service.



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See P. 643

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SP/C.201/593

23 Sept. 1977

The Permanent Secretary,
Ministry of Finance and
Economic Development,
Ibadan.

Application for Vesting Grant to the
Investment and Credit Corporation of
Oyo State

I have been directed to seek your considered view
on the issues raised in the attached letter No.
F/C.4/7/Vol.VI/147 of 16th September, 1977 and the
attachments addressed to His Excellency the Military
Governor by the Chairman of the Investment and Credit
Corporation of Oyo State on the subject above.

2. Kindly treat as urgent so that we can be in a position
to advise His Excellency early.

(Lola Omogbolu),
for Secretary to the Military
Government and Head of Service,



CONFIDENTIAL

see P. 614

A.S(SC),

from p 593 for necessary follow-up
action please 26/9

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