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IBADAN NIGERIA

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FILE NO.

SECRET

Ministry of Finance,
Western Region,
IBADAN.

SECRET:

5th August, 1955.

Secretary to Government, Ibadan,
Adviser on Marketing and Production, Ibadan,
Chairman, Finance Corporation, Ibadan,
Permanent Secretary, Ministry of Home Affairs, Ibadan,
Permanent Secretary, Ministry of Justice and Local Government, Ibadan,
Permanent Secretary, Ministry of Lands, Ibadan,
Permanent Secretary, Ministry of Education, Ibadan,
Permanent Secretary, Ministry of Public Health, Ibadan.
Permanent Secretary, Ministry of Works, Ibadan,
Permanent Secretary, Ministry of Agriculture and Natural Resources,
Ibadan,
Permanent Secretary, Ministry of Development, Ibadan.

Western Region Development Programme, 1955-60.

I am directed to refer to the first sentence of paragraph 4 of the Minutes of the seventh meeting of the Economic Planning Committee (Memorandum No. E.P.C.(55) 21) which reads as follows:-

"The Committee decided that the comments of Ministries and Board Chairmen on Professor Lewis's recommendations should be obtained by the Ministry of Finance within fourteen days for consideration in the Ministry and subsequent circulation to members in the first week in September",

I am therefore to ask that action be taken accordingly.

2. The Notes by Professor Lewis, which are attached to E.P.C.(55) 20, should be considered in relation to the draft Policy Paper attached to E.P.C.(55) 16.

3. It is not intended that this memorandum should provide an opportunity for reconsideration of ceilings of recurrent expenditure already established except insofar as is recommended by Professor Lewis or may be necessary for the reasons set forth in paragraph 3 of my secret letter No. 30154/63 of even date.

4. I am further to say that it would be appreciated if your comments on matters affecting your Ministry could reach this office not later than 18th August.

H. J. S. BEAZLEY.

PA
2/21/55
for Ag. Permanent Secretary,
Ministry of Finance,
Western Region.

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21st June, 1955.

EXECUTIVE COUNCIL : WESTERN REGION

Draft Policy Paper on Development, 1955-60.

A draft Policy Paper entitled "The Development of the Western Region, 1955-60" is attached for consideration by the Committee.

P. D. Duncan

Secretary.

Ministry of Finance,
Western Region,
Ibadan.

21st June, 1955.

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PART I.

Introduction.

1. The object of this Policy Paper is to outline the general development and expansion of the activities of the Government of the Western Region of Nigeria proposed for the period 1955-60, to determine the objectives which the Government wishes to attain during that period and to estimate the impact of its policies on the private sector of the community. A number of Policy Papers on specific programmes have hitherto been tabled in this House, and it is not the intention of this paper radically to change those programmes, but rather to co-ordinate and re-assess their relative importance in the light of the financial resources available and of the competing claims for these resources. The Financial commitments which this Policy will entail have been fully tabulated at Appendices A and B of this Paper.
2. It is considered that a statement of objectives, rather than rigid planning in financial terms, will best ensure the necessary degree of flexibility and continuity which is essential to the development of the Region's economy, largely dependent as it is on the sale of export crops not only to finance its imports but also to provide its Government with the revenues to finance development. In addition to the emphasis placed on the need for flexibility in the programme, it is also the view of this Government that the word development should have a wider connotation than it has had in the past - that it should cover the expansion of all activities of Government, i.e. administrative, executive, social and economic - in order to ensure that a balanced programme is obtained covering all fields of Government activity.
3. In this statement of objectives due regard has been paid to the existing Constitutional arrangements affecting the Policy which the Regional Government can pursue. In this connection the political decentralisation which resulted from the Revised Constitutional arrangements has of necessity been accompanied by fiscal and economic decentralisation, and the political and economic framework so established is reflected in the scope and

nature of this Policy Paper.

4. The task of planning has been considerably simplified by the work of the Mission to Nigeria of the International Bank for Reconstruction and Development, whose report has been an invaluable guide to the deliberations and discussions which have preceded the preparation of this Paper.

Limiting Factors.

5. The status of the Western Region as one unit of a Federation sets certain limits within which the Region has discretion to plan. Planning has therefore, of necessity, been restricted to those specific fields over which this Government has jurisdiction, and in particular to the development of primary production, regional roads and waterways, social services and secondary industry. Consequently planning has been directed towards the most effective development in these specific fields without relating that development to the over-all development of the territory, and without being able to assess its general effect on revenues and economic activity in general.

6. It must also be borne in mind that the main source of the Region's revenue is that of revenue by allocation, derived from import, export and excise duties collected by the Federal Government, and not therefore readily capable of expansion.

7. A further limiting factor to effective planning has arisen from the fact that statistical information in Nigeria is collected with the intention of providing statistics which apply to the whole economy. Without the assistance of an adequate Regional statistical service it is a well nigh impossible task to break down the statistical information available in such a way as to make it applicable to the Region alone, and it has therefore been considered unwise to attempt to relate the effect of the proposed programme to productivity figures, national income or net capital formation.

8. The shortage of statistical information has also added to the difficulty of determining the effect of the development programme on the private sector of the economy, and though it is possible to see from individual Departmental or Board programmes where the

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activities of Government will impinge on the private sector, no attempt has been made to assess the net effects.

9. In addition, there are the practical limitations to effective planning imposed by the difficulty of assessing future revenues when they are so substantially tied to the price of export crops, and of determining whether there will be the executive and technical capacity to carry out programmes of the scale envisaged. The programme of development described in this paper has been framed on the basis of a recognition of these limitations, and a continuation of the present degree of moderate prosperity.

Development prior to the period 1955-60.

10. It is thought appropriate at this stage to emphasise the fact that the progress which the Western Region Government intends to achieve in the period under review is designed to take into full account the expansion of Services which has taken place in past years. Since the war a period of high prices for export produce has stimulated production, and enabled Governments to increase their revenue and expand their services, thus contributing generally to a developing economy. The activities of the Marketing Boards have on the other hand prevented the unusually high level of export prices from causing excessive inflation and have at the same time permitted an accumulation of reserves which are now available to finance development. During this period C.D. & W. funds have provided a significant contribution to development in many fields, and have assisted in financing the many services which it is now the intention of this Government to expand. Without the expansion that has already been achieved in the last ten years it would have been impossible to contemplate a programme of the magnitude now envisaged.

11. It is ^{also} appropriate at this stage to note that prior to regionalisation, the Commodity Marketing Boards were a significant factor in overall economic development, since their powers extended beyond the mere stabilisation of prices of export produce and its orderly marketing, and in fact included a substantial control over the level of internal incomes and the provision of funds for financing development and research. It has now been decided that these functions are more properly the prerogative of Government.

The Western Region Marketing Board, set up in accordance with the Revised Constitutional arrangements, will therefore be restricted in its activities to marketing, price stabilisation, financial management, and emergency work in respect of the export crops for which it is responsible. Similarly it has been decided that the activities of the Production Development Board should be restricted to the establishment of commercial and agricultural enterprises of a profit-earning nature and that it should withdraw from development and extension work.

The Basis of Planning.

12. Two major problems have had to be considered during the preparation of the development programme for the period 1955-60, namely -

- (a) a determination of what is at present possible, and what is ultimately desirable, and
- (b) the relative degree of priority to be accorded to expenditure on services to increase productivity and to expenditure on social services.

13. The problem of relating what is possible to what is desirable is the fundamental economic problem - the relation of ends to means. In this paper the Government has prepared a plan showing what is possible having regard to the revenue immediately available, what will be possible if its plans to increase its revenues mature, and what it considers should be the long-term optimum objectives.

14. To this end an assessment has been made of the relative importance of the various activities within the portfolio of each Ministry. Due regard has also been paid to those activities considered to be essential and as at present reflected in the Estimates, but without detriment to the attainment of the ultimate objectives which would become possible in the event of an improvement in the Financial resources of the Region.

15. For the reasons mentioned above it has been found essential to divide the plan into three component parts, Phase I representing the plan as related to the existing level of Revenue, Phase II relating to an orderly expansion of Phase I given the increase of Revenue anticipated, and Phase III representing the ultimate long

term objectives. Upon the adoption of the development programme by the Executive Council and the Legislature it will become the responsibility of Ministries to ensure that each phase of the programme is executed within the limits set. Due regard has therefore been paid to the degree of individual responsibility of Ministries for subjects within their portfolios. It has, however been considered necessary to establish maximum levels of recurrent expenditure, and to fix ceilings to the totals of capital expenditure for each sector of activity and within each phase; at the same time it has been thought essential to indicate priorities between objectives within each sector. This approach is designed to provide the flexibility in programmes which is considered essential, and will enable Ministries to determine year by year the best way to deploy the resources allocated to them, having regard to such obstacles to progress as the slow recruitment of staff or inability to realise building objectives. It will also ensure that each Ministry knows the limit set to its policies by financial considerations and will thus enable it to determine when and where any modification is necessary. Meanwhile, the Ministry of Finance will be given the particular responsibility of ensuring that commitments entered into will not, when the projects reach fulfillment, exceed the ceilings established.

16. This approach also has the advantage that should the financial resources of the Region improve more rapidly than can be expected at the time of preparation of this Paper, or should there be a serious fall in the revenues from export produce, no difficulty will be encountered in altering ceilings to permit an expansion of programmes or to require a reduction in expenditure.

17. In determining the relative degree of priority to be accorded to services calculated to increase productivity and to social services, this Government has accepted the basic economic concept that the only way to increase net real income per capita is to increase productivity and that in a primary producing country increased productivity must first come in the field of agriculture. Equally it is realised that until productivity in agriculture is raised sufficiently to enable a substantial diversion of resources from primary production to secondary industries and services, without

causing a reduction in food supplies or a serious rise in food prices, the artificial stimulation of industrial productivity will result in a net fall in real income per capita instead of the reverse, and may prevent secondary industries from operating profitably.

18. The Government, however, is aware that social services, and in particular education, medical services and water supplies should be greatly expanded and improved, since there is little doubt that the present level of services is extremely inadequate for the size of the population. The limitations on development imposed by the financial resources at present at its command requires the Government to choose between the degree of emphasis to be placed on the apparently irreconcilable claims of these two elements. It is the view of this Government that the competing claims of productivity and social services are not entirely irreconcilable. It is also felt that unless evidence is given that there is the intention to provide the social services for which there is an obvious demand, the Government will find it difficult to raise the revenue required to finance an optimum programme of development in all fields.

19. Due account has therefore been taken of the fact that the level of expenditure on services likely to increase productivity is reasonably high, and if properly directed to immediate needs can contribute effectively to an increase in real income. The Government does not therefore intend to provide for the immediate expansion of these services except for the improvement of the existing road network, although it does envisage substantial expansion when revenues improve. It is intended, however, that the programme of free primary education should proceed as at present planned and that there should be no reduction in the level of other social services. It is the belief of this Government that on the successful provision of a first-class system of education, medical attention for all, and good water supplies will depend the future of its general development.

Resources available to finance Development.

20. In paragraph 15 reference is made to the policy of establishing maximum levels of recurrent expenditure for the year

1959-60, and also of ceilings for total capital expenditure during the period 1955-60 for each sector and phase of the plan. This approach has been dictated by the inflexibility and limited size of the Region's revenues compared with its substantial capital resources. Before proceeding to establish these maxima, however, it is necessary to assess the revenue outlook and to estimate total capital resources available.

Revenue.

21. The 1955-56 Revenue Estimates show a total revenue of £12,995,080 of which the sum of £1,204,840, Development Grants, is not recurrent, i.e. the recurrent revenue 1955-56 amounts to £11,790,240, say £11.790 million. Of this sum approximately £9.560 million is revenue by allocation from the Federal Government, the balance of £2.230 million being internal revenues of the Western Region.

22. There is little immediate prospect of increasing the internal revenues of the Region except possibly by more efficient collection of taxes and license fees; on the other hand there is no foreseeable reason for a fall in these revenues.

23. It is less easy to estimate future developments in the revenues received from the Federal Government by allocation under the Revised Constitution. The two principle sources of revenue by allocation are Import and Excise Duties (£5.775 million) and Export Duties (£3.785 million). Without any alterations in the level of Import and Excise duties the revenue from this source may be expected to show a small but steady increase over the period of the plan as a result of -

- (a) the expanding development programmes of the Regions and the Federation which will be financed largely out of accumulated capital resources and loan funds, and
- (b) the price stabilising activities of the Marketing Boards which will tend to prevent any early substantial fall in incomes from export produce.

It is not possible to view with equal optimism the future of revenues accruing from duty on Exports. £3.222 million out of the total of £3.785 million of the current estimate for revenue from Export Duties is derived from cocoa. This estimate is

based on an annual crop of 100,000 tons sold at a London price of £320 per ton. The price of cocoa has recently fallen as low as £280 per ton and the crop may in a bad year amount to only 80,000 tons. The export duty derived from a crop of 80,000 tons sold at £280 per ton would be £0.982 million, less than the figure shown in the 1955-56 Estimates. The revenue derived from other exports, with the exception of rubber, is also showing signs of declining, although the amounts involved are not yet significant. The best informed forecast of the future prospects of cocoa suggests that it is not unreasonable to base a revenue estimate on a crop of 95,000 tons per annum sold at a price of £300 per ton which would produce a revenue £0.372 less than the current estimate.

24. There are two major opportunities for the expansion of revenues in the near future -

(a) the introduction of a Produce Sales Tax on Kola Nuts and,
(b) the adoption by the Federal Government of the recommendation made by the International Bank Mission that import duties on certain classes of goods should be raised by 50% and the full proceeds shared between the Regional Governments. The former proposal would bring in a revenue of approximately £.350 million and the latter approximately £2.000 million if divided between the Regional Governments in the existing proportions.

25. The programmes formulated in this paper are based on an assessment of revenue which takes into account the probability, on the one hand, of an increase in the revenues collected internally and from import and excise duties and, on the other hand, of a decline in the revenues from export duty. On this assumption the Region may rely on an annual recurrent revenue of £11.750 million, and should the Government's proposals for taxing Kola Nuts meet with success, as also its representations to the Federal Government on the question of import duties, it may expect to increase its revenues to £14.100 million.

Capital.

26. The Region has the following capital resources at its disposal -

£ million

Surplus funds		2.5
Revenue Equalisation Fund		1.8
M.B. loan 1954-55		4.0
M.B. Grant, 1954-55		6.0
Loan from Federal Government, 1954		1.0
Additional loans or grants from		
M.B. second line reserves		10.0
M.B. grants from surpluses, 1955-60		5.0
	Total	<u>30.3</u>
<u>Less</u> working capital and contingencies		1.8
	Balance	<u><u>28.5</u></u>

27. It is the intention of the Government to devote the Marketing Board grants and loans listed in the preceding paragraph to capital expenditure on specified sectors of the Development programme. The Marketing Board loan 1954-55 of £4,000,000 has already been allocated to the road development programme and the grant of £6,000,000 1954-55 to the Education programme (£4,000,000), expenditure on Medical Services (£1,000,000) and expenditure on Urban Water Supplies (£1,000,000). It is proposed that £7,000,000 out of the additional loans to be obtained from the Marketing Board will be invested in the Production Development Board (£4,000,000) and the Finance Corporation (£5,000,000) and that £1,000,000 will be spent on capital works in connection with the Agricultural Development programme (£500,000) and the Technical Education programme (£500,000). The balance of £2,000,000 of the additional loans or grants from the Marketing Board second-line reserves and the £5,000,000 Marketing Board grants from surpluses 1955/60 has not yet been committed to specific sectors of the capital programme.

28. A comparison of the revenue outlook with the assessment of capital resources available, and consideration of them both in relation to the potential optimum programme of development, indicates that though capital resources are substantial, revenues are nowhere near the level required to finance the programme that this Government would wish to implement. Consequently in the initial stages of the plan it is proposed to restrict expenditure of capital on projects involving high recurrent commitments in favour of investment which involves little or no residual recurrent

costs and which may lead to increased revenues - hence the large sums proposed as capital for the Production Board and the Finance Corporation.

29. The shortage of recurrent revenue as compared with capital resources emphasises the importance of taking effective steps to increase revenues - it also shows that it would be most undesirable, if not impossible, for this Region to endeavour to raise external loans to finance any aspect of development since there would not be a sufficient surplus of revenue to provide for the servicing of such loans, nor would there be any immediate need for them to finance capital works.

The Development Programme, 1955-60.

30. Appendix A summarises the development programme 1955-60 in financial terms and at the risk of repetition it is necessary to emphasise that it is divided into three phases, namely -

- I. the programme to which the Government is obliged to restrict itself until its efforts to improve its revenues meet with success.
- II. the programme on which the Government may embark when its revenues improve in accordance with the proposals made in paragraphs 21-25.
- III. the optimum development programme the fulfillment of which must await the effects of the two interim programmes.

31. The chief features of phase I are the rising costs of free Primary Education, the necessity for restricting expenditure in other fields to existing levels, the importance of concentrating activity in agriculture on projects from which an early return in the form of increased productivity may be expected, and substantial investment in the Production Development Board and the Finance Corporation.

32. In phase II emphasis has been placed on a moderate expansion of services best calculated to enhance productivity, combined with further development of the social services, in particular of educational facilities.

33. Phase III provides for the substantial expansion of the services which will increase productivity and on which will depend the long term rise in real incomes, living standards and social

services which it is the aim of this Government to provide.

34. In all phases of the programme the criterion for judging whether the introduction of a new project or the expansion of an existing one is feasible or not is the level of recurrent expenditure to which the Region will be committed at the close of the financial year, 1959-60, compared with the total estimated recurrent revenue in that year.

National Economic Council.

35. The implementation of the programme will depend to a great extent on whether it will be possible to obtain the extra £2,000,000 per annum revenue from the raising of Import Duties on certain classes of goods and allocation of the total increase in revenue to the Regions referred to in paragraph 24. It is intended to seek the concurrence of the Federal Government and the other Regions to this proposal in the National Economic Council to be established in accordance with the recommendations of the International Bank Mission Report. This Government has other proposals which will also have to be settled by joint consultation in this body, namely -

- (a) the degree of protection to be afforded to secondary industries to encourage their establishment
- (b) the application and amendment of the Pioneer Industries Ordinance to make it a more effective instrument for assisting in the establishment of secondary industries, and
- (c) the reorganisation and expansion of statistical services to make them more useful to and more directly applicable to Regional Governments.

PART II

Agricultural Development, 1955-60.

36. It is the policy of the Department of Agriculture to assist individual farmers to develop a prosperous agricultural system which will contribute to the maximum extent possible to the real wealth of the country. To achieve this end the work of the Department is directed to the following objectives:-

- (a) the conservation of natural resources,
- (b) the achievement of a higher standard of living,
- (c) the stability of farming and security of food supplies,
- (d) security of land tenure,
- (e) the assurance of a remunerative return for agricultural effort,
- (f) efficiency in the operation of production, processing and distribution of agricultural products, and
- (g) the improvement of rural living.

37. In discharging its functions the Department carries out a wide range of activities which may be summarised under the main headings of:-

- (a) experiment and investigation,
- (b) demonstration, propoganda, and advice,
- (c) assistance, both direct and indirect, in the provision of fertilisers, equipment, credit and improved stock and planting material, and
- (d) direct works in certain limited fields, e.g., cutting out of diseased cocoa trees, rehabilitation of cut-out farms.

38. In the initial phase of the 1955-60 planning period no expansion of the activities of the Department will be possible other than that resulting from the recruitment of staff to fill existing vacancies, the fuller utilisation of the recurrent provision at present voted for its use and the expenditure of capital on works not involving an increase in recurrent commitments. It is however the intention of the Government that its efforts will be redirected towards -

(a) increased emphasis on general research and development activities likely to produce an immediate return, i.e. by increased attention to measures likely to lead to an early increase in food production, namely -

(i) breeding and distribution of higher yielding and disease resistant varieties of maize and rice,

(ii) better and quicker methods of cultivation,

(iii) fertilizer experiments,

(iv) investigation into other food crops, and

(b) increased emphasis on the practical problems of cocoa cultivation and to measures such as replanting and regeneration which are expected to increase production, instead of as hitherto on the cocoa survey and on swollen shoot control.

It is also intended that within existing provision greater emphasis should be placed on extension work to ensure that the benefits of research and investigation are translated into increased productivity without delay.

39. As and when additional funds become available it is proposed that there should be an expansion of effort in the following fields which are listed in order of priority :-

(a) Investigation into the problems of marketing and storage of food crops - possibly with the assistance of an expert in this field from the Government of the Republic of India,

(b) Increasing production in terms of yield per acre and yield per man.

(c) Increasing production of cash crops other than cocoa - e.g. cotton, tobacco, citrus, pineapples, oil palm, rubber and coffee.

(d) Staff training and extension work,

(e) Encouraging cattle raising,

(f) Investigation of pig and poultry keeping problems,

(g) Investigation of methods of permanent cultivation including mechanisation,

(h) Encouragement of larger farm holdings and more secure systems of land tenure,

and that a land use, crop production and crop movement survey should

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undertaken, with the assistance of the Food and Agricultural Organisation, with a view to determining the areas of the Region most suited to the production of particular crops on economic grounds.

40. Provision is made in the Finance Corporation programme for the expansion of agricultural credit facilities.

Forestry Development, 1955-60.

41. The principal objectives of Forest Policy are that -

(a) An adequate portion of the lands shall be dedicated to permanent forest for all time and maintained legally secure and free from encroachment in order to preserve the climatic and physical condition of the Region and to assure the supply in perpetuity of all forms of forest produce to satisfy the wants of the people.

(b) Lands not forming a part of this Forest Estate shall be considered as potentially agricultural lands and the natural forest on them shall be exploited without replacement.

(c) The management of the Forest Estate shall be directed by the Forest Department and shall always be by methods aimed at obtaining the maximum sustained annual yield. The Forest Estate shall be managed for the long term benefit of the owners and of the Region.

(d) Everything possible shall be done to foster the establishment of forest industries to provide permanent employment and a good livelihood for the communities concerned. It is a first consideration that forest produce shall be made available locally at the lowest possible cost compatible with good management of the forests.

(e) Where the need exists land shall be afforested with plantations of quick-growing species to provide fuel and poles for local populations.

42. To achieve these objectives it will be necessary to raise the proportion of land under Forest Reserves from the present level of 16.19% to 25% of the total area of the Region and to increase the productivity of the Forest Estate to at least fifteen times the present yield by improved management and control. The latter is a long term policy which will take over 100 years, a full rotation of management, to convert the 4,000 square miles of high forest reserves

/to

to fully stocked forest capable of producing a maximum sustained yield.

43. The recurrent provision in the existing estimates is adequate for the purpose of carrying on with the existing level of management, but additional funds will be required as soon as they can be made available for expansion of work on regeneration and silvicultural operations. Additional provision is made for expenditure on capital works not involving recurrent commitments.

Development of Veterinary Services, 1955-60.

44. The Veterinary Department, in pursuing its policy of improving livestock and controlling disease, will endeavour to attain the following objectives:-

- (a) Control of outbreaks of Animal Diseases,
- (b) Provision of a Regional Diagnostic Unit,
- (c) The setting up of Veterinary Centres or Sub-Centres in each of the Provinces in the Region,
- (d) Inspection of Trade Cattle and provision of amenities on the Trade Cattle routes,
- (e) Improvement in the quality and quantity of the Hides and Skins produced in the Region,
- (f) Kraaling communal village herds to bring livestock into farming practices,
- (g) Livestock investigation - Experiments with trypanosomiasis - resistant cattle,
- (h) Settlement of the Fulani in the northern part of Oyo Province,
- (i) Investigation into Poultry Diseases,
- (j) Marketing of livestock - Sheep moved by lorry from outlying areas into main selling areas.

45. In the initial stages of the plan it will not be possible to augment existing recurrent provision for Veterinary Services, but when funds become available it is intended that first priority should be given to the Diagnostic Unit and the Establishment of Provincial sub-centres.

Co-operative Department, 1955-60.

46. It is the intention of the Government to continue to foster the Co-operative Movement in every way possible. It is therefore

/necessary

necessary to provide more departmental staff to supervise the steadily increasing number of societies and to give good training to personnel working for the societies themselves. The adequate training of personnel necessitates the establishment of a residential Co-operative Training School in Ibadan.

47. It is not possible to proceed immediately with expansion of the staff of the Department or the establishment of the Training School but both will be given high priority in the second phase of the plan.

Department of Industries, 1955-60.

48. Fisheries.

There are four main methods of increasing yields of fish - the cultivation of fish ponds, reservoirs and lakes, the exploration and exploitation of new fishing grounds, the introduction of new gear for canoe fishing and the development of powered craft for sea fishing.

It is the intention of the Government to continue to seek development on these lines, at first without expansion of recurrent costs and in the second phase of the plan with sufficient expansion of recurrent

provision to permit the operation of an additional powered vessel and to meet the recurrent cost of an extra pond survey and construction team.

49. Boat Building.

It is the intention of the Government to transfer the Epe Boatyard to the Production Development Board for management as a commercial concern.

50. Rural Industries.

A team of industrial extension officers is required to provide Nigerian businessmen with advice on problems of industrial and business technique and management and to assist the applicants for Finance Corporation loans with the initiation of new enterprises.

The provision in the current estimates will permit the initiation of this policy, but it will be necessary to expand these services in later years.

51. Textile and Pottery Development.

It is the intention of the Government to continue to encourage these local industries. The only expansion of services proposed is the establishment of a small laboratory for testing of ceramic materials.

Development of Social Welfare, 1955-60.

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52. It is the policy of the Department of Social Welfare to -

- (a) Apply the statutory and protective measures of the Children and Young Persons Protection Ordinance,
- (b) Carry out social work aimed at alleviation of distress and the stabilisation of family life,
- (c) Encourage community development through the media of a youth movement, training in leadership for boys, and the stimulation of self-help in rural areas by community development grants.

53. Provision has been made in the 1955-56 Estimates for an Approved School at Iwo and a Remand Home at Sapele. It will not be possible to contemplate further development of social welfare services until the third phase of the plan, when priority will be given to an expansion of community development activities through the appointment of Community Development Officers to each Province and the provision of additional grants. Further provision will thereafter be made for Juvenile Courts and Welfare institutions.

Education Development, 1955-60.

54. Primary Education.

The policy of providing free primary education for all children, the initial stages of which have been implemented with such success, will be carried to completion during the period of the plan, by the end of which all eligible children will be attending school. In pursuance of this policy the Government has reduced the Primary School course to six years thereby converting the course into a true primary course the standards of which will be maintained and improved to ensure that the entry to secondary institutions is of the highest quality.

55. The capital cost of the programme will be met entirely by Government but the recurrent expenditure on Voluntary Agency and Local Authority primary education will be shared between the Government and the Local Authorities. The estimated level of recurrent Government expenditure in 1959-60 has been shown in phase I, Appendix A, and provision for the total capital expenditure in Appendix B. In phase II a figure of £1,520,000 is shown as recurrent expenditure, 1959-60 against the subheading Primary Education Deficits. This figure

/represents

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represents the potential level of deficits in the Local Authority Primary Education accounts in that year. It is the intention of Government that every effort should be made to ensure that Local Authorities raise education rates to a level sufficiently high to eliminate these deficits in order to prevent the necessity for Government having to meet this expenditure. The possibility exists, however, that Local Authorities may not be able to eliminate their deficits, it has been considered prudent to reflect this deficit in the Government projections for the maximum liability.

56. The Government will continue to provide free textbooks and materials for the Primary I classes but will not extend free supply to the higher classes.

57. Secondary Modern Education.

The Government will continue to establish Secondary Modern Schools offering a 3-year post primary course of a practical nature for school leavers with the ability and desire to continue their education. The curricula of these schools will be broadened, special equipment will be provided and the barrier to entry of a secondary Grammar School from a Secondary Modern School will be removed.

58. The capital cost of the programme will be borne by the Government and recurrent costs will be met from pupils' fees, with limited assistance in exceptional circumstances from Government.

59. Secondary Grammar Schools.

The Secondary Grammar School programme is intended to provide on completion places for 10% of primary school leavers. To achieve this aim it will be necessary to open 50 new public secondary grammar schools during the period of the plan and to develop them to double stream within three years of completion of the planning period and to complete the development to double stream of 44 existing public secondary schools. Training of graduate secondary school teachers will proceed concurrently with the construction of the schools.

60. The optimum programme envisages that by 1960 51 secondary schools will be equipped for the teaching of science and that at least one public grammar school per Province will have the facilities for teaching a Higher School Certificate and G.C. advanced stage class.

61. 50% of the minimum capital cost of secondary grammar schools will be met by Government; maintenance grants will also be made covering the cost of tuition of the pupils and grants covering the cost of teacher training. Boarding costs are not met by Government. The cost of the G.C. Advanced Stage classes will be met from fees.

62. Because of financial limitations it will not be possible for the Government to proceed with its programme for secondary grammar schools in the initial phase of the plan, and only limited development will be possible in the second phase. Full implementation of the programme must await a general improvement in revenues arising from increased production and more effective taxation at higher rates.

63. Teacher Training.

The Government is proceeding with a programme designed to expand teacher training institutions to provide by 1959 50% trained teachers in all primary schools and a trained teacher in each secondary modern class. By the end of 1955 this programme will be in full operation and there will be no need to provide for further expansion. It will, however, be necessary to restrict operating costs to the level approved in 1955-56.

64. Technical Education.

It is the intention of the Government to provide a complete system of technical education suited to the needs of a developing country and which will produce a range of technical workers extending from skilled craftsmen to technicians and managers. To this end it is proposed to expand the existing Trade Centres at Sapele and Abeokuta, to open three new Trade Centres and to build four double stream secondary Technical Schools.

65. It will be possible to embark on the first part of this programme during the second phase of the plan, which provides for an increase in recurrent expenditure of 64%. The increase is relatively large because expansion in technical education facilities has fallen behind expansion in other forms of secondary education.

66. Adult Education.

A three-year plan for a literacy campaign designed to reach all members of the population has been prepared to which are related

plans for the expansion of adult education. It will not be possible to proceed with these proposals until financial resources permit.

67. Education in Domestic Science.

It is not proposed to extend facilities for education in domestic science except insofar as they comprise part of the programme for the expansion of secondary modern and secondary technical schools.

68. Scholarships.

The Government will continue to award scholarships at the existing rate and in accordance with annual assessments of the needs of the Region in the various fields of study.

Development of Medical Services, 1955-60.

69. A substantial development of Medical Services is badly needed if the health of the population is to be adequately provided for and greater emphasis placed on the prevention of disease as opposed to curative measures. It is not possible in this paper to detail the various proposals for the development of these services. All that can be said is that financial considerations prevent any expansion of Medical Services in phase I and only limited expansion in phase II. It will however be possible to provide capital sums for the construction of dispensaries and maternity centres and for the improved equipment of the Ogwashi-Uku and Owo Mission Hospitals where such grants do not involve increased recurrent costs to Government.

70. It is however intended to devote the proceeds of the Government Lottery shortly to be established to Medical Services. This additional revenue should provide for a modest degree of expansion over and above the levels projected in phases I and II of Appendix A.

Development of Rural Water Supplies, 1955-60.

71. It is proposed that £1,000,000 should be spent on the provision and improvement of rural water supplies and that rural water supplies should be given priority over urban water supplies.

Development of Urban Water Supplies, 1955-60.

72. It is not proposed to proceed with existing plans for the development of urban water supplies except where a firm assurance can be obtained that the Local Authority concerned will be able to meet in full the maximum recurrent costs of any scheme and 66 $\frac{2}{3}$ % of loan service charges at market rates on a loan repayable over 50 years. Extensions to existing schemes will in future be given priority over new schemes.

Expansion of Information Services, 1955-60.

73. A substantial expansion of Information Services has been proposed. Having regard however to the limited financial resources likely to be available it is not possible to provide for more than a limited expansion of existing services to become effective only in phase II of the programme.

Road Development, 1955-60.

74. An allocation of £4,000,000 has already been made for the general improvement of existing roads and for the construction of new roads. A Road Development Committee has recently been appointed and charged with the responsibility for submitting specific recommendations to the Executive Council.

Public Works Department, 1955-60.

75. No allowance has been made in Appendix A phase I for any increase in the Public Works Department Executive nor in the Public Works Recurrent - Maintenance Services. Provision has however been made under the Public Works Recurrent - Maintenance Works for the additional cost of road maintenance arising out of the road development programme.

76. In phase II provision has been made for a further increase in Public Works Recurrent - Maintenance Works and Services, to meet expenditure relating to the overall expansion of Services during this phase.

Executive, Etc.

77. Note 4 of the Annexure I to Appendix A details the heads of expenditure accounted for under this classification. Because of the need to keep recurrent expenditure to a minimum no provision has been

/made

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made for any increase against this item in either phase I or phase II of the programme. It should however be noted that this classification includes the Miscellaneous Head of the Estimates under which provision is made in 1955-56 for a contribution to the Revenue Equalisation Fund of £1,235,000. It is estimated that £1,000,000 out of this total will be required to cover the annual cost of the salary revision arising out of the Gorsuch Commission and that the balance will provide the necessary margin to meet unforeseen and unavoidable recurrent expenditure.

78. It will also be necessary to meet from this margin the additional recurrent costs (£5,000 p.a.) of a reorganisation in the system of clerical training, i.e. the replacement of the Oshogbo Clerical Training College by a non-residential Institute in Ibadan, and the provision of extra funds for training courses overseas. It is essential that this reorganisation should take place to ensure that staff is adequately trained to carry out the programme of development. It should also be noted that the heading "Executive, etc" covers grants to Local Authorities and that no provision has been made for an increase in the level of these grants.

Finance Corporation.

79. The loan programme of the Finance Corporation is one of the chief methods by which the Government intends to stimulate economic activity. It is therefore proposed that the sum of £7,000,000 should be invested in the Finance Corporation to enable it to give effect to Government's policy of encouraging agricultural, commercial and industrial production by the provision of medium and long-term credit. Of this sum, £3,000,000 only will be invested during phases I and II. Full details of the classes of loans to be made and the types of projects for which they will be advanced are therefore detailed in paragraph 80 below.

80. The categories of Loans, and the total sums in respect of each loan to be advanced by the Finance Corporation are as follows:

	£,000
(a) Cocoa spraying loans -	200
	/ (b)

	(a) b/f	£,000
		200
(b) Short term loans.	To encourage the cultivation of ginger, tobacco, rice, cotton and other commercial crops and to provide finance for the purchase of fertiliser -	200
(c) Food crop loans -		350
(d) Medium Term loans.	To finance annual new cultivation of crops as indicated below -	4,250
	Cocoa - 10,000 acres	
	Rubber - 4,000 "	
	Citrus - 2,000 "	
	Kola - 2,000 "	
	Coffee - 3,000 "	
	Oil Palm - 1,000 "	
	Coconuts - 1,000 "	
(e) Group Farming loans -		70
(f) Major Agricultural loans.	For large-scale projects similar to those described under (d) above -	240
(g) Quasi commercial loans -		200
(h) Industrial loans -		620
(i) Loans to public bodies.	To finance development of public utility schemes of a revenue earning nature -	750
	TOTAL -	<u>6,880</u>

Production Development Board.

81. The Production Development Board is the chief agency of the Government for the execution of its plans to develop commercial plantations for the production of produce for export, and for the development of secondary industry. It is the intention of Government to invest the sum of £7,000,000 in the Board, £4,000,000 of which will be invested during phases I and II of the development programme.

82. Encouragement will be given to the participation of overseas capital in plantations and industrial undertakings sponsored by the Board, provided, as a general rule, that the Government holds a majority of the capital, i.e. at least 51%. The proportion of external capital to be invested in any one scheme will however be determined on the merits of the case. An alternative arrangement for the participation of external capital, which the Government would consider favourably, would be for the capital cost of an

/undertaking

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undertaking to be shared equally between Government, private risk capital and capital invested by an independent body such as the International Bank for Reconstruction and Development, which would hold the balance between the other two parties. The degree of external capital participation which may be offered will depend on the confidence of overseas investors in the future of Nigeria. It is the intention of the Government to foster this confidence in every way and to welcome private enterprise wishing to establish undertaking in the Region, particularly when it is associated with local capital from the private sector.

83. The Production Board contemplates the following development of its activities:-

	£,000	£,000
(a) new agricultural schemes		2,500
(b) new industrial schemes -		
(i) Rubber tyre factory	1,500	
(ii) Metallurgical industry	600	
(iii) Cement industry	1,000	
(iv) Building Society and Housing estate.	500	
(v) Tanning and Footwear Project	150	
(vi) Textile plant	350	
(vii) Industrial estate.	<u>500</u>	
Total	4,600	<u>4,600</u>
Total of all new schemes:		<u>7,100</u>

84. It is intended to obtain as high a degree of de-centralisation as possible in the management of the Board's existing projects and its new schemes, in particular by establishing individual companies set up on commercial lines with their own Boards of Directors for each scheme.

Deficits.

85. Phase I of the programme will lead to a potential deficit of £1,630,000 p.a. in 1959-60 (or £3,081,000 p.a. if provision is made for Education deficits). This deficit will not reach major proportions in the first two to three years, and therefore during this time it will be necessary to take effective steps to increase revenue. Until revenue reaches the level of £13,380,000 p.a.

/necessary

necessary to cover the deficit it will not be possible to initiate phase II of the programme.

86. If the optimum programme is to be fulfilled it will be necessary to increase revenues by £5,018,000 (£6,538,000 if primary education deficits are considered) over and above the level projected for phase II of the programme.

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Appendix B. W.R. Programme of Development,
1955-60.

Capital Expenditure.

For completion of Phases I & II	+	Optimum Programme
1	2	3
720	1,326	2,046
50	-	50
43	42	85
67	-	67
18	-	18
220	50	270
4,419	-	4,419
-	-	-
268	402	670
321	140	461
479	218	697
840	725	1,565
36	-	36
-	-	-
35	-	35
-	-	-

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Appendix A (Continued).

Phase III Optimum Programme <u>Recurrent Expenditure</u> Increase over Phase II		Total
6	7	

1,821	3,051
35	226
12	80
8	103
.	
7	59
28	71
-	3,685
-	(1,520)
-	5
136	381
30	418
155	237
99	110
-	22
4	9
2	20
.	

Recurrent Expenditure

Expenditure Classification.	1955-56 Estimates	Phase I Recurrent Expenditure 1959-60		Phase II Recurrent Expenditure 1959-60		Remarks
		Increase over 1955-56	Total Phase I	Increase over Phase I	Total Phase II	
	1	2	3	4	5	
Agriculture	1,031	-	1,031	199	1,230	Phase II provides for slightly less than a 20% expansion.
Forestry	173	-	173	18	191	Phase II provides for a 10% expansion.
Veterinary	61	-	61	7	68	
Co-operatives	80	-	80	15	95	
Dept. of Industries	47	-	47	5	52	Phase II provides for the recurrent costs of a Co-operative Training School and a 10% expansion (1955-56 Estimate omits provision for Boatyard. +Phase II provides for a 10% expansion.
Social Welfare	39	-	39	4	43	Phase II provides for a 10% expansion. (47 provided for Community Development Grants under "Executive etc.")
Education - Primary	2,100	1,585	3,685	-	3,685	Phases I & II include the maximum recurrent cost of the Primary Education programme including Local Authority deficits. See note 6.
Primary Deficits	-	(1,520)	(1,520)	-	(1,520)	
Secondary Modern	5	-	5	-	5	Policy is to charge fees covering costs except in special circumstances.
Secondary Grammar	211	11	222	23	245	Phase II provides for a 10% expansion of public secondary grammar schools.
Teacher Training	371	17	388	-	388	Phase I provides for expansion to maximum level.
Technical	50	-	50	32	82	Phase II provides for an expansion of 64%
Adult Literature Production	11	-	11	-	11	
Regional Library	22	-	22	-	22	
Domestic Science and Physical Education Equipment.	5	-	5	-	5	
	18	-	18	-	18	

For completion
of
Phases I & II

+

Optimum

Programme

1	2	3
-	-	-
1,255	2,154	3,409
1,000	-	1,000
3,000	3,000	6,000
72	339	411
40	-	40
135	-	135
40	-	40
-	-	-
4,000	-	4,000
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-

30

Phase III
Optimum Programme
Recurrent Expenditure.

Increase

over

Total

Phase II

6

7

2

20

-

525

774

1,919

-

-

-

-

118

217

54

139

-

6

5

135

2

7

-

-

39

426

91

1,002

3

33

300

500

100

329

Expenditure Classification	1955-56 Estimates	Phase I		Phase II		Remarks
		Recurrent	Expenditure	Recurrent	Expenditure	
		1959-60	1959-60	1959-60	1959-60	
		Increase over 1955-56	Total Phase I	Increase over Phase I	Total Phase II	
	1	2	3	4	5	
Equipment Primary I	40	-	40	-	40	
Headquarters and Institutions - Staff & Expenses	525	-	525	-	525	
Public Health	1,090	-	1,090	55	1,145	Phase II provides for an expansion of 5% which may be augmented by proceeds from the Lottery.
Rural Water Supplies	-	-	-	-	-	Overhead charges are provided for under P.W.D.
Urban Water Supplies	-	-	-	-	-	Recurrent cost to Government consists of overhead charges accounted for under P.W.D. and the servicing of loans raised to finance the supplies - but vide note 8.
Information Services	90	-	90	9	99	Phase II provides for a 10% expansion.
Printing Department	81	-	81	4	85	
Local Government Police Training College.	-	6	6	-	6	Provision for the college is already included in Appendix W.O.
Survey	124	-	124	6	130	Phase II provides for a 5% expansion.
Waterways Clearance	-	5	5	-	5	Region will be required to meet the cost of its waterways.
Roads	-	-	-	-	-	Maintenance is provided for under P.W.D. Maintenance Works and overheads under P.W.D.
Public Works Department	387	-	387	-	387	
Public Works Recurrent - Maintenance Works	778	50	828	83	911	Phase I provides for an additional 50 to maintain roads tarred and constructed under the road development programme. Phase II provides for a 10% expansion.
Maintenance Services	27	-	27	3	30	Phase II provides for a 10% expansion.
Capital Works Account	-	200	200	-	200	See note 2.
Special Expenditure	553	- 363	200	29	229	See note 3

for completion
of
phases I & II

+

Optimum

Programme

1

2

3

2,139

1,861

4,000

-

-

-

4,000

3,000

-

3,000

4,000

-

26,197

17,257

44,454

28,500

-

28,500

-

-

14,954

31

Phase III
 Optimum Programme
Recurrent Expenditure

Increase

over

Total

Phase II

6

7

385

4,231

810

1,132

-

-

-

-

5,018

19,118
 (20,638)

-

14,100

-

5,018
 (6,1538)

32

34

Explanatory Notes on Appendix A.

1. Column 1. The figures in this column show recurrent expenditure included in the 1955-56 Estimates rounded upwards to the nearest £,000. Expenditure on Agriculture and Co-operatives at present shown under Appendix W.M. of the Estimates, which becomes normal recurrent expenditure in accordance with the decision recorded in paragraph 11 is included in the figures shown in this column.
2. Capital Works Account. No expenditure is shown under Column 1 against Capital Works Account. The reason for this is that the 1955-56 Estimates cover a period of transition between the former arrangement of showing Capital Works under a Head of Expenditure and the new one of including them in an Appendix to the Estimates the funds for which are met from loans, reserves and an annual contribution out of the general revenues. In Column 3 the annual contribution in 1959-60 is shown as £200,000. It is estimated that a sum of this order of magnitude will cover all capital works not classifiable as capital works contributing to economic development, e.g. new Regional Headquarters Office Block, Clerical Training Institute, etc. Contributions to the Capital Works Account to finance development capital works such as Technical Schools and Hospitals will be made from reserves, grants and loan funds.
3. Special Expenditure. An expenditure of £553,000 is shown under Column 1 against Special Expenditure. This is the total Special Expenditure shown in the 1955-56 Estimates and includes such items as Drugs and Equipment for Hospitals. The 1959-60 projection against this sub-heading (Phase 1, Column 3) is shown as £200,000 only. The reason for the reduction is that Special Expenditure relating to development under the main Development Subheads is included under the Estimates for Capital Expenditure 1955-60. The sum of £200,000 is intended to cover only such items as replacement of vehicles, office equipment, etc. which, taken individually, are not recurrent items, but which amount to a recurrent commitment insofar as total Regional expenditure is concerned.
4. Executive, etc. The sub-heading "Executive, etc." in Appendix A covers the following Heads of Expenditure in the 1955-56 Estimates:-

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Head 321	The Governor
322	Premier's Office
323	Executive
324	Legislature
325	Administration
326	W.R. London Office
327	Ministry of Home Affairs
350	Ministry of Agric. & Nat. Resources
334	Produce Inspection
335	Ministry of Education
337	Education Inspectorate
338	Ministry of Finance
339	Treasury
340	Ministry of Justice
341	Legal
342	Ministry of Lands
343	Land and Town Planning
345	Ministry of Development
349	Ministry of Local Government
350	Ministry of Public Health
352	Ministry of Public Works
357	Audit
358	Judicial
359	Miscellaneous
360	Pensions and Gratuities
362	Public Service Commission
363	Subventions.

5. Phase 1. Phase 1 of Appendix A provides for the expansion of services which the Government is able to undertake with the revenues immediately at its disposal, a survey of which is made in paragraphs 21-25. The amount by which expenditure may be increased in this phase in terms of the recurrent commitment in 1959-60 is shown in Column 2. It will be noted that expansion is limited to the continuation of the free primary education programme, an increase in expenditure on Secondary Grammar Schools and Teacher Training arising out of the current year's building programme, introduction of provision for Waterways Clearance, a standard contribution to the Capital Works Account (vide Note 2) and provision for the increased cost of maintenance of roads arising out of the £4,000,000 road development programme. No provision has been made for increments which will have to be met from within existing levels of expenditure. This limited expansion will lead to a deficit on current account of £1,619,000 in 1959-60 (excluding Primary Education deficits) unless revenues are improved.

6. Primary Education Deficits. The subheading "Primary Deficits" under Education in Appendix A, against which a figure of £1,520,000 first appears in Column 2, provides for the deficits in Local Authority Primary Education Accounts estimated to arise in 1959-60 under existing contributory arrangements, and unless efforts to

encourage Local Authorities to improve their tax collection and raise their education rates meet with success. The figures are shown in brackets because of this proviso and they are not included in the open totals. They are however shown in the bracketed totals and will contribute an extra £1,520,000 to the 1959-60 deficit unless they are eliminated. If they are not eliminated the deficit on current account will amount to £3,150,000.

7. Phase II. Phase II of Appendix A provides for the expansion of recurrent expenditure on services which can be undertaken if the Government's two major proposals for increasing its revenues (vide paragraph 24) meet with success. The expansion is limited by the necessity for ensuring that in 1959-60 there will be no deficit on current account and that Primary Education deficits will be eliminated.

Comments on expansion of services are shown in the Remarks Column of Appendix A.

8. Public Debt Charges. An increase of £268,000 is shown in Columns 2 and 3 against the sub-heading Public Debt Charges against which there is provision in 1955-56 of £54,000 to cover the servicing of the 1954 Federal Government Loan of £1,000,000. The additional £268,000 is made up as follows:-

	£,000	
Service Charges on £4,000,000 loan from Marketing Board for Road Development		
Interest Charges	136	
Sinking Fund Payments	80	
		216
Service Charges on £7,000,000 loan from Marketing Board to finance the Production Board and the Finance Corporation		
Interest Charges	238	
Sinking Fund Payments	140	
		378
Sinking Fund Payments on £1,000,000 Interest free loan from Marketing Board to assist in capital cost of Technical Education and Agricultural Development programme		
	20	
		20
		614
<u>Less:</u>		
Local Authority Loan Service payments on £2,000,000 loan for Urban Water Supplies		
Interest Charges	68	
Sinking Fund Payments	40	
		108

	£,000	
Finance Corporation and Production Board		
Interest payments on capital advances		
totalling £7,000,000	238	<u>238</u>
		<u>346</u>
	NET TOTAL	<u>268</u>

(see also note 2 to Appendix B)

9. Salary Revision. The cost of the forthcoming salary revision is allowed for against the subhead "Executive etc." which includes the Miscellaneous Head of Expenditure under which there is provision for a contribution to the Revenue Equalisation Fund of £1,235,000. It is estimated that this sum will more than cover the cost of the salary revision.

10. Optimum figures, Phase III. The figures shown in Columns 6 and 7 under Phase III, Optimum, represent the expansion in recurrent expenditure and in the total recurrent commitment if the full programmes prepared by Ministries are carried to completion. An additional £810,000 has been shown under Public Debt Charges in Column 5 which provides for services of a loan of £15,000,000 which would be required to finance the capital cost of the optimum programme.

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Explanatory Notes - Appendix B.

1. Column 1. The figures in Column 1 are an estimate of the capital cost of Phases I and II of the development programme, the recurrent cost of which is projected in Appendix A. It is not possible to distinguish satisfactorily between the capital costs of Phases I and II nor is it desirable as the only criterion for capital expenditure during Phase I will be whether or not the capital expenditure proposed will raise recurrent commitments over the levels fixed.

2. Capital Expenditure, Phase I. Provision of £40,000 has been made for loan service charges on loans to be taken up to finance Capital expenditure during Phase I of the programme. It will therefore be necessary to restrict capital expenditure in such a way as to ensure that loan service charges do not exceed this amount by a significant sum. It is difficult to assess what total capital expenditure this restriction will permit as the rate at which loans will be taken up will be determined by the relative rates of progress in different sectors of development.

3. Executive, etc. The capital expenditure shown against this subhead represents the value of Works Extraordinary not included in the provision for capital expenditure for specific sectors, i.e.

	£,000
Provision in 1955-56 Estimates	639
Improvements to Government House	35
Nokola - Regional Headquarters Highway	70
Public Service Training Institute	120
Loan to E.C.N. to finance extension of Electricity to Ijebu-Ode	275
Staff Housing Scheme	200
Other	800
	<u>2,139</u>

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28th July, 1955.

Executive Council, Western Region

Economic Planning Committee

The attached Notes by Professor W. A. Lewis on Economic Policy in the Western Region of Nigeria are circulated for the information and consideration of members.

P. D. DUNCAN.

Secretary to the Economic Planning Committee.

Ministry of Finance,
Western Region,
IBADAN.

28th July, 1955.

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SOME NOTES ON ECONOMIC POLICY
IN THE WESTERN REGION OF NIGERIA.

I. INTRODUCTION.

1. These notes are not intended to be a comprehensive discussion of development planning in the Region. Their background is the papers presented by Ministries outlining their proposals for 1955/60, and the Draft Policy Paper on Development which has emerged from these papers for consideration by the Economic Planning Committee. In what follows I comment only on a few topics which have caught my attention. There are many other important matters in the development programmes which I do not mention either because I agree with what is proposed, or because I do not know enough or do not feel strongly enough about the subject to comment.

2. The layout of these notes is as follows:-

- I. Introduction.
- II. Agricultural Policy
 - (a) General Objectives
 - (b) Food Production
 - (c) Export Crops
 - (d) Plantations
 - (e) Agricultural Finance
 - (f) Staff
- III. Industrialisation
 - (a) Prospects
 - (b) Agencies
 - (c) Industrial Loans.
- IV. The Financial Programme, 1955-60.
 - (a) Some Priorities
 - (b) The Search for Revenue
 - (c) Capital Expenditure
 - (d) Budgeting.
- V. Summary of Suggestions.

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II. AGRICULTURAL POLICY.

(a) General Objectives.

3. The principal long-run objective of agricultural policy must be to reduce the proportion of the population which is required to produce the food supply from the 60 to 70 per cent which is required in under-developed countries to the 12 to 15 per cent which is all that a modern efficient economy requires. The corollary of this is that food production per man engaged must rise faster than food consumption per person, since it is only if potential supply is rising faster than demand that it becomes possible for part of the population to shift out of food production (absolutely or proportionately). The further corollary, if farmers are not to be bankrupted by supply growing faster than demand, is that a shift from food production should really be achieved; that is to say, it is imperative that other sources of employment or of income should be expanding just as rapidly as agricultural productivity is increasing. A successful agricultural policy requires that increased productivity in food production and increased opportunities outside food production should keep in step with each other.
4. This objective is sometimes misconceived. First, it is sometimes stated that increased productivity in food must come first. If this occurred, the farmers would be bankrupted. It is just as important to produce new sources of income and employment outside food production as it is to increase productivity in food production. Both must occur simultaneously and in step. Secondly, the potential new sources of income and employment are not confined to industrialisation. Even in the richest countries the domestic consumption of manufactures does not provide employment for more than 25 per cent of the population. Assuming 15 per cent in food production and 25 per cent in manufacturing, it follows that 60 per cent are engaged in other activities - commerce, transport, education, medical service, house construction, entertainment, administration, and so on. The expansion of all these other services is as important as is industrialisation: the production and consumption of radios or of bicycles is not more important than the production and consumption of medical service, of education, or of water supplies. It is equally important to remember that agriculture does not consist exclusively of producing food for domestic production. The expansion of exports is as useful a complement to increased productivity in food production as is the expansion of manufacturing or of medical service.
5. The natural response of farmers to demands for increased productivity in food production is to ask what evidence there is that the supply of food is not keeping pace with the growth of demand. This is the worst misconception of all, since it is not desirable that the demand for food should grow as fast as potential supply. Potential supply must grow faster than demand, since this is one of the conditions for a shift of farmers away from food production to other activities. The farmers are right to point out that the other condition is that these other activities should also be expanding, and that it is not fair to call upon them for greater productivity unless simultaneous effort is going into expanding the non-food sectors of the economy at an equally vigorous rate. Nevertheless, it is a further condition for this shift of farmers that food production should not be quite as profitable as other activities; this also derives from a situation where potential supply increases faster than demand. It is almost always the case that farmers' income per head is less than income per head in the other sectors of the economy, which are expanding more rapidly; 60 to 70 per cent is the common ratio.

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When food farming is as profitable as other comparable occupations this may be taken as an ominous sign that the rate of growth of productivity in food farming is not keeping pace with the expansion of the rest of the economy. The statistics for the Western region are fragmentary and inconclusive, but there is some evidence that this disequilibrium exists at present.

6. One of the phenomena of economic development which follows from this shift of population is rapid urbanisation: the population of the towns grows faster than the population of the countryside. People drift from the countryside into the towns partly because of the economic pressures on agriculture, partly because the towns get the fruits of economic development before the countryside (water, medical services, schools, cinemas, transport, etc.), and partly because the spread of education widens young people's horizons, and causes them to seek new vocations. It is customary to deplore this drift from agriculture, and even to try to stop it by modifying the curricula of rural schools, and in other ways. It is desirable that school curricula should be appropriate to circumstances, but the drift from agriculture cannot be stopped, and is likely to increase in the Western Region as a consequence of the great increase in educational facilities. It is more to the point to ensure that the two requisite conditions are fulfilled, namely on the one hand that productivity in agriculture is rising fast enough to support the drift, and on the other hand that urban opportunities of employment are increasing fast enough to absorb the urban population, instead of having a growing army of unemployed, of beggars, and of casual labourers in the towns. Economic policy must be conceived in terms of simultaneous advances in agriculture and in other occupations.

(b) Food Production.

7. The principal research objective of the Department of Agriculture in the sphere of food production in the last thirty years has been to evolve a system of permanent agriculture to take the place of long periods of fallow. This is a desirable objective, but it should not be the principal objective, since spectacular results can be achieved more quickly by following up other lines of enquiry.

8. Shifting cultivation will have to give place to permanent systems of rotation as soon as population pressure makes long periods of fallow impossible. Population pressure has already reduced the length of fallow periods in some parts of the country, but taking the Region as a whole, population will not for some time be large enough to have this effect. Another condition for settled agriculture is the finding of a green manure which yields a profitable crop for human consumption; this has not yet occurred. Alternatively, if cattle can be incorporated into the rotation, a green manure suitable for cattle or a grass ley would also be economic; but cattle cannot at present be raised economically in the Western Region. It is most desirable that research work on permanent rotational systems should continue, but this work is essentially planning for the next generation or two.

9. In the meantime yields per acre can be increased substantially even within the existing system of agriculture, and this is an immediate and more urgent priority. Nigerian yields are very low - yields of 7 to 10 cwt. of cereals compared with a potential 15 to 20 cwt. per acre, and of 3 to 4 tons of root crops compared with a potential 7 to 9 tons per acre.

10. The first requirement for an increase in yields per acre is more research - into the selection or breeding of high-yielding and disease resistant varieties, into the control of pests and diseases, and into the use of fertilisers - taking into account the different requirements of different soils. It seems possible that work on maize initiated less than five years ago is already on the verge of producing disease-resistant varieties which may double yields per acre. Similar work is urgently needed on

root crops - especially on yams, which have a higher food value than cassava, and which are also a potential base for the manufacture of industrial alcohol if yields per acre rise sufficiently. Work is also needed urgently on pulses, both because the protein content of Western Region diets is very low (e.g. much lower than Northern Region diets), and also because of the useful part which pulses can play in due course in a rotational system. 43

11. It is possible that food production could also be increased fairly rapidly by building more feeder roads - both production per man and possibly production per acre, since a reduction in transport cost would make more effort worthwhile.

12. One of the major problems is to improve storage facilities, since the farmer is discouraged from producing larger quantities if these must all be thrown on to the market at the height of the harvest. First there must be more research into the technical problems of preventing deterioration and loss to insects and to rodents. Secondly, once the technical problems have been solved, the government should consider building storage facilities for general use. It might buy at harvest for re-sale in the lean season; most government schemes of this kind have been a financial failure, though this is not to say that they have not been worth while. Or it might confine itself to renting warehouse accommodation to traders, to cooperatives, or to individual farmers. Or it might encourage local authorities to provide storage facilities on a much greater scale. Or it may prove sufficient to publicise the solutions resulting from research, and to leave it to private individuals to provide storage. There is time in which to consider how best to make additional storage facilities available: the prior requirement is research and experiment.

13. At present yields, mechanisation is peripheral, and deserves only limited experimentation. When mechanisation is done on a large scale, with workshop and repair facilities on the spot, the costs of cultivation are at least £10 to £12 per acre. Done on a small scale, without repair facilities on the spot, costs are £15 to £20 per acre or more. Hence it is totally uneconomic to mechanise the production of cereals yielding £8 to £10 per acre. Even rice, which yields nearer £20 per acre, cannot be mechanised economically unless the unit is large enough to justify the cost of keeping maintenance engineers and equipment on the spot. Mechanised production of rootcrops, which now yield over £50 an acre, is more to the point, but large scale production of yams and cassava will not be economical until improvements in storage and marketing make it possible to dispose profitably of relatively large outputs.

14. Improvements in marketing depend mainly upon improvements in storage and in transportation. If storage and transportation are easy, traders will emerge to do a wholesale business in food distribution all over the country, and local surpluses will no longer be a burden upon local markets. The subject of food distribution deserves study by agricultural economists, but it will probably be found that the market will adjust itself to food production on any scale, as soon as technical conditions permit.

15. One can foresee a time when food production will be undertaken on farms of 30 to 100 acres in size, with mechanisation, green manuring, rotations, settled agriculture, livestock and storage facilities. Merely to mention all these conditions shows that the time is not at hand. When the time comes the transition from 2-acre to 100-acre farming may be initiated by cooperative schemes, by joint family farming, or simply by the more prosperous and enterprising individual farmers extending their cultivations. The Government should stand ready to help this process to its utmost, by provision of loans and of technical guidance. There should also be research to determine how far existing systems of land tenure stand in the way of the development of larger-scale farming; and consideration should be given to the possibility of making a cadastral survey, and of introducing land registration, in order to facilitate and encourage investment in land.

(c) Export Crops.

16. It follows from what has been said about objectives that an increase in the production of export crops is as important as an increase in food productivity. Export production would even be desirable at the expense of food production if it brought in much more money, in the sense that the proceeds could be used to buy more food than the farmers could produce instead. This question need not however arise since it is quite possible to expand both food and export production simultaneously.
17. In the case of cocoa, the immediate problem is to control diseases and pests - swollen shoot, black pod, and capsids. This effort is well in hand, with encouraging results. There would also be a considerable increase in output if the farmers would maintain their cocoa holdings more efficiently, and field demonstrations of improved maintenance are one of the urgent tasks of extension workers.
18. Next in importance is the re-planting of the cocoa area, both because the trees are ageing, and also because most of them are naturally low-yielding. New planting would also be justified as well as re-planting, since neither the area nor the manpower devoted to cocoa is so large relatively to the whole economy as to justify fears that the industry may already be too large. But it seems that cocoa has already been planted in most of the areas where soil and other conditions are favourable, and so the main problem seems to be re-planting.
19. Since a cocoa tree has an economic life of up to 30 years, there is no point in re-planting the industry with other than high yielding trees. It is easy to panic, because the trees are ageing, and to urge that farmers replant immediately, without waiting for high yielding stocks. This, however, would be a bad investment. Selected trees yield at least twice as much per acre as the average farmer now reaps, and there are even more exciting possibilities around the corner. With all the uncertainties ahead - as to price, synthetics, and planting policies in other countries - the Nigerian cocoa industry cannot be certain to be viable in 15 or 20 years time unless re-planting effort is concentrated on putting in only the best available stocks. The rate of re-planting should therefore be determined by the rate at which these stocks can be multiplied. In turn, the Agricultural Department should give urgent priority to the multiplication of the best planting material, and farmers should be encouraged to plant only the stocks provided by the Department.
20. Re-planting is much more difficult to effect than is new planting, because farmers are reluctant to cut down trees which are capable of bearing, even if they yield only 300 lbs. per acre, to replace them by young plants which will yield nothing for 5 years or so. This has been an acute problem in Malaya, where it is just as urgent to re-plant smallholders' rubber. It has been found necessary there to resort to subsidising re-planting, and at the same time the opportunity provided by the subsidy has been taken to ensure proper spacing, and high yielding stocks. It will probably be found desirable for the Western Region to adopt the same policy for cocoa - offering to subsidise the farmer on condition that he re-plants with materials provided by the Department of Agriculture, and with approved layout. This keeps the rate of replanting to the rate which the Department can handle, but it pays dividends in the end. The Malayan Government recently declared its policy on replanting smallholders' rubber, and should be asked to supply copies of the relevant documents.
21. The offer of loans for re-planting is not sufficient, since a loan, far from making up for the loss of five years output, adds instead an interest charge. Re-planting requires subsidies. It may also require loans, but what I have to say on agricultural loans is postponed to paragraphs 33 to 39.

22. Palm produce comes next in importance to cocoa in the Western Region. There are three problems: to improve the quality of the oil, to increase the extraction rate of oil, and to increase the yield of fruit per acre.

23. In this Region it was hoped that Pioneer Oil Mills would help to solve the first two problems, and the Production Development Board accordingly invested £620,000 in these Mills. This hope has been frustrated. Improvement in the quality of the oil depends upon the fruit being treated as soon as possible after it is harvested, and the Mills did not find it possible to get the farmers to bring the fruit in immediately after harvesting. In the Eastern Region there has been a substantial improvement in the quality of the oil - something like three-quarters of the oil exported is now in the edible grades - but this has been due mainly to widespread use of hand presses. Neither can the Pioneer Mills compete with hand presses on the score of a larger extraction rate. Since the presses extract 65 per cent and the Mills 75 per cent of the oil, the Mills have only a 10 per cent margin from which to pay their expenses. At present prices this 10 per cent is only about £5 or £6 per ton of oil, according to grade. Since it costs the Mills £12 to £14 per ton of oil to operate, and costs the hand presses very little, the Mills are not an economic proposition, and their failure was inevitable. It would be much better to follow the example of the Eastern Region in concentrating on hand presses and on encouragingly wide premiums for better grades of oil.

24. Increasing the yield of fruit per acre requires new planting or re-planting with improved varieties, whose yield is three times as great as that of wild palms. But it seems very doubtful whether individual farmers can or should be encouraged to launch upon replanting. For the truth is that in the modern world the oil palm is essentially a plantation crop. This is because economic production requires simultaneous fulfilment of two conditions: (i) for an extraction rate of 95 per cent to be achieved the factory must be on a large scale, and (ii) for the free fatty acid content to be low the fruit must be treated as soon as picked - the factory must therefore be served by an intensively planted area within a small radius, and harvesting must be under control. Hence it follows that production in plantations of 6,000 to 10,000 acres with a large factory and control of harvesting is much more economical than production on a small scale with hand presses, even if the yield of fruit per acre is the same.

25. Accordingly though it is as necessary to encourage re-planting as in the case of cocoa (or even more urgent, since the competition from high-yielding plantations in other countries is more acute), nevertheless re-planting cannot be left to individual farmers, as in the case of cocoa. Here the partnership achieved between the Regional Production Development Board on the one hand and cooperatives and local authorities on the other is very appropriate. The establishment of oil palm plantations on this partnership basis should be pushed as rapidly as staff and the availability of planting material permit. There is also a case for some subsidy element, to encourage communities to make land available for re-planting.

26. Rubber is potentially a profitable crop in the region - it yields currently as much per acre as cocoa - but, bearing in mind the development of synthetic production and replanting of estate rubber in other countries, the industry will be viable in the long run only if planting is confined to high yielding stocks. Good planting material should be multiplied as rapidly as possible, and distributed free or with subsidy.

27. The farmers need to be taught how to tap their trees regularly and properly, and how to do the elementary processing. It is possible to arrange for the collection of latex, as the Production Development Board has done, for processing in a central

factory, but the difference in price between the better and the inferior grades of rubber is so small as to make this a doubtful proposition. Smallholders in the Far East produce nearly a million tons of rubber of adequate grade, and the Nigerian farmers should be able to learn to do the same for themselves. It seems better to use public funds for launching a big extension programme in the rubber area, than to use them for establishing more plantations or more rubber processing plants.

28. Coconuts are another crop which is very suitable for small farmers. However if the extension officers of the Agricultural Department are to engage in big planting programmes for cocoa, and for rubber in the next five years, as well as possibly, maize, they will have their hands pretty full. Coconuts might therefore be left to the next five-year programme, when more officers will be available.

(d) Plantations.

29. One of the chief reasons why private plantation companies have been discouraged from entering Nigeria in the past has been the Africans' fear of possible political consequences if large areas of land were alienated. In the new political situation there need no longer be any fear on this score in the Western Region. If private companies wish to establish plantations in this Region, I see no reason why they should be discouraged, provided that they pay market prices for land, that they pay reasonable wages, and pay the appropriate duties and taxes; and also provided that the total amount of land involved remains small. If, for example, enough plantations were established in the next few years to provide employment for 5 per cent of the adult male population (say 100,000 persons or 500,000 to 1,000,000 acres of land) the Region could benefit substantially, and could not lose. On the other hand I see no particular reason why the government should go out of its way to encourage private persons to establish plantations, except in the case of oil palms. Cocoa, rubber and citrus are crops which the farmers can handle well enough, with the help of a much expanded extension service. The oil palm, however, is now essentially a plantation crop, and if the industry is to remain viable in coming decades the Region should welcome the establishment of a few plantations, and should take some initiative in the matter.

30. Much the same can be said of the plantation policy of the Regional Production Board, except that, since the government is short of money, it should discourage all plantation investments by the Board except those which are absolutely necessary. There is no case for the Board to establish any more cocoa or rubber plantations on its own, or to launch upon the production of rice on plantation scale. There is a case for trial plantations of new crops (citrus, cashew nuts, livestock, coconuts) to discover or demonstrate their profitability. There is also a case for plantations in part support of large scale processing plants, until such time as small farmers' production in the area is adequate to supply the factory (citrus, sugar - but sugar is a doubtful proposition anyway, since the Cuban surplus production will keep sugar prices low for some time yet). In fact all the proposals for establishing new plantations which are now before the Board should be put into cold storage for the next five years, or until such time as the Government has more capital to spare from other uses. In addition to the fact that the Government is now very short of money, there is also the need for the Board to consolidate its activities, and to ensure that its accounting methods and its administrative procedures are appropriate to the large investment which it already has in hand.

31. The most useful sphere for the Production Board in agriculture is in the establishment of small partnership plantations, with cooperatives, individuals, and local authorities. This programme should by no means be confined to oil palm plantations, but they should be given some priority. The Board's agricultural programme now contemplates starting during the next five years £6,000,000

of its own plantations (including Owu-Ijebu, already approved) and £500,000 of partnership plantations. It would be better to cut the first of these programmes to zero, and to provide for expanding the second to up to £2,000,000.

32. The Board's partnership policy should be very flexible. Since the principal object is merely to encourage farming by Africans in units of from 100 to 1,000 acres, it is not necessary to insist on full control of operations by the Board, and there may even be disadvantage in doing so. There is no reason why the Board should not operate even at the other extreme namely, serving as a contractor in offering to establish plantations for a fee, and ending its connection after the trees are a year or two old. The Board's chief asset is its ability to hire technical knowledge about the proper layout of plantations and the right planting material, and this asset should be deployed in as many ways as are capable of achieving the object of encouraging as many African farmers as possible to adopt large scale production. There is also no reason why the Board should collaborate only with cooperatives and local authorities, to the exclusion of individuals and families.

(e) Agricultural Finance.

33. The Finance Corporation provides in its estimates for additional loans to agriculture in the next five years totalling £5,210,000, distributed as follows:

Cocoa spraying equipment	£150,000
Seasonal loans	£500,000
Planting loans	£4,560,000.

The first two categories are repayable in the course of a year, but the third is for planting tree crops, and repayment is not to begin until the trees come into bearing.

34. The proposal to lend £4,560,000 to farmers on long repayment terms requires to be considered with great care. It is beyond question that farmers must be encouraged to do much planting and re-planting in the next five years, especially in cocoa, rubber and oil palm, subject only to the availability of selected stocks and of extension staff. It might, however, be more effective and economical in the end to subsidise re-planting than to make long-term loans for the purpose. Loans involve costs in assessing the creditworthiness of the borrower, and in collecting interest and repayments; probably also defaults will amount to as much as 25 per cent on loans of such long duration. A loan of £10 in these circumstances will probably cost as much as a subsidy of £3, whereas a subsidy of £3 is likely to be much more effective in encouraging planting than a loan of £10. I therefore incline to suggest that this loan programme be drastically pruned, and a subsidy programme instituted in its place. The argument that farmers cannot afford to plant without large loans per acre is not plausible, with produce at its present prices. Millions of acres of rubber, cocoa, coffee and coconuts have been planted by peasant farmers all over the world without government loans. The argument for a subsidy is based not primarily on the farmer's lack of finance, but rather on compensation for the loss incurred temporarily when low-yielding trees are replaced by new cultivations, and on providing an additional incentive to plant.

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35. There is room for a programme of long-term loans, but it is best tied to schemes for the encouragement of group planting and other large scale African projects. Loans should be available to individuals, cooperatives or local authorities for planting schemes in units ranging from 30 acres upwards. It has already been suggested (paragraph 32) that the Production Development Board might assist in the establishment of such plantations, in ways falling short of partnership, and its opinion might be sought by the Finance Corporation on applications for such loans.

36. It is also not very clear why it is considered necessary to set aside £500,000 for short-term seasonal loans. Such loans are justified in two circumstances: (i) If there is a campaign for farmers to use more short-term capital, such as fertilisers or better equipment; or (ii) if the farmers are in the hands of moneylenders who exploit them by charging high rates of interest, or by buying their produce below market rates, or by selling consumer goods to them above market prices. Neither of these circumstances is significant at present. The loans would not be used to increase working capital; and there does not seem to be significant exploitation of the farmers by moneylenders. The present circumstance is that the farmers are able to finance food production out of their own resources. There may therefore be room for a small programme of short-term loans at present, and for a much bigger programme later when the farmers need more working capital, but there does not at present seem to be need to set aside as much as £500,000.

37. I have also grave doubts about the machinery through which the Finance Corporation proposes to make agricultural loans. The Ordinance provides for the establishment of 42 Local Loans Boards, covering an average population of 150,000 persons per Board. Experience elsewhere suggests that in lending small sums of money to farmers it is best to work through the agency of village credit societies, at the rate of one to each 1,000 to 5,000 of population. One of the principal costs in making small loans is to know the borrower personally, so as to assess his creditworthiness, and to keep in touch with his movements and collect principal and interest from him at the appropriate times. The officers of a small village society know all their members, and can perform these functions very cheaply. The officers of a board covering 150,000 persons, on the other hand, cannot have this advantage of personal knowledge. I would therefore have preferred to see the emphasis put upon establishing cooperative credit societies at village level. (For farmers in the large towns the ward would probably have to be the basis.) The Cooperative Department in this Region has given its mind mainly to marketing, urban thrift, and (recently) consumer cooperatives. It should now seek to create a wide network of cooperative credit societies, and its staff should be considerably expanded for this purpose.

38. As I envisage the structure, agricultural finance should be the responsibility of the following agencies:-

- (a) The cocoa spraying equipment loans would be made directly by the Corporation, on the recommendation of the Department of Agriculture.
- (b) Seasonal loans would be made by the cooperative credit societies, financed by the Cooperative Bank, whose funds should be increased by another £150,000 for this purpose.

- (c) Planting loans would be made directly by the Corporation, for large scale projects only, usually on the advice of the Production Development Board.
- (d) Planting subsidies would be administered by the Department of Agriculture, whose extension Officers would certify that planting had been done on approved lines.

I do not see any useful place for the proposed Local Loans Boards, mainly because I do not support the vast programme of planting loans which they were intended to carry out.

39. If these suggestions were accepted the Finance Corporation would receive for agricultural loans say £4,560,000 less than it is asking for. It would receive £150,000 for loans for cocoa spraying equipment, and say £500,000 for loans for projects of 30 acres and upwards. At the same time about £150,000 would be allocated to the Cooperative Bank for seasonal loans, and the Department of Agriculture would receive an annual allocation for planting subsidies.

(f) Staff.

40. It is clear that the execution of an adequate agricultural policy requires a tremendous multiplication of the staff of the Department of Agriculture, at all levels.

41. The greatest deficiency is at the level of Agricultural Assistants, of whom there are now only about 60. The Principal Cocoa Officer states that he could use 500 at once on cocoa extension work. Several hundred more will be needed to supervise a cocoa-replanting-subsidy scheme, and more hundreds for a rubber planting programme, and for popularising the new high-yielding varieties of maize. If, in addition, there is to be a substantial programme of agricultural loans, much of the reporting and supervision will fall upon Agricultural Assistants.

42. It is therefore quite modest to set a target of 500 Agricultural Assistants in 1960, and 1,000 in 1965. This involves the provision of training facilities adequate for an intake of about 200 a year (compared with 40 at present), of whom some will be selected for higher training as Assistant Agricultural Officers, and allowing also for failure and wastage. At the same time, if the Department is to attract so many recruits, the salaries of Agricultural Assistants must be raised substantially above those of other School Certificate entrants to the Civil Service. Once they have qualified, Agricultural Assistants should be paid about £50 a year more than School Certificate entrants to the clerical grades of similar length of service.

43. More use can also be made of men whose education has not proceeded beyond the primary level. These can be taught certain specific operations which they are in turn to pass on to the farmers. If large re-planting programmes are launched, there will be room for another 1,000 to 2,000 of these by 1960.

44. The work of extension officers is greatly facilitated where farmers are organised to interest themselves in possibilities of increasing yields. The time has probably now come to found a Western Nigeria Agricultural Society, with a branch in every district. Such a society would not concern itself with prices, subsidies, marketing or other questions of agricultural policy, which are the proper business of a Farmers' Union; its sole concern would be with the technical side of agriculture, organising visits to demonstration farms, exhibitions, courses in new techniques (e.g. black pod spraying), meetings with extension officers and other speakers, and any other activity likely to increase productivity. It would

also publish its own journal in English and in African languages. Organising branches of an Agricultural Society and working through these branches should be one of the chief tasks of Agricultural Assistants.

45. The Department of Agriculture's allocation for research must also be greatly increased. The contribution of research to economic growth is not always fully recognised in the public mind. For example, in the United States of America, where income per head has increased by about 2 per cent per annum over the past eighty years, about one half of the increase has been due to investment of capital, and the other half to technological progress. But the United States of America spends on research nearly one per cent of its national income, for which a comparable figure in the Western Region of Nigeria would be over £2,000,000 a year. Expenditure on research and education is more productive than any other investment. Evidence of this can be seen in Nigeria. The very small sums spent on maize research have already in five years brought the country to the verge of the possibility of doubling the yield of maize; and the expenditure on research into black pod cocoa disease has been a tiny fraction of the value of the resulting increase in the crop. The Western Region should plan to spend large additional sums on research, giving priority to selection and breeding of varieties in cereals, in cocoa, in yams, and in rubber, to pest and disease control, to fertiliser trials, and to the storage of foodstuffs.

46. This expansion of research activities, as well as the launching of a much enlarged extension programme, demands a very considerable increase in the senior staff of the Department of Agriculture. The Department is notoriously short of senior staff, and very special efforts must be made to recruit the numbers required. There is no hope of finding any significant number of scientists if the search is confined to the United Kingdom, or if the present scale of salaries is offered. A decision must be taken to rely for the next ten years or so on special recruitment of non-British officers on enhanced contract terms. The chief hope of large recruitment is in using the good offices of the United Nations Food and Agriculture Organisation (F.A.O., not to be confused with F.O.A., an American agency whose interest in Africa is extremely restricted). A special recruiting mission to Holland, to Germany and to the U.S.A. would also achieve some results if adequate salaries were offered.

47. Having regard to the difficulty of recruiting scientists I should like to make a suggestion which the Department may find unorthodox. Some of the work to be done at the senior level, especially in organising the extension service and in supervising planting campaigns, does not require high academic specialisation; it could for example be done by people with the sort of experience of a Malayan rubber planter, and might even be done better by such people than by scientific agriculturists from the universities, since the job of supervisors in an extension service calls for expertise in management and in human relations rather than in agricultural science. It is therefore a mistake to recruit only scientists from the universities, and a waste of scarce resources to use such people for work which could be done as well or better by practical men, instead of concentrating them upon research. It is also probably easier at present to recruit a large number of practical planters to supervise extension work and planting campaigns than it is to recruit scientists. Accordingly I suggest that efforts be made to recruit on contract as many practical planters as the Department can absorb, and that their services be used to release other officers for scientific work.

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III. INDUSTRIALISATION

(a) Prospects.

48. From the point of view of large scale industrial projects, Lagos is economically within the Western Region, sharing with Ibadan such market as there is. Lagos has certain advantages, especially with regard to imported raw materials, with regard to available skills, and with regard to access to the ports of Eastern Nigeria. Nevertheless there is room for industrial expansion at Ibadan, especially if the public services can provide adequate electricity and water supplies, and if technical training is stepped up. The proposal to establish an industrial estate at Ibadan is commendable.
49. Elsewhere in the region there is room for the growth of small scale industries, such as small clothing factories, grain mills, ice factories or furniture factories, but expansion is handicapped by the limited provision of electricity and of water. Expansion of these two public services is an urgent priority for industrial reasons, as well as for reasons of health and domestic comfort.
50. There are already significant beginnings. Including Lagos, the Region has factories for manufacturing clothing (singlets, shirts, socks etc), furniture, boxes, boats, pottery, soap, margarine, soft drinks, beer, canned fruits, cigarettes, plywood, oil drums and oxygen. There are also small engineering workshops, printeries, tyre re-treading works, and grain mills. According to the International Bank Mission, a large biscuit factory is also under consideration by private interests.
51. Building materials are usually one of the earliest factory processes to develop. Unfortunately materials for making cement have not yet been discovered in the Western Region. There are materials for making bricks, tiles and other building earthenware, and the possibility of exploiting these on a small scale for local markets is well worth the attention of the Production Development Board.
52. Much the most promising line of development is the manufacture of cotton cloth. It is true that the major competition is with India and Japan, where wages are low and profit margins are fine, but there is also some advantage in the existence of the raw material within the country. It is specially worthwhile to tackle cotton manufacture because the market is so large, when compared with other potential manufactures, that once the teething troubles are overcome a very substantial expansion of employment will be possible.
53. I attach considerable importance to measures designed to prepare the country for industrial expansion (such as technical training, electrification, the development of urban water supplies, industrial estate facilities) and to measures to assist industrial enterprises through their teething troubles (such as Pioneer income tax reliefs, temporary tariff protection, Industrial Extension Officers, government loans, and government participation in large scale enterprises) because of what I have said at the beginning of these notes about the inevitable shift of population from rural to urban life. This shift will take some years to gain momentum. The improvement of productivity in food production still waits upon the results of research, and if the export prices of agricultural crops continue to fall, it will also delay the shift of population out of agriculture. On the other hand it also

takes time to create conditions favourable to industrialisation. The next ten years should be considered, in industry as in agriculture, as a time of preparation, when the emphasis should be on laying the foundations for progress in both spheres.

(b) Agencies.

54. The Production Development Board has provided in its estimates a sum of £3,100,000 for rubber tyre, metallurgical and cement factories. None of this is likely to be required, unless deposits of limestone suitable for making cement are discovered. The Board should concentrate its energies in the next five years on managing the factories it already has and on its textile, tanning, building society and industrial estate projects, for which it estimates expenditure of another £1,500,000.

55. The responsibility for developing small scale industrial projects run by Africans is shared by the Department of Industries and by the Finance Corporation. There is scope for multiplication in the spheres which already exist, especially clothing factories, grain mills, repair workshops, metalworking, printerries, bakeries, ice factories, and furniture; and for new ventures in bricks and tiles. The budding engineers and metal workers deserve special assistance since a great deal of metal manufacture and of engineering ultimately grows out of this experience. From repairing bicycles to manufacturing motor cars was a continuous evolution in the industrial life of Lord Nuffield.

56. The Industries Department plans to employ a number of Industrial Extension Officers to help small industrialists. It describes their qualifications somewhat ambitiously. What is required are practical men with workshop experience, at about the level of foremen or charge-hands, and it is not in any case likely to get more than this for the money it offers. These officers will have to work in close touch with the Finance Corporation. The programme merits strong support.

(c) Industrial Loans.

57. The Finance Corporation provides in its estimates for lending at a rate which will leave it with over £1,000,000 outstanding in industrial and commercial loans in 1960. In the past six years its loans for these purposes have averaged (excluding buses) just under £3,000 apiece, so one may deduce that it expects to have about 400 such loans outstanding (including finance already provided). This programme is commendable, provided that certain rules are observed :

- (1) People should not be lent money to set themselves up in new business of a kind of which they have no previous experience. The Corporation should confine itself to borrowers who have already proved themselves to be capable, and who have demonstrated that lack of finance is their chief deficiency.
- (2) The Corporation should not lend without having a full report from an officer of the Industries Department, or from some other competent technical adviser, on the technical competence of the borrower and the commercial feasibility of his proposals, as well as other evidence as to the borrower's personal creditworthiness.

- (3) If the advisers suggest changes in the borrower's business designed to improve its technical or commercial efficiency, the Corporation should insist on the advice being accepted before agreeing to a loan.
- (4) The Corporation should make certain that its loans are actually used for the purposes for which they are granted; it should pay the borrower's suppliers in preference to passing money to the borrower.
- (5) Officers of the Corporation or the Industries Department must have a right to inspect the business or its books so long as the loan has not been repaid, and should in fact keep in close and helpful touch with the business.

58. Such rules are necessary because it is very easy to throw public money down the drain by lending it to inexperienced or unscrupulous borrowers. The Corporation seems to have inherited a careful record in this respect, and should jealously guard its reputation.

59. The Regional Development Board made 102 loans in this category during its first five years, most of which are still outstanding. Given that further expansion must be tied to the recruitment of Industrial Extension Officers by the Industries Department it seems unlikely that it will be feasible to cope with an additional 300 loans outstanding in 1960, but the financial provision should start.

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IV. THE FINANCIAL PROGRAMME, 1955-60

(a) Some Priorities.

60. According to the Draft Policy Paper on Development (Appendix 'A') the Regional Government's revenue in the current year 1955/56 is estimated at £12,995,000, and its recurrent expenditure (excluding Public Works Extraordinary) at £11,819,000. Assuming that additional revenue is raised from Produce Sales Taxes and from Import Duties (as recommended by the International Bank Mission), revenue in 1959/60 should be £1,105,000 larger. Expenditure on Primary Education, however, will increase by £1,585,000, not including a deficit on local authorities accounts of another £1,520,000 also on Primary Education. The Draft Policy Paper concludes that there is very little scope for increasing any other service between now and 1960. The other increases it proposes in the economic services (appearing under the heading "Phase II") are as follows:-

Agriculture, Forestry, Veterinary	...	224,000
Cooperatives	...	15,000
Department of Industries	...	5,000
Technical Education	...	32,000
Survey	...	6,000
Public Works Recurrent	...	86,000

In addition, the Paper provides for capital expenditure during the next five years to the extent of £26,000,000. I wish to suggest certain changes in this pattern.

61. In the first place, the allocation to the Department of Agriculture is quite inadequate. The main hope of having larger revenue in the 1960's with which to pay for education, public health and other services then required, rests upon a considerable expansion of agricultural expenditures now. For example, by 1959/60 the production of planting material should be costing an extra £300,000 per annum, staff training an extra £100,000, extension staff an extra £200,000, research staff an extra £50,000, and planting subsidies an extra £150,000. The Department's allocation for 1959/60 should therefore be at least £800,000 more than its allocation for 1955/56.

62. Similarly, expanding the work of the Cooperative Department will call for another £50,000 by 1959/60: and expanding the work of the Industries Department will call for another £20,000. An appropriate expansion of technical education would also easily absorb another £100,000.

63. In other words something like £800,000 to £1,000,000 a year must be provided for the government's economic services by 1959/60 beyond what is now proposed in the Draft Policy Paper. The development of these services cannot bear further postponement. In addition, my suggestions involve some fall in revenue during 1955/60 since the cutting of cocoa for re-planting would reduce the immediate receipts from export duty.

64. Now, if more must be found for some services, either other services must be pruned, or more revenue must be raised, or there must be drafts on capital reserves.

65. Two of the largest items in the budget are primary education and health, where a determined effort is being made to catch up on past deficiencies. It is beyond question that health and education expenditures in this Region have been grossly inadequate, and will still be inadequate even when the present programmes are completed. If the people are willing to pay the extra taxes required to finance these programmes it was an act of bold statesmanship to launch them at accelerated pace-statesmanship of the same order as is now

required to launch an accelerated programme of agricultural development. But if the people are not prepared to pay extra taxes to finance extra social services it would have been better, following for example the Indian pattern, to set less ambitious targets, and to give high priority in the initial stages to economic development. I assume, however, that the health and primary education programmes are now firm political commitments, and that retrenchment must be sought elsewhere.

66. That some pruning of other services can be done is beyond question. Actual expenditure of the Region in 1953/4 was £6.5 million, and approved expenditure for 1954/5 was £11.9 million. In the process of this 80 per cent expansion the administrative budget has been allowed to swell without that strict Treasury control of every item of expenditure which is essential in order to keep down waste in the public service. Consequently when the Estimates for 1956/7 are being prepared, the Ministry of Finance should be instructed to wield the hatchet, and Departments should be called upon to defend every item in their budgets. Or alternatively the total vote of each Ministry should be cut by a block deduction, leaving it to the Minister and his Heads of Departments to decide where their own priorities lie. It is essential to establish firm Treasury control as early as possible if the Region is not to acquire bad financial habits. There is no hope that pruning of other services will produce as much as the extra million pounds a year now required for economic services, but it is hard to believe that another £250,000 to £500,000 could not be found by determined effort.

n (b) The Search for Revenue.

67. The fundamental fact of the financial situation is that the government's revenue is too small for the services it is expected to provide. The reason for this is that the people of the Western Region pay too small a proportion of their incomes in taxation. Their total tax payments may be estimated as follows:-

To local authorities	...	£2,600,000
To the Regional Government	...	11,800,000
To the Federal Government,		
approximately	...	11,000,000
Marketing Board surplus, assuming		
cocoa at £285 per ton	...	1,000,000
		<u>£26,400,000</u>

This is only 11 percent of the Region's national income. Other tropical countries, such as Malaya, Ceylon, or the West Indies, pay 15 to 20 per cent of their incomes in taxation, and so does the Gold Coast. Hence it is not surprising that these countries have better educational, medical and other facilities than has the Western Region of Nigeria, and not surprising that a government which is determined to remedy these deficiencies finds itself very short of money.

68. Not only is the absolute amount raised too small, but in addition the distribution of the burden is inequitable. If Nigeria resembles other countries, the 10 per cent of the population with the largest incomes receives at least 35 per cent of the national income. This top 10 per cent does not make its fair contribution to the revenue because African incomes are not subject to the Income Tax levied by the Federal Government. There ought to be at least 200,000 African Federal income taxpayers in the Western Region, and even if the income tax took on the average only 10 per cent of their gross incomes its yield should be £7,000,000 to £8,000,000 a year. The principal reform needed in the fiscal system is to bring the larger African incomes within the Federal Income Tax system.

69. The Nigerian Income Tax system is unnecessarily complicated. It is tied up in the public mind with the Direct Tax assessed by local authorities, which it ought not to be. The two systems should be made quite separate. Also, all racial distinctions should be abolished. Every income earner should be assessed for tax by his local authority, whether he be African or expatriate, and whether or not he is also assessed for income tax by the Federal Commissioners of Inland Revenue. The Federal income Tax should be levied on all incomes above £150 a year, with appropriate allowances; e.g. 20 per cent of income allowed for a wife, up to a maximum of £300.

70. It does not pay to levy a proper income tax on incomes below £150 a year because of the cost of assessing and collecting numerous small sums. On the other hand the minimum should not be raised above £150 a year. Since the average income in the Western Region is only about £100 a year, a person earning £150 is in an upper income bracket (he belongs to the "middle class"), and he should be called upon to bear his share of the cost of public services - especially as people earning £150 to £200 in this Region benefit much more from the public services (education for themselves and for their children, medical services, water supplies) than do the great bulk of the community who earn less than £150 a year and live in places not well supplied with public services. The Nigerian income tax system is based on the theory that persons earning less than £1,000 a year can afford to pay only trivial sums in income tax. The effect of this is merely to shift a heavier proportion of the cost of public services upon the farmers and other persons earning £100 a year or less than they deserve to carry.

71. A substantial increase in local taxation is also necessary. This is not merely because even with present commitments the local authorities will find themselves with deficits amounting to £1,500,000 annually by 1959/60. For if it were merely a matter of balancing the local authorities' accounts one would need only to make larger grants to local authority services, or to assume more of these services on to the Regional budget.

72. The case for the local authorities raising larger revenues is the same as the case for the local authorities assuming more initiative in determining what the local services should be. Local authorities should to a large extent decide for themselves what they want for their areas in terms of education, medical service, water supplies and provincial roads, and they should make these decisions in the light of the extent to which they are willing to tax themselves for the purpose. The Regional Government should stand ready to pay grants-in-aid of 50 to 75 per cent, and leave the initiative to the local authorities. Progressive authorities would then tax themselves heavily, while backward authorities would be content with a lower standard of service. The Regional Government is naturally anxious that local services should not fall below a minimum level, but since it does not itself have the funds to provide services for all, it ought to be rather glad if there are some laggard areas to which it need not turn its attention until a later date when it has more money at its disposal. This is not the time to be forcing down the throats of some backward local authorities a standard of service which they are not prepared to pay for themselves and which the Regional Government also cannot afford. I therefore suggest that the Regional Government should reduce the proportionate contribution which it is prepared to make towards certain services, and should leave it to local authorities either to curtail these services or to raise more money to pay for them.

73. The need to raise more revenue is inescapable. It does not depend on the proposals I have made for expanding the economic services. Even if there is no increase whatsoever upon the commitments already entered into in 1955/6, there is going to be a deficit of £3,150,000 in 1959/60, due simply to the expansion of education and health commitments (£1.6 million deficit on the Regional budget,

..... and

and £1.5 million on the local authority budgets). This is shown as "Phase I" in the Draft Policy Paper. "Phase II" is based on the assumption that import duties and sales taxes will be increased to the extent of £2.4 million a year. This would wipe out the Regional government's deficit, and allow for some small expansion of services, but the local authorities would still have their deficit of £1.5 million unless they also increased their tax rates. It is not therefore possible to escape an increase in taxation merely by deciding to leave the economic services at their present level. By 1959/60 Regional and local governments together must increase their revenues by at least £3 million if they are to balance their budgets, and by at least £4 to £5 million if they are to provide for economic development and for other modest expansion. Moreover, as will appear in the next section, capital expenditure during the period 1955/60 is expected to absorb practically the whole of the existing capital reserves, so if capital expenditure is to continue at a rate of over £5,000,000 a year after 1960 some further contribution from revenue is likely to be necessary; a target of £7,000,000 or £8,000,000 a year more of revenue for the Regional and local authorities together by 1960 seems to be required. And even with this increase their share of the national income would still be small in comparison with the share of governments in other developing countries.

74. It is of course politically unpopular to try to make the electorate see that it must pay more if it wants more service. Fortunately the problem is not confined to the Western Region. Political leaders in the Eastern Region must be in the same quandary - or even in a worse quandary because of the greater poverty of their Region. It should therefore be possible for the two major political parties in the East and the West at least to collaborate in bringing about a reform of the Income Tax by the Federal Government, which would raise more money for all the Regional Governments. Since all the political parties are in the same situation with respect to revenue, they ought to be able to find a means of lifting this problem out of the political party arena. Perhaps the 1956 constitutional discussions would provide an appropriate occasion for reaching agreement on this subject.

(c) Capital Expenditure.

75. The Draft Policy Paper estimates that £28,500,000 may be available for capital expenditure during the period 1955-60. The Paper proposes capital expenditure amounting to £26,000,000. This assumes that the Finance Corporation will receive an extra £3,000,000, compared with my suggestion of £2,220,000 (£650,000 Agricultural, £820,000 Industrial and Commercial, and £750,000 Local Authority loans). It assumes also that the Production Development Board will receive an extra £4,000,000, compared with my suggested £3,200,000 (existing schemes £1,100,000, plus partnership plantations £2,000,000, plus industrial projects £1,500,000, less already received £1,400,000). On the other hand I have proposed allocating £150,000 to the Cooperative Bank, and have proposed additional expenditures on economic services in paragraphs 61 and 62, whose capital counterpart will be about £500,000 more than is already provided for in "Phase II". So the net capital surplus would be about £3,500,000. This is a doubtful figure. The Policy Paper assumes that the Marketing Board will make £5,000,000 profit in the next five years, which will be transferred to the Government's capital account. If present prices continue, however, the Board will just about break even, and the Government's capital programme, even after the further prunings which these notes have suggested, will then exceed the funds available for capital expenditure.

76. Capital expenditure at the proposed rates would amount to just over 2 per cent of national income. Even when we add Federal

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capital expenditure in the Region, the resulting percentage is in no way abnormal. Expenditure at this rate is not even expected to put marked pressure on the building and construction industry, though this aspect of the problem has not been adequately investigated. A building bottleneck is the usual result of attempts to accelerate capital investment, and this results not only in long delays, and in excessive profits for contractors, but also in waste of materials, poor supervision, and bad workmanship. The rise of building costs also prevents the available finance from completing all the intended structures. A survey of building capacity ought therefore to be instituted immediately.

77. Building capacity apart, my doubt about the capital programme is associated not with its amount but with its execution. I think that its cost to the government could be reduced if greater reliance were placed upon community development by voluntary labour, especially in the building of schools, which are scheduled to cost £4,400,000, of roads, costing £4,000,000, of health facilities, costing £1,300,000, and of rural water supplies, costing £1,000,000. Experience in other countries shows that costs to the government are reduced by 50 to 60 per cent when projects are built by the community development movement.

78. Costs are reduced not only because the government pays only for materials and skilled labour, but also because more modest standards of construction are adopted. One of the sources of waste in under-developed countries is the tendency to build elaborate and expensive structures in circumstances where something costing much less would do the job adequately. For example, the government considers that schools should cost £200 per classroom, but it is probable that if the villagers were building schools with voluntary labour they would make do with something less costly, so that the same amount of resources would produce more buildings. Similarly the £4,000,000 road programme needs to be watched very carefully; even the International Bank Mission falls into the trap of giving priority to a recommendation that on trunk roads 'A' all single lane bridges should be scrapped. The hospital programme should also be scrutinised; it is now common form in colonial countries to spend on one urban hospital money which could provide three times as many beds at more modest standards in rural areas. This results to some extent from a false national pride, which delights in being able to show off these splendid new structures to visitors and to tourists. But it results also partly from the extent to which politicians live in cities, and so tend to over-emphasise urban beautification at the expense of the countryside. Japan is one of the very few of the less developed countries which have adopted the rule that two not quite adequate buildings are better than one well appointed building costing as much.

79. The desirability of giving greater emphasis to community development also relates to what has previously been said about leaving more initiative to the local authorities. One advantage of community development is that since the labour is voluntary, people will build only what they really want. Another and more general advantage is that the spirit of self-help is infectious, not only as between communities, but also as between one activity and another, so that once the idea is taken up by a village it results in improvements in every aspect of its life, including the private undertakings of individuals.

80. The neglect of community development in the Western Region of Nigeria seems extraordinary to anyone who knows the great achievements of this movement in other parts of the world - most notably in recent years in South-East Asia. It is most surprising to find that the total allocation for grants-in-aid in "Phase II" is £47,000, when one would have expected to find ten times that sum.

81. The community development movement is successful only in rural areas, among communities of not more than 5,000 people. There everybody knows everybody else, and the community spirit is easily fostered. It has been suggested that one reason for the small extent of the movement in this Region is that the Yoruba people tend to congregate in large towns. On the other hand 55 per cent of the people of the Region live in communities of less than 5,000 inhabitants, and these are ripe for the movement. Success is also confined to projects which benefit the villagers only, and which benefit them more or less equally. This means that the movement can never be the major agency for capital formation, but it still leaves a wide and useful range.

82. The main element in the success of the movement is administrative organisation. There must be a Community Development Officer on the spot whose sole duty is to help the villagers to determine their programme, and to act in liaison between them and the Departments which provide grants, materials, blueprints, and supervision. For success there should be one Community Development Officer to every 20 to 40 villages. The Region should have a target of 100 Officers in service by 1959/60. They should work under the supervision of the Residents. What is needed are men of secondary school background, in their middle years, who can speak the language of the area in which they serve.

83. Expenditure under this programme should be planned to reach £600,000 a year by 1959/60. It would be more than covered by savings in projected capital expenditure.

(d) Budgeting

84. The net effect of the proposals in these notes is to increase recurrent expenditure by about £1,000,000 (apart from Community development expenditure) and to reduce capital expenditure by about £1,000,000 more than it has already been cut for "Phase II".

85. There is no doubt that the proper way to meet the increased recurrent expenditure is to raise more revenue, and no doubt that the Region is lightly taxed and can afford to pay more. The Government will need even larger revenues in 1960/65, and I see no way of raising adequate sums except my suggestion that the income tax be reformed and extended to African incomes exceeding £150 in the Western Region.

86. The question that remains is what should the Government do if increasing its revenues proves to be politically impracticable during 1955-60 and if it is also impracticable to reduce its present commitments? Should it then be content with the limited increases in economic services which are proposed in the Draft Policy Paper? My answer is definitely in the negative. There can be no justification for failing to take steps to increase the productive capacity of the Region within the next five years. If the recommended expenditure cannot be met out of revenue, then it should be met by further running down the capital reserves, or even if necessary by further borrowing, e.g. from the Currency Commissioners. The possibility that recurrent expenditure may have to be met out of capital is one of the reasons why I have been so anxious that only the most urgent capital programmes should be sanctioned in the next five years.

87. It may seem strange to suggest that recurrent expenditure be met even in the last resort from capital, but several factors must be borne in mind. First, what is here called "capital" is really accumulated revenue. Some of it has not even yet accumulated - the

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expected \$1,000,000 a year surplus of the Marketing Board would perhaps be more appropriately credited to revenue than to capital, and would then meet the cost of my suggestions. Secondly, it is erroneous to think that the only useful way to spend capital is to invest it in buildings and other structures; investment in people is just as productive, in the literal sense that pound for pound it causes the national income to grow just as rapidly. Spending on agricultural services and on technical education is therefore as good a way of using up one's finance as is investing in roads or rubber plantations. What is dangerous is to undertake permanent recurrent expenditure from a source of funds which is certain to dry up after five years. However in this case one may hope that new funds may by then become available, to some extent in consequence of the expansion of the national income (which is the purpose of the proposed expenditure), and also possibly because some stabilisation of the political situation may make it easier then to raise the revenues required.

88. But having said this I must reiterate that in my opinion the appropriate remedies are the adoption of the income tax, and an increase in the revenues of the local authorities; and the political parties have a common interest in taking this issue out of the arena of party dispute.

V. SUMMARY OF SUGGESTIONS

- (1) Expenditure on agricultural research should be multiplied several-fold. While research on the problems of settled agriculture must continue, more priority should be given to researches into cereals, root crops, pulses, livestock, cocoa, rubber, and the storage of foodstuffs (paragraphs 7 to 13, 45 and 61).
- (2) More research is also required into the economic aspects of agriculture; especially into marketing, into the economies of scale, into land tenure, and into the conditions for encouraging investment in land (paragraphs 14, 15 and 31).
- (3) There should be a considerable expansion of facilities for multiplying selected strains of maize, cocoa, rubber, citrus and other crops, for distribution to farmers (paragraphs 19, 26 and 61).
- (4) There should be campaigns for replanting the cocoa area with selected strains, for planting rubber, and as soon as research results are available, for planting the new strains of maize. The re-planting of cocoa should be subsidised, and possibly also the replanting of oil palm in group schemes, and new planting of rubber. Information should be obtained on the smallholders' rubber replanting subsidy scheme adopted by the government of Malaya (paragraphs 18 to 21, 25 to 27, 34 and 61).
- (5) There is a great need for extension workers to assist in these planting campaigns, in cocoa disease control, and in the work of the agricultural finance agencies. There should be a target of 500 Agricultural Assistants in 1960, and there should also be a considerable expansion in the category of Field Overseers. The salaries of Agricultural Assistants should be raised substantially above the salaries of other School Certificate entrants to the Civil Service (paragraphs 20, 27, 41 to 43, 38 and 61).
- (6) The scientific staff of the Department of Agriculture should be extended to the maximum permitted by the availability of recruits. There should be an active recruiting campaign in foreign countries and through the United Nations F.A.O. (paragraph 46).
- (7) The Department of Agriculture should recruit for supervision of extension workers and of planting campaigns senior staff with practical planting experience, irrespective of academic qualifications (paragraph 47).

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(8) The Regional Production Development Board should start no new plantations of its own before 1960, but should greatly expand its partnership schemes, in a wide variety of forms, giving special attention to the planting of oil palms (paragraphs 30 to 32, 35 and 38).

(9) Private expatriate firms should be permitted to establish plantations up to a limit of employing not more than 5 per cent of the gainfully occupied population; a special welcome should be given to oil palm plantations; cocoa and rubber should be regarded primarily as smallholders' crops (paragraph 29).

(10) The proposal for long-term loans to farmers for planting should be replaced by a subsidy programme. The Finance Corporation should confine its long-term loans to schemes involving production in units of 30 acres and upwards (paragraphs 20, 21, 34 and 35).

(11) The best vehicle for handling short-term loans to farmers is the village cooperative credit society. The Cooperative Department should greatly expand its staff and should launch a campaign for establishing such societies. The Cooperative Bank should receive an extra allocation of £150,000 for lending to such societies (paragraphs 37, 38 and 62).

(12) Cotton textiles offer the best prospect for the development of large-scale manufacturing industry in the Western Region in the immediate future. The Production Development Board should concentrate its industrial energies here, and upon its tanning, building society, and industrial estate projects (paragraphs 52 and 54).

(13) There is considerable scope for developing small scale industrial enterprises, which should be encouraged by the Industrial Extension Officers of the Industries Department, and by the loans programme of the Finance Corporation (paragraphs 55 to 59).

(14) Expenditure on the Departments of Agriculture, Cooperatives, and Industries, and on technical education should be at least £1,000,000 greater in 1959/60 than in 1955/56. The proposal in the Draft Policy Paper to restrict the expansion of these services should not be entertained (paragraphs 61 to 63).

(15) A determined effort should be made to prune the recurrent expenditure of some other departments (paragraph 66).

(16) The level of taxation in the Western Region is too low. It is substantially lower than is necessary if the country is to be developed, and substantially below the level of taxation in other progressive tropical countries. Every person in the Region earning more than £150 a year should be liable to pay the Federal personal Income Tax, in addition to paying Direct tax to local authorities. A moderate tax could raise another £7,000,000 to £8,000,000 a year for the Region from this source. Agreement should be sought between political parties for Federal action to reform income tax legislation (paragraphs 67 to 70, 73 and 74).

(17) Local authorities should be allowed more initiative in determining the size of education, public health, water supply and road programmes, and should bear a larger part of their cost. More revenue should be raised by local taxation (paragraphs 71 to 74).

(18) The capacity of the building and construction industry to execute capital construction at the proposed rates should be investigated (paragraph 76).

(19) The Community Development programme should be greatly expanded. Up to 100 officers should be allocated for this work by 1960 (paragraphs 77 to 83).

(20) If necessary, the deficit on current account resulting from increased expenditure on economic services may be met temporarily from capital reserves or from new borrowing, but it would be better to increase revenue in the ways suggested (paragraphs 86 to 88).

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E.P.C. (55) 21.

COPY NO:

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11th August, 1955.

Executive Council: Western Region

Economic Planning Committee

Minutes of the 7th Meeting held on Monday, the 1st of August, 1955.

PRESENT:

The Hon. O. Awolowo, Premier and Minister of Finance,
The Hon. the Minister of Agriculture and Natural Resources,
The Hon. the Minister of Development,
Chief Okupe Agbonmagbe,
The Adviser on Marketing and Production,
Mr. A. Ogunsheye.

IN ATTENDANCE:

Professor W. A. Lewis,
Mr. S. O. Adebo, Ag. Permanent Secretary, Ministry of Finance
Mr. H.J.S. Beazley, D.F.C. Ag. Principal Assistant Secretary.
Mr. P. D. Duncan (Secretary).

No comments were raised on the Minutes of the 6th meeting held on Saturday, the 16th of July, which had been previously circulated.

2. MATTERS ARISING: None.

3. MATTERS ON THE AGENDA:

(i) E.P.C. (55) 20 - Notes by Professor Lewis on Economic Policy in the Western Region of Nigeria. After thanking Professor Lewis for his most valuable services, the Premier suggested, and the Committee agreed, that at this meeting members should restrict discussion of Professor Lewis's Notes to settling specific questions with Professor Lewis. The integration of Professor Lewis's proposals with the Development Programme would be discussed at a subsequent meeting. The following points in Professor Lewis's Notes were discussed:-

Paragraph 12; Reference was made to a talk given at the University College in which Professor Lewis had stated that expatriate commercial firms had in the past entered the field of marketing of local food stuffs and found it a profitable business, but that they had been forced to give up this business due to protests that they were taking away the business and livelihood of the local market traders. How were they able to succeed in the absence of storage facilities? Discussion showed that expatriate firms had in fact done little more than indigenous traders, i.e. moved produce from one place to another. They had not stored the produce in times of plenty for distribution in times of scarcity, nor had they undertaken any research into storage problems. It was agreed that a start should be made by finding out to what extent indigenous methods of storage were effective, after which research should be undertaken into other methods of storage with a view to establishing some form of marketing and storage organisation. It was felt that this would ensure that full use was made of whatever knowledge was available.

Paragraph 19: Professor Lewis was asked whether it was his intention that all planting of cocoa should be deferred until high yielding Cocoa seedlings were available. He pointed out that high-yielding varieties mature more quickly and produce two to

three times as much cocoa per acre as ordinary varieties and that therefore it would be most uneconomic to plant any seedlings which were not at least up to T.38 standard.

Paragraph 23: The methods of extraction of Palm Oil used in the Western Region were discussed and it was pointed out that the requirements of oil for export were very different from the requirements of the local market, which was in fact more important in the West than the export market. Professor Lewis pointed out that in spite of this point the fact was that a large quantity of Oil was neither exported nor consumed locally, as it was never extracted at all, and that therefore present processes were not satisfactory. It was agreed that it was desirable to popularise hand presses and to make as much use as possible of Pioneer Oil Mills, especially in association with partnership plantations, e.g. of sizes up to 1,000 acres.

Paragraph 27: It was pointed out that the system of share-cropping of rubber led to slaughter-tapping, which was harmful to the trees, and that in fact training in plantation management was more important than training in tapping. It was suggested that plantations run by the Production Board would set a standard of plantation management which would provide an example for peasant farmers. Professor Lewis said that he would in that case recommend that tree owners should also be taught to pay greater attention to the care of their trees.

Paragraph 28: It was agreed that the planting of coconut trees should continue as at present, but in view of the shortage of research facilities and extension services, it would be necessary to defer expansion of coconut planting.

Paragraph 30: Professor Lewis stressed the importance of a period of re-assessment and consolidation of the work of the Production Board.

Paragraph 34: Professor Lewis informed the Committee that it was his intention that the Agriculture Department should be the agent for disbursement of subsidies, and not the Finance Corporation.

Paragraph 47: It was agreed that senior extension officers need not have scientific qualifications and that they could therefore be recruited on the basis of character and experience. They should be adequately remunerated and assigned a respectable status but it would be necessary, to distinguish them from professional officers by giving them a separate title in the Department of Agriculture.

The Premier expressed the Government's gratitude for the services rendered by Professor Lewis, who then left the meeting.

(ii) E.P.C.(55) 12 } Consideration of these papers was deferred.
E.P.C.(55) 18 }

4. ADJOURNMENT: The Committee decided that the comments of Ministries and Board Chairmen on Professor Lewis's recommendations should be obtained by the Ministry of Finance within fourteen days for consideration in the Ministry and subsequent circulation to members in the first week in September. The next meeting of the Committee was therefore arranged for 30th September and 1st October, 1955, time 10.00 a.m.

P. D. DUNCAN.

SECRETARY

Alan
M...
2/4/55
MA

1st October,

55

1. The Honourable the Premier,
Western Region of Nigeria,
Premier's Office,
Ibadan,
Nigeria.
2. The Honourable the Minister of Local Development,
Ministry of Local Development,
Western Region,
Ibadan, Nigeria.

CONFIDENTIAL (POLICY)PLEASE REPLY DIRECT TO THE COMMISSIONER

COPY TO:- The Secretary to Government.

ECONOMIC DEVELOPMENT OF WESTERN NIGERIA: (a) PULP AND PAPER MANUFACTURE
(b) MATCH INDUSTRY

I have written several times to Government on the advisability of the Government considering actively the possibility of setting up a pulp or paper mill industry in Western Nigeria and a match industry in the Region. So far there has not been a very active consideration of these projects and the last communication I had on this matter was on the 13th June, 1955, from the Chief Industrial Officer, Western Region, in which some of the recent views on the matter were expressed and no certain conclusions seem to have been reached. But a suggestion is made that the Federal Government may consider setting up at Ibadan a Forest Products Research Laboratory to carry out research on pulp manufacture from local raw materials, but up to date no work had been done in the Western Region along the lines suggested.

I am aware that the International Bank Mission in its report feels that paper-making in Nigeria just now is rather an ambitious undertaking and recommends a programme of research on the possibility of paper-making using local materials. I am not yet in possession of an advance report submitted by Professor Arthur Lewis after his recent economic mission to Western Nigeria and as such I do not know of his views on this subject, if the matter was brought up for his consideration. But I still feel that in neglecting this matter, the Regional Government is letting slip an industry which in future years would become increasingly vital to the Government and the people as our plan for education expands. Even if the industry did not compete in world markets for some time, it would be serving considerable local needs and would be preparing people for that time in our development when paper would become a necessity commodity; not only for reading and writing, but for the thousand and one uses to which paper is put in more civilised countries.

I have as an attachment to the letter from the Chief Industrial Officer a copy of the memorandum on the manufacture of paper on a small scale in colonial territories prepared by the Colonial Products Laboratory in London which expresses the view that "Manufacturers consider that it should be possible to produce paper in colonial countries on a small scale economically with this machine". The machine referred to was a particular one costing about £20,000 together with a digester costing about £2,000 excluding the motive power for the machine. I have been informed that in Sweden there are various grades of paper industries, both large and small, which could help us considerably if we really wish to start such an industry and I think that we should quite seriously contemplate starting such an industry now and begin by asking advice from Swedish experts

engaged in small scale production of paper.

As to the making of matches, I do not think there can be much argument against the starting of such an industry, if only on a pilot scale. Matches are a necessity in modern life and they are one of the most elementary things to produce industrially. It is my humble view that some start must be made industrially so as to give our people some experience in the handling of machines and even more important, to enable them to develop the industrial outlook which is so necessary in modern life. I do not know of any reports in existence as to match-making industries in Nigeria, but I think with the abundance of wood at our disposal in the Region, it should be an easy matter to import the necessary chemicals in the early stages and start this industry. In the West Indies and certain countries of South East Asia, match-making is one of the first industries ever begun and I think it is about time we also considered starting some industry which people can see functioning and also absorbing young persons from primary schools for training for more complicated industrial processes which we hope to develop in the future in our Region.

I shall be grateful if an early reply is sent to this memorandum and if it is considered necessary that I should visit Sweden to see these various industries in action and seek advice, I can then make the necessary arrangements with the Swedish Embassy here in London.

(Sgd.) M. E. B. OKORODUDU,

Commissioner

ARCHIVES ONLINE

1st October,

55

1. The Honourable the Minister of Local Development,
Ministry of Local Development,
Western Region,
Ibadan, Nigeria.

2. The Secretary to Government,
Western Region,
Ibadan,
Nigeria.

CONFIDENTIAL (POLICY)PLEASE REPLY DIRECT TO THE
COMMISSIONER

ECONOMIC DEVELOPMENT OF WESTERN NIGERIA: REPORT OF MISSION OF
PROFESSOR ARTHUR LEWIS:

I shall be grateful if a copy of the advance report submitted by Professor Arthur Lewis on the economic development of Western Nigeria is sent to me urgently for purposes of reference.

MRA
Commissioner

S. 30/68



12th October,

55

The Permanent Secretary,
Ministry of Finance,
Western Region,
IBADAN.

We spoke (Duncan - Rosser). The Western Region Commissioner has asked whether he may have, urgently, a copy of Professor Lewis's advance report on the Economic Development of the Region. Can you help please ?

I. N. ROSSER

Ag. Secretary to Government.

69

SLs
/

ff. 65 & 66 to see fl. to have

the part only to copy. I shall

put it in the .AMP.

d.
13/10/1

ARCHIVES OF ONSCAG

Telegrams :

Permanent Secretary: PERMFIN

Control of Establishments



No. 30154/18/67.

MINISTRY OF FINANCE

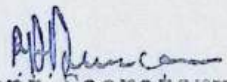
WESTERN REGION OF NIGERIA

IBADAN

α
14 October, 1955.

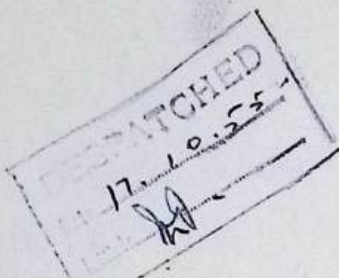
The Secretary to Government,
Western Region,
Ibadan.

With reference to your memorandum No. S30/68 of 12th October, 1955, I forward herewith one copy of Professor Lewis's notes on Economic Policy in the Western Region of Nigeria.


Ag. Permanent Secretary,
Ministry of Finance.

BY AIRMAIL.

S.30/71



17th October,

55

CONFIDENTIAL.

The Commissioner,
Western Region London Office,
18, Grosvenor Gardens,
LONDON, S.W.1.

ECONOMIC DEVELOPMENT OF WESTERN REGION:
REPORT OF MISSION OF PROFESSOR ARTHUR LEWIS.

I am directed to refer to your letter
No. WRN/511/66 of the 1st October, 1955, and attach
one copy of Professor Lewis' notes on economic
policy in the Western Region of Nigeria.

T. N. ROSSER
Ag. Secretary to Government.

72.

Psmo

H. 65 & 66. Have you received a copy
diner? If not, could you pl. have
me made for notes, & return file.

J. 12/10/1

S.T. Re make copy &
bring to me

Ca 17/10

P.S. on D.

Action completed pl.

Ca 18/10

S.G. Copy made and file
returned by W

Ca 24/10

SAS

Perhaps re should now refer to
H/65 & 66 informing the Board that the success
has been reported to the Ministry (which has not
received a copy!) on 24/10/50

73
S.30/73

PREMIER'S OFFICE,
WESTERN REGION,
IBADAN,
NIGERIA.

DESPATCHED
Date 25.10.55
Initials [Signature]

5. October, 1955

The Commissioner,
Western Region London Office,
18, Grosvenor Gardens,
LONDON, S.W.1.

I am directed to inform you that your letter No. WRN/VII/6/1/49 of the 1st October, 1955, has been forwarded to the Ministry of Development for action. (The copy addressed to the Honourable the Minister of Development, appears to have gone astray). 65

T. N. ROSSER

Ag. Secretary to Government.

Promiss

1/25/10/1

You will note the su ff. 65 + 66 which has been passed to HM.D (above)

1/25/10/1
6.6.26/10/10

E.C.(55) 424.

COPY NO: 23

SECRET:

12th November, 1955.

EXECUTIVE COUNCIL: WESTERN REGION.

Memorandum by the Premier.

The Development of the Western Region of Nigeria 1955-60.

As Council is aware the Economic Planning Committee has in the last few months been dealing with the preparation of the Region's Development Programme for the period 1st April, 1955 to 31st March, 1960. After consideration of the detailed proposals submitted by the various Ministries, a first draft was prepared and circulated in June, 1955.

2. Just at the time that that draft was being produced, it came to my notice that Professor W. Arthur Lewis, the well known economist of Manchester University and an authority on development planning, particularly planning in under-developed countries, was about to visit this country on the invitation of the Extra-Mural Department of the University College, Ibadan. I therefore arranged, through the good offices of the Commissioner for the Western Region in the United Kingdom, for Dr. Lewis to be asked whether he would be prepared to spare a few days during his projected visit to study our development proposals and to advise us on them. He willingly agreed and the first fortnight of his time in Nigeria was spent with us. He was in attendance at two meetings of the Economic Planning Committee and subsequently submitted a few notes on the draft Development Paper which, like other documents of the Committee, were circulated to members of Council in the usual way.

3. Professor Lewis conferred with Permanent Secretaries and Heads of Departments before writing his notes and copies of the notes were later circulated to them for comments. The first draft Development Paper was then reconsidered by the Economic Planning Committee in the light of their discussions with Professor Lewis, his subsequent notes, and the comments made upon them by Permanent Secretaries and Heads of Departments. The result is a revised Plan which I now have the honour to submit, under separate cover, for consideration of the Executive Council.

4. Since all the proceedings of the Committee have been circulated to members of the Council, it is not necessary for me to go over them again. I should, however, like to pay tribute in this memorandum to the selfless devotion with which the unofficial members of the Economic Planning Committee have discharged their duties on that Committee. Although I am sure that they are not expecting it, a letter of appreciation from the Council would serve as an encouragement to them.

5. Council is invited:-

- (i) to approve the proposals in the accompanying Paper;

at b. e.

- (ii) to agree that the Paper may be printed and submitted for the approval of the Legislature as soon as possible; and
- (iii) to agree that letters of appreciation should be sent to the unofficial members of the Economic Planning Committee as suggested in paragraph 4 above.

(Intld.) O. A.

Ministry of Finance,
Western Region,
IBADAN.

6th November, 1955.

(30154).

ARCHIVES OF OYSCAO

76

**EXECUTIVE COUNCIL, WESTERN REGION:
CONCLUSION EXTRACT**

To : (1) ✓ Premier's Office For : File Reference
Action/Infm 30154
(2) P. S. M. F. Action/Infm

GPI 553/455/2,000

Meeting 37 of 1955 held on 18/11/1955

Subject The Development of W.R. of Nig.

Memorandum E.C. (55) A 24 by Premier

CONCLUSION REFERENCE 37 (55) 23

- 14 - E.C. (55) Thirtysventh Meeting.

CONCLUSION 23:

Council :-

The Development of the W.R. of Nigeria, 1955-60. E.C. (55) 424. (30154)

- (1) approved the proposals in the attached paper and corrigendum, amended as follows:-

Paragraph 21, Lines 4 and 5. Delete "makes it" and insert "is".

Paragraph 66, line 1. Delete "breeding" and insert "testing, selection".

Paragraph 77, Table 5, line 2, Final Column. Delete "354" and insert "403".

Line 3, final column. Delete "46" and insert "52".

Page 49, Education (Section B), Secondary Education other than Technical, Table XIV. Add a provision of £320,000 for Secondary Modern Schools as described in E.C. (55) 429. The Ministry of Finance to make consequential adjustments to the paper in order to preserve the balance.

Paragraph 143, line 7. Delete "primary School pupils" and insert "adult education classes."

Paragraph 149. Paragraph to be recast and amended to provide for an additional £.5 million referred to in E.C. (55) 435.

- (2) agreed that the paper be printed and submitted for the approval of the Legislature as soon as possible.

- (3) agreed that letters of appreciation be sent to the unofficial members of the Economic Planning Committee.

ACTION BY THE PREMIER'S OFFICE, AND THE MINISTRY OF FINANCE.

*Mr. Speaker Mr. Debesha. Wilson
being taken by M. of F.*

*PA.
1/25/55*

Telegrams :

Permanent Secretary: PERMEIN
Controller of Establishments



MINISTRY OF FINANCE

WESTERN REGION OF NIGERIA

IBADAN

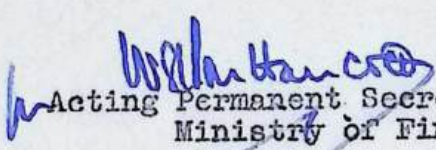
9th December 5
....., 195.....

SECRET

The Secretary to the Premier and
Executive Council,
IBADAN.

I am directed to forward herewith
one copy of Sessional Paper No. 4 of 1955
entitled "Development of the Western Region
of Nigeria".

2. I am to emphasise that this document
is, for the time being, Secret.


Acting Permanent Secretary,
Ministry of Finance.

PA
RR

78
Telegrams: "Westregcom, London"

Telephone: SLOane 5270-5279



No. WRN/VII/6/1/62

OFFICE OF THE COMMISSIONER,
WESTERN REGION OF NIGERIA,
18 GROSVENOR GARDENS,
LONDON, S.W.1

All communications should be addressed
THE LIAISON OFFICER,
OFFICE OF THE COMMISSIONER
FOR THE WESTERN REGION,
18 GROSVENOR GARDENS, LONDON, S.W.1
and the number given above should be quoted.

18th, April, 1956

Secretary to the Premier,
& Executive Council,
Premier's Office,
Western Region,
IBADAN, NIGERIA.

24 APR 1956

73 Please refer to your letter No.S.30/73 of the
28th October, 1955.

After a series of correspondence with the G.P.O.
here and in Lagos (including a formal report to the
Federal Ministry of Communications and Aviation), it
now transpires that my letter No.WRN/VII/6/1/49 was
in fact "delivered at Agodi Post Office on the 18th
October, 1955 when it was signed for by Mr.E.F.J.
Greenway, Assistant Secretary to the Minister (sic)
of Development!" You will notice that 18th October
was several days before you wrote your letter under
reference.

NFA

A.I. WILSON.
Official Secretary

to

24/4/56

PAID 24/4

79A-118

Note
PP-79 - 118 removed
to File 5-25/1, 2, 3, 4 & 5
2
3/12



OFFICE OF SCAC

← First fold here →



Secretary to the Premier,

& Executive Council,

Premier's Office,

Western Region,

IBADAN, NIGERIA.

← Second fold here →

Sender's name and address: THE LIAISON OFFICER,

OFFICE OF THE COMMISSIONER

FOR THE WESTERN REGION,

18 GROSVENOR GARDENS, LONDON, S.W.1

IF ANYTHING IS ENCLOSED THIS LETTER
MAY BE SENT BY ORDINARY MAIL

Form approved by the Postmaster General, No. 71995/2B

Ministry of Economic
Planning,
Ibadan.

9th December, 1958.

Private Secretary to the
Honourable Premier,
Western Region, Ibadan,

and Private Secretary to the

Hon. Ministers of Economic Planning,
Finance,
Education,
Local Government,
Agriculture and Natural Resources,
Home and Mid-West Affairs,
Trade & Industry.Dr. V. Oyenuga,
Department of Agriculture,
University College, Ibadan.Chief J. Eyituoyo,
Etadie Chambers,
2 Robert Road,
F.O. Box 244,
Warri.Chairman,
Western Region Production Development Board,
Ibadan.Chairman,
Western Region Finance Corporation,
Ibadan.A. Ogunsheye, Esq.,
Department of Extra-Mural Studies,
University College, Ibadan.Chairman,
Western Region Marketing Board,
Ibadan.Economic Planning Committee Meeting

I am directed to inform you that the first meeting of the E.P.C. in the New Year is being arranged to take place on Tuesday, the 6th January, 1959, at 5.00 p.m. in the Executive Council Chamber in the new Treasury Buildings.

2. The items on the Agenda (provisional) are as follows:-
- (i) Minutes of the last meeting (EPC (58) 21 - already circulated);
 - (ii) Matters arising;
 - (iii) The future policy of the Ministry of Agriculture and Natural Resources;
 - (iv) Development Expenditure.

3. I should be grateful, if you would let me know if you wish to submit any memorandum for the consideration of the Committee.

(SGD) Adebayo Adedeji
for Secretary, Economic Planning Committee.

Spec to 1280

Ministry of Economic Planning,
Western Region,
Ibadan.

To: All Permanent Secretaries.

9th December, 1958.

For information and earliest action in
accordance with paragraph 3 overleaf.

(SGD) Adebayo Adedeji
for Secretary, Economic Planning Committee.

*SKM
5/12*

P.A.S.

The first meeting of the E.P.C
in the New Year takes place
on the 6th Jan 1959
2. you are required to submit
any memoranda if you wish for
the consideration of the Committee.

*ABU
16/12/58*

Cl.

We must surely have had
previous papers on the Economic
Planning Committee. Would they
be in a secret file? If so, pl.
attach the file.

*16
17/12/58*

ARCHIVED

S.30/81

31 December,

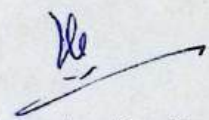
58

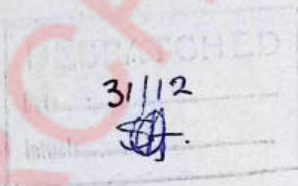
The Secretary,
Economic Planning Committee,
Ministry of Economic Planning,
Ibadan.

Economic Planning Committee.

P 80

I am directed to refer to your endorsement
No. S.MEP.3/1/Vol.IV/430A of the 9th of December, 1958,
and to say that I do not wish to submit any memorandum
for the consideration of the Committee at its meeting on
the 6th of January, 1959.


Ag. Secretary to the Premier
and Executive Council.



PA.
20.
31/12/58

82
Telegrams : PERMPLAN

Telephone :



MINISTRY OF ECONOMIC PLANNING

WESTERN REGION

IBADAN

6 January, 1959.

My Ref. S.MEP.3/1/Vol.1V/540.

Private Secretary to the
Honourable Premier,
Western Region, Ibadan,

and Private Secretary to the

Hon. Ministers of Economic Planning,
Finance,
Education,
Local Government,
Agriculture and Natural Resources,
Home and Mid-West Affairs,
Trade & Industry.

CS.
8/1/59

ECONOMIC PLANNING COMMITTEE MEETING

P83
The attached is for your information. Copies of the
Minutes have been circulated to Hon. Ministers as
E.C. (58)596.

↓
Adebayo A. Adedeji
Secretary, Economic Planning Committee.

7/1

S E C R E T

THIS DOCUMENT IS THE PROPERTY OF THE EXECUTIVE
COUNCIL OF THE WESTERN REGION

E.P.C. (59) 5

COPY. NO

5th January, 1959.

ECONOMIC PLANNING COMMITTEE

Minutes of the Seventh Meeting of the N.E.C.

Note by the Secretary

The attached copy of the Minutes of the Seventh Meeting of the National Executive Council is circulated for members information.

P.D. Duncan,
Secretary, Economic Planning Committee.

Ministry of Economic Planning,
Western Region, Ibadan.

(S.MEP. 3/1/Vol.1V)

5th January, 1959.

S E C R E T

Ch./PA.

X
1959-1-5

SECRET

84

Ministry of Economic Planning and Community
Development,
Ibadan, Western Nigeria.

Our Ref. No. S.MEP.523/78

9th September, 1961

The Head of the Service and
Chief Secretary to the Government. For information only.

The Secretary to the Premier and
Executive Council.

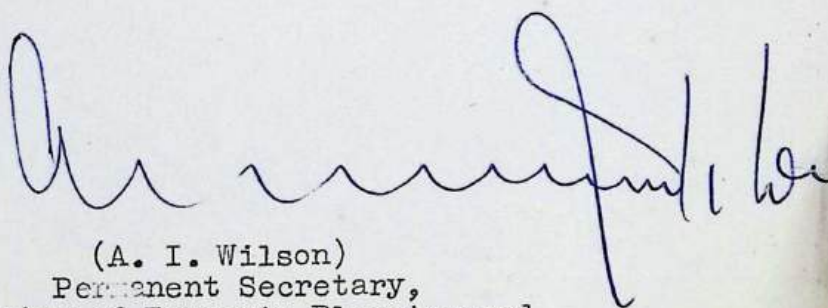
All Permanent Secretaries.

All Heads of Departments.

Development Plan Projections

It has come to my notice that the Federal Ministry of Economic Development is directly requesting Regional Ministries to forward projections of man-power, etc. This procedure is entirely wrong - as it means that individual Ministries would be committing themselves to the Federal Government in respect of their Development Programmes before those programmes have been agreed with this Ministry and cleared by the Regional Government. Projections are in themselves estimates - even where the policies underlying them have been precisely agreed. They become entirely worthless, indeed misleading, when the degree of their accuracy is further lowered as happens when projections are based on policies that may yet undergo serious adjustment.

2. Whenever Lagos writes asking for projections, a proper reply should be to write back pointing out that they take up the matter with this Ministry in the first instance.



(A. I. Wilson)
Permanent Secretary,
Ministry of Economic Planning and
Community Development.

ARCHIVED

Agreed.

WAS

ASi see 26/9.

ASii noted 26/9/61

WAS 12/9/61

H.A.

Dev. Programme

na. 85

S.P.E.C.,

We spoke.

2. Plan Capital Expenditure	= £85.2	
Recurrent Expenditure (including recurrent generated by the 1962/68 Capital Plan)	= £160.0	
Therefore Total Expenditure 1962/68	= £245.2	£245.2

3. Resources:-	£ million	
(i) Estimated revenue from existing sources	130.2	
(ii) Additional revenue to be raised from the Regional sources	27.64	
(iii) Revenue Equalisation Fund at 1/4/62	3.5	
(iv) Regional share of anticipated additional Federal Revenue to be raised over the period	12.06	
(v) Marketing Board (Reserves and Earnings)	27.0	
(vi) Loan Repayments	2.0	
(vii) Profits from Government Lotteries	0.2	£202.6

But 3 (ii) and (iv) above are fresh burdens which Federal and Regional Governments are yet to agree to persuade the electorate to assume. If these are not assumed, then gap increases by as much. Otherwise gap is £245.2 - £202.6 or £42.6.

Perm. Sec.
19 January, 1972.
M.E.P.&.C.D.

?

Ministry of Economic Planning
and Social Development,
Ibadan.

21st July, 1969.

CIRCULAR LETTER

To: All Permanent Secretaries,
Heads of Non-Ministerial Departments and
Chief Executives of Statutory Corporations.

Ministerial Responsibility for Project Appraisal

In view of the growing tendency in recent months of some executive ministries and statutory corporations to prepare their development programmes and seek the Executive Council's approval thereon without prior clearance with this Ministry, it has become necessary for me to restate the responsibility assigned to my Ministry for project appraisal and orderly economic development of the Western State. Apart from project analysis and co-ordination of technical assistance, the responsibility of this Ministry includes the preparation, implementation, and revision of the State's development plans and the co-ordination of such plans with the development plans of other States in the Federation. Co-ordination at the Federal level is achieved by the formulation of a set of generally accepted investment criteria and economic objectives at the meetings of planning officials from all States of the Federation.

2. It will be clearly seen from the above that a situation in which any ministry or corporation in this State could embark upon industrial, agricultural, or constructional projects without the knowledge and support of my Ministry would, to say the least, be chaotic; it would lead to a series of inconsistent programmes with conflicting and contradictory objectives. To avoid this, it is the responsibility of my Ministry not only to examine projects for economic and financial viability but also to ensure that the priority as laid down by Government is observed and that the sectoral programmes are properly co-ordinated and are internally consistent. It would not be possible to achieve these objectives if ministries and corporations were free to pursue their individual capital programmes involving considerable Government funds or loans without bringing my Ministry into the picture right from the beginning.

3. It is needless to re-emphasise that each Ministry's development programme is a part of the State's programme which is itself part and parcel of the National Development Plan. The importance of well prepared, fully costed, and rigorously examined projects is therefore obvious. Economic planning at the State level further implies that the competing claims of the various programmes for limited financial and human resources should be critically examined to secure, among other objectives, the maximum growth of the economy. It is the Planning Ministry which is in a position to take a global view of all the sectors of the economy and prepare a comprehensive, feasible and internally consistent plan.

4. In order that my Ministry will be able to perform the above duties efficiently, the Executive Council in Conclusion M.G.E.C. 21(69)5 of 5th June, 1969, has directed, among other things, that all executive ministries should, as a matter of policy, bring to the knowledge of my Ministry at the initial stage all their various development programmes so that such programmes can be evaluated in terms of the over-all needs of the economy in a manner that will ensure efficiency, complementarity and consistency. It is only after such evaluation that the programmes should be submitted to the Cabinet, since what looks ostensibly as an isolated ministry's programme may have far-reaching effects on other sectors of the economy and, indeed, on the programmes of other ministries.

5. I shall therefore be grateful if all Ministries and Statutory Corporations will henceforth ensure that my Ministry is associated initially with the formulation of their development programmes. May I further add that in view of the responsibility of my Ministry for plan implementation, it is being proposed to have a periodical review of development programmes and in this connection I will be arranging for the necessary format to issue as a periodical exercise and will be grateful for your consideration.

O. Thomas
Permanent Secretary.

COPY in file 4/3, 69 P. 603

SAS(A),

p 86 - 87 sub'ked for M.

2577
CR

P.A.

AS(F&D)
28/7/69

ARCHIVES OF OYSCAC

SMS 88

88

FEDERAL MORTGAGE BANK OF NIGERIA



HEAD OFFICE:
11, BREADFRUIT STREET,
P. O. BOX 2078, LAGOS,
TELEPHONE: 24038-9
GRAMS: HOMES. LAGOS.



4th October, 1977.

The Secretary to the Military Government,
Military Governor's Office,
Ibadan,
OYO STATE.



Dear Sir,

HOUSING REQUIREMENT - FINANCIAL ASSISTANCE

Following the establishment of the Federal Mortgage Bank of Nigeria, some statements have been made on behalf of the Federal Military Government that a part of the housing programmes in the States could be achieved with the assistance of the Federal Mortgage Bank. I am writing to inform you formally that in addition to the function of granting loans to individuals the Bank is in a position to assist your Government in its period to period development by the granting of short/medium term loans for some of your housing requirements at a rate of interest which conforms with the Federal Government's policy. Under the proposed system, funds could be made available, on the one hand, for on-lending to Civil Servants within your State and, on the other hand, for the benefit of your Housing Corporation or Authority. In the case of the former, execution will be in accordance with the terms of a guarantee agreement between your Government on behalf of the particular Board or Agency charged with that responsibility, and this Bank. In the case of the latter, the agreement is between the Corporation or Authority and this Bank; the purpose being sometimes for construction of house units and at other times for on-lending to members of the public, at interest rates and conditions which do not conflict with those of this Bank. In either case however, the extra guarantee of your Ministry of Finance followed by annotation of the Federal Ministry of Finance may be required.

The developing Housing Corporation or Authority will be required to submit for the Bank's examination

- a. feasibility/viability report
- b. plans of the estate to be developed
- c. plans and drawings of the units.

Details will also be given of the infrastructure and this should include a professional estimation of total cost. The procedure may in some cases include visits to the site by experts and representatives of the Management of this Bank.

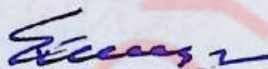
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(2)

I would at this first instance be happy if you would let me know the particulars of your immediate, future development projects and advise on how and to what extent you would require the assistance of this Bank.

While assuring you of the full co-operation of this Establishment, I remain,

Yours faithfully,
FEDERAL MORTGAGE BANK OF NIGERIA.



(E.R.A. Mackay)
Managing Director

FOU/nel

Sec. (G + A)

Jil
PSONG
G. O. ABE
14/X.

Pl. endorse to PSNF&ED, PSNWA & G.D. Prop. Dev. Corp. for information and nec. action and request the PSNF&ED to call a meeting of the three agencies to draw up a schedule of this Govt's needs for assistance

T.A. AKINYELE
T. A. AKINYELE
14/10/77

SECRET

SP/S.88/90

17th October, 1977

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

The Permanent Secretary,
Ministry of Works and Housing,
Ibadan.

The General Manager,
Property Development Corporation,
Ibadan.

HOUSING REQUIREMENT - FINANCIAL
ASSISTANCE

I forward herewith for your information and necessary action copy of a letter which was received from the Federal Mortgage Bank of Nigeria.

2. I am directed to request the Permanent Secretary, Ministry of Finance and Economic Development to call a meeting of the three agencies to which this letter is addressed to draw up a schedule of this Government's needs for assistance.

PLS See P 95

(C. O. Olatunji)
for Secretary to the Military
Government & Head of Service.



B.U. 15/11/77

[Signature]
17/10

91

Sec (G+A)

⑥ leaf bu
pls. Dennis
15/4/77.

Substol as directed for 1976

ARCHIVES OF OYSCAC

15/11/77

15/11/77
K. B. ...

SECRET

SP/S.88/92.

15th November, 1977

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

Housing Requirement - Financial Assistance

P.90
I am directed to invite your attention to my letter No. SP/S.88/90 of 17th October, 1977 and to ask when I can expect the schedule of this Government's needs for assistance which your good self was expected to work upon in conjunction with the Permanent Secretary, Ministry of Works and Housing and the General Manager, Property Development Corporation, Ibadan.



(C. O. Olatunji),
for Secretary to the Military
Government & Head of Service.

SECRET

MINISTRY OF
AND



FINANCE
ECONOMIC DEVELOPMENT

PLANNING

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

Ow Ref. No.....

Date..... 6th December, 1977.

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

(For the attention of Mr. C. O. Olatunji)

Housing Requirement - Financial Assistance

With reference to your letter NO. SP. S.88/92 of
16th November, 1977, on the above mentioned subject, I am
directed to inform you that your earlier letter on the
subject is receiving attention and that you'll hear from
us soon.

CR

O. A. Adeniyi
O. A. Adeniyi (Mrs)
for Permanent Secretary.

Enclose please, and
refer to PAS (G&A).
[Signature]
7/12/77

✓ CR

By. 2/1/78

think
2/1/78

Sec (GAT)

Bin on P. 94 submitted → directed today

J

PA8 (GAT)

2/1/78

M. read from P. 89 and ask
from overlay when we can now
expat.

think
2/1/78

MINISTRY OF
AND



FINANCE
ECONOMIC DEVELOPMENT

PLANNING 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 F512/T/24
Our Ref. No.....



Date 5th January, 1978

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

(For the attention of Mr. C. O. Olatunji)

Housing Requirement - Financial Assistance

1970 With reference to your letter Ref. No. SP/S.88/90 of 17th October, 1977, the officials of this Ministry held a meeting with the officials of the Ministry of Works and Housing and the Property Development Corporation and it was agreed;

- (a) that Government should apply for a loan of ₦100 million;
- (b) that the Property Development Corporation should apply for a loan of ₦80 million made up as follows; ₦50 million should be earmarked for the building of 2,000 units, while the balance of ₦30 million should be set aside for Mortgage loan;
- (c) that the Ministry of Works and Housing should apply for a loan of ₦20 million for on-lending to civil servants;

2. To satisfy the Mortgage Bank, feasibility reports have been prepared in respect of the two loan applications and you will find these attached as appendices I and II.

L. O. Awobiyi
(L. O. Awobiyi),
for Permanent Secretary.

CR

M. file & refer.

the 8th

6/1/78

Appendix I
96

BRIEF ON THE ACTIVITIES OF
PROPERTY DEVELOPMENT CORPORATION OF OYO STATE

I. INTRODUCTION

(i) History

In 1958 the defunct Western Nigeria Housing Corporation was established by the instrument of Western Region Law No. 12 of 1958 which commenced from 20th June, 1958. (See Cap. 130, Vol. VI, laws of the former Western Nigeria 1959). Following the creation of Oyo, Ondo, and Ogun States out of the former Western State of Nigeria, the law which created the former Western Nigeria Housing Corporation was repealed by section 30 of Oyo State Edict No. 7 of 1977. The States (creation and transitional provisions) Decree 1977 vests in each of the States (i.e. Oyo, Ondo and Ogun States) assets and liabilities which were apportioned to such States by the appropriate authority.

(ii) Enabling Edict

2. The Property Development Corporation of Oyo State was established by an instrument known as The Property Development Corporation of Oyo State Edict No. 7 of 1977. Section 3 of the law states, "So soon as may be after the commencement of this Edict (i.e. 1st July 1977) there shall be established a public authority to be known as the Property Development Corporation of Oyo State".

3. The Corporation is a body corporate with perpetual succession and with a common seal, and it has the power to sue and can be sued in its corporate name and it also has power to hold, acquire and dispose of land.

...../2.

II. OBJECTIVES

7. As stated in the Edict, it shall be the duty of the Corporation so far as its resources permit and subject to the provision of the Edict to increase the availability in the State of dwelling-houses and office and industrial buildings for acquisition by or letting to members of the public.

8. To enable the Corporation discharge the above mentioned objectives, the Corporation has been vested with the following powers:

(1) "Subject to the provision of this Edict, the Corporation shall have power -

(a) to undertake the development, construction and management of housing estates and industrial estates;

(b) to construct and maintain dwelling houses, office and industrial buildings and other buildings that are necessary or desirable for the performance of the functions of the Corporation;

(c) to provide and maintain roads, footways, bridges, drains, sewers and water-courses for or in connection with any housing estate, industrial estate or building owned, constructed or managed by the Corporation;

(d) to acquire, construct, maintain or repair any works, plant or apparatus necessary or desirable for the provision of electrical, water or sanitary services for or in connection with any housing estate, industrial estate or building owned, constructed or managed by the Corporation;

- (e) to sell, let or otherwise dispose of any land or building vested in the Corporation to any person or institution upon such conditions as the Corporation thinks fit including conditions as to payment of the consideration upon deferred terms);
- (f) to enter into agreements with any person -
 - (i) for the supply, construction, manufacture, maintenance or repair by that person of any property, movable or immovable that is necessary or appropriate for the purposes of the Corporation;
 - (ii) for the provision by that person of any services that may be provided by the Corporation;
- (g) to enter into agreements with any person for the management by that person of any housing estate or industrial estate owned by the Corporation;
- (h) to enter into and carry out agreements with any person for the development, construction, maintenance or supervision by the Corporation of housing estates, dwelling-houses, industrial estates or other buildings;
- (i) to prohibit, control and regulate the presence of any person or vehicle or thing in any premises occupied by the Corporation;
- (j) to make, draw, accept or endorse negotiable instruments;
- (k) to buy and sell movable property;
- (l) subject to such terms and conditions as the Corporation may deem fit to impose generally or in any particular case, to make advances of money in the discharge of its functions under section 6 on the security of a mortgage of land in the State, either with or without collateral security of the following classes:-
 - (i) a charge upon a policy of life assurance;
 - (ii) a guarantee given by an assurance Company;

(1) (iii) a charge given upon any stocks, shares or securities for the time being authorised by law for the investment of trust moneys:
Provided that the Corporation shall not make an advance of money to any person on the security of any land which is already subject to a mortgage or charge unless the mortgage or charge is in favour of the Corporation;

(m) to promote the establishment or expansion, of companies or other bodies, which shall have any or all the powers conferred upon the Corporation under the Corporation Edict, to carry on activities for the purpose of effecting the functions of the Corporation, either under the control or partial control of the Corporation or independently;

(n) subject to the approval of the Executive Council, to write off bad debts.

(2) The Corporation shall in any case, before exercising the powers referred to in paragraphs (g) and (m) of the preceding sub-section obtain the approval of the Commissioner.

(3) For the avoidance of doubt it is hereby declared that the preceding provisions of this section relate only to the capacity of the Corporation as a Statutory Corporation and nothing in the said provisions shall be construed as authorising the disregard by the Corporation of any enactment of rule of law."

III ACTIVITIES OF THE CORPORATION

(9) Activities in Progress

Acquisition of Land & Layout Plans

The Corporation has carried out the survey and layout plans of the following areas for purpose of physical development, subject to availability of funds:-

(a) IFE ROAD - IBADAN:

Preliminary Survey completed. Perimeter survey and contouring to be carried out. The estate is proposed for both industrial and residential. The acquisition covers an area of 404.678 hectares.

(b) IWO ROAD - IBADAN:

The perimeter survey has been carried out. Crops have also been enumerated. Compensation in respect of crops, buildings and land will soon be paid. The area of land involved is 240.54 hectares.

(c) ILESHA:

A site consisting of 340.676 hectares has been offered to the Corporation for estate development. The perimeter and contour survey have been carried out. The layout plan has been prepared.

(d) OGBOMOSO:

A site consisting of 223.151 hectares has been offered to the Corporation for estate development. The perimeter and contour survey have been completed. Layout plan is being prepared by a firm of Town Planners.

(e) OYO:

A site consisting of 662.17 hectares has been offered to the Corporation for estate development. The perimeter survey is yet to be carried out. The firm of Adedokun and Associates are working on the layout plan.

(f) ILE-IFE:

An acquisition of 65 hectares has been made in

Ile-Ife. Physical development will commence shortly. The following other places are also being acquired for development:

(g) EDE:

A site has been chosen and a report prepared by Estate Surveyor. Perimeter survey and contouring are yet to be effected. Area is 160 hectares.

(h) IKIRUN:

A site, covering 121.40 hectares has been chosen for the use of the Corporation.

(i) ILLA:

A site has been chosen. Perimeter survey and contouring are yet to be carried out. The area is 141.645 hectares.

(j) SHAKI:

A site of 141.645 hectares has been chosen. Perimeter survey and contouring are yet to be carried out.

(k) IWO:

A site covering an area of 141.645 hectares has been chosen.

(l) ISEYIN:

A site has been chosen. Perimeter and contour surveys are yet to be carried out. The area is 153.786 hectares.

(m) IJEBU-JESA:

A site has been chosen. Perimeter survey and contouring are yet to be carried out. Affected area is 200 hectares.

(n) ERUWA:

A site has been chosen. Perimeter survey and contouring are yet to be carried out. Area of land is 150 hectares.

(o) KISHI:

The people of Kishi have 200 hectares of land.

See Annexure 'B' for further information in tabular form in respect of Land Acquisition.

Particular mention should be made of the following projects:-

Ife Road Scheme, Ibadan:

This project covering an area of 404.678 hectares is in final stage of acquisition.

Iwo Road Scheme, Ibadan:

This purely residential estate with an area of 240.54 hectares is in final stage of physical development.

Ile-Ife:

The layout design for this estate, with an area of 65 hectares has been completed and physical development will commence shortly.

Osogbo:

The physical development of Osogbo Industrial/Residential complex has started with the construction of its road network, Plot allocations on both the residential and industrial sectors are about to be made.

10. AGBOWO SHOPPING COMPLEX:

As part of its activities, the Corporation is currently developing an ultra-modern shopping centre, comprising department stores, a ten storey block of offices, cinema theatre, bukateria, shopping units, grocers' shops and subterrenean car parks. The construction of the centre, which was awarded to three Contractors (one foreign and two indigenus) has taken off. The work commenced on 5th May, 1977 and the whole centre is expected to be ready by the end of 1978.

11. ROADS:

Federal Housing Project

The construction of the Phase I (Federal Housing Scheme) road network by Messrs Tinuoye Shoneyin is making a satisfactory progress and is expected to be completed by March, 1978.

Osogbo Estate:

The contract for the construction of Osogbo Estate (residential and industrial) roads was awarded to Messrs. W.O. Lawal & Sons in August, 1977. Construction work now making ready progress is expected to be completed in January, 1978.

PROJECTED ACTIVITIES FOR 1977/78

<u>Serial No.</u>	<u>Project</u>	<u>Estimated Cost</u>
	<u>Ibadan.</u>	
1	House Construction Blocks of Flats and Bungalows at Bodija and Owode	3,000,000
2.	Agbowo Shopping Complex	12,000,000
3.	Road Construction (Owode Estate)	1,000,000
4.	Water & Electricity (Mains Installation) (Owode Estate)	200,000
5.	Construction of Drains (Bodija Estate)	25,000
6.	Construction of Works Yard & Stores (Owode Estate)	100,000
7.	Development of Recreational Grounds, Bodija	60,000
8.	Street Lighting (Phase IV) (Bodija Estate)	20,000
	<u>Ile-Ife</u>	
9.	Preliminary Works	50,000
10.	Road Construction	800,000
11.	House Construction (250 Units)	5,000,000
12.	Water & Electricity (Mains Installation)	200,000
13.	Central Sewage Purification Works, Engineering design	50,000
	<u>Osogbo</u>	
14.	Preliminary Works	25,000
15.	Road Construction	800,000
16.	House Construction (50 Units)	1,000,000
17.	Water & Electricity (Mains Installation)	200,000
18.	Central Sewage Purification Works, Engineering Design	50,000
	<u>Ilesha</u>	
19.	Preliminary Works	50,000
20.	Road Construction	800,000
21.	Water & Electricity (Mains Installation)	200,000

<u>Serial No.</u>	<u>Project</u>	<u>Estimated Cost</u>
	<u>Oyo</u>	
22.	Preliminary Works	50,000
23.	Road Construction	800,000
24.	Water & Electricity (Mains Installations)	200,000
	<u>Ikirun</u>	
25.	Preliminary Works	50,000
	<u>Ede</u>	
26.	Preliminary Works	50,000
	<u>Ogbomosho</u>	
27.	Preliminary Works	50,000
28.	Road Constructions	500,000
29.	Central Sewage Purification Works Engineering Design	50,000
	<u>Saki</u>	
30.	Preliminary Works	50,000
	<u>Eruwa</u>	
31.	Preliminary Works	50,000
	<u>Iwo</u>	
32.	Preliminary Works	50,000
	<u>Ila-Orangun</u>	
33.	Preliminary Works	50,000
34.	Road Construction	800,000
35.	Water & Electricity (Mains Installations)	200,000
36.	Central Sewage Purification Works Engineering Division	50,000
	<u>Iseyin</u>	
37.	Preliminary Works	50,000
	<u>Kishi</u>	
38.	Preliminary Works	50,000
	<u>Federal Housing Project</u> <u>Owode, Ibadan.</u>	
39.	Construction of 1,500 Housing Units at N25,000 per Unit	37,500,000 =====

Note:-

Provisions for preliminary Expenses in the New Estates to be established are meant for the first phase of the development and it does not cover expenses for the whole estates.

IV Achievements

13. The Corporation has its headquarters in Bodija Estate. This wholly residential estate with an area of 400 acres was acquired in 1958. The estate is now virtually fully developed. An extension site of 133 acres was later acquired in another part of Bodija. This is also almost fully developed. In the original estate in Bodija, there are a total of 901 houses of which 430 were built by the Corporation and the rest by private developers. At the Bodija extension 317 houses have been built.

14. The Corporation also has a branch estate at Osogbo - with a branch office which was opened for business in February, 1975.

Construction of Sixty Bungalows at Bodija Estate:

15. On the creation of States early 1976, the Oyo State Housing Corporation now Property Development Corporation took over the construction of sixty bungalows on Bodija Estate. These houses have been completed and allocated.

Federal Housing Project

16. Similarly taken over was the construction of 250 housing units at Owode, Ibadan, Phase I of the Federal Housing Scheme under the National Housing Programme. The physical construction and electrification of the 250 units have been completed. Pipe borne water is yet to be supplied.

Plot Allocations

17. In the year 1976/77 the following allocations were made:

	<u>Nos</u>
Residential -	32
Industrial/Commercial	6

V. The Need for Finance:

18. Hitherto, we have tried to highlight as briefly as possible the activities as well as achievements of the Property Development Corporation of Oyo State. It would be recalled that we did highlight activities which are projected for the Corporation. These are what we could presently foresee. There are a lot of other activities which are not quite foreseeable now.

19. However, from the facts available now, we are aware of the gigantic tasks ahead. For instance, demands for houses or plots for residential and Commercial/Industrial uses are always on the increase as per the table below:-

	1976/77	April '77 - Dec. '77
No. of Applications for plots	622	843
No. of App. for Houses	164	99
No. of App. for Industrial Commercial land	21	25

20. The new Corporation inherited a total of 3303 applications for residential plots of land and a total of 2,480 application for houses, bringing the total number of applicants for land to 4,768 and those for houses to 2,743 as at December, 1977. It has satisfied a total number of 749 for plots and total number of 472 for houses. It inherited 40 applications for industrial/commercial plots bringing the total to 86. Seven of the applicants have been given allocations and some are in the process of getting allocations.

Mortgage Loans:

21. Since the creation of new states in February, 1976 to November 1977 a period of 22 months, the number of applications received is 1674 as against 625 applicants received between 1974/75 and 75/76 a period of 24 months before the creation of the new States.

22. A total sum of ₦5,242,047.21 has been paid out since 1st April, 1976 to 31st November, 1977 whereas for the two years before the creation of the new States the amount paid out is ₦2,200,000.00.

23. The increase in the amount of applicants received and the amount of loan granted could be attributed to:-

- (i) Reduction in the rate of interest from $8\frac{1}{2}\%$ to 3% and
- (ii) Increase in the maximum loan grantable i.e. from ₦40,000.00 to ₦65,000.00.
- (iii) The high demand for Mortgage Loans particularly in Ibadan is necessitated by the fact that Ibadan being a cosmopolitan city is not only the capital of Oyo State but also has a number of private, State, Federal and International Institutions located therein.

24. The policy of the Corporation on lending takes two forms:-

- (a) Granting of loans on mortgage basis to the members of public to enable them build houses to their own taste and requirements in any part of Oyo State.
- (b) Granting of loan on mortgage basis to members of the public to enable them purchase Corporation-built houses on Corporation Estates.

25. In either of the two cases the maximum loan grantable is 90% of cost of construction or value of the building offered as security whichever is less. The figure so obtained is also subject to the maximum loan grantable by the Corporation as may be determined by the Board of the Corporation from time to time. For example a maximum loan grantable by the Corporation till 29th of November was ₦65,000.00 but this has been reduced to ₦40,000.00 to enable more applicants to benefit from the loan.

26. As at 31st October 1977 the contingent liability on mortgage loans is ₦2,565,380.00 and at that date applications fully processed amount to ₦2,633,920.00.

Since that date many more applications have almost reached final stages. The figure of the applications cannot be given now because the reports have not been finalised.

27. If the embargo now placed on the granting of mortgage loan is lifted, it is expected that there would be more applications. Therefore, for the year 1978/79, it is estimated that an amount of ₦30,000,000.00 would be required as against the approved estimated figures of ₦3,000,000.00 and ₦500,000.00 for non-Corporation houses and Corporation-built houses respectively for the year 1977/78.

Housing Construction:

28. The recent announcement by the Federal Government of the change in the implementation of the National Housing Scheme has now shifted responsibility for the National Housing Programme to the State in implementing the new guidelines.

29. The following programme for 1978/79 has been drawn up. A total number of 2,150 housing units has been earmarked for construction to be located in the following areas:-

Owode, Ibadan	-	1,000
Iwo Road, Ibadan	-	250
Osogbo	-	100
Ile-Ife	-	500
Ilesa	-	100
Oyo	-	100
Ogbomosho	-	100

At an estimated cost of ₦25,000.00 per housing unit an estimated amount of ₦53,750,000 will be needed.

Agbowo Shopping Complex:

30. This project is estimated to cost ₦2,000,000.00. Construction is already commenced, but the Corporation will require substantial amount to the tune of ₦8 million to enable it finance the project part of which the State Government has provided as loan.

Warehouses:

31. The Corporation intends to build eight Warehouses, four at Owode Estate and four at Iwo Road Estate. The total estimated cost is ₦2,838,400.00 out of which ₦2,710,400.00 is the construction cost and ₦128,000.00 is for cost of land.

Iwo Road Estate, Ibadan
Ife Road Estate, Ibadan
Owode Estate, Ibadan, Osogbo Estate

32. The physical development of these estates, that is, the provision of the necessary infrastructures and the construction of houses will require a huge amount which the Corporation could not provide on its own. Hence it will be necessary to obtain loans.

The Ability of the Corporation to disburse
Manage and repay the loan

33. The Corporation's ability to disburse, manage and repay the loan is not in doubt. Public accountability is ensured by the operation of a proper accounting system. Besides, the Corporation's accounts are periodically checked by the Internal Auditors and audited annually by External Auditors approved by the Office of the Military Governor. It is obligatory that these audited annual accounts should be presented to the Public Accounts Committee for consideration.

34. As stated above, the loan if granted will be used for construction of houses and for granting of mortgage loans. The loan will be repaid from the proceeds from sale of houses to be built and also from repayment of loans which would be granted to mortgagors. In the event of default to repay regularly the Corporation has the right to foreclose and sell houses as provided in the deed of covenants. There is at present high demand for houses and mortgage loans.

Justification of the Project

35. The present and foreseeable high demand for houses and mortgage loans justify the need for the loan.

Conclusion

36. In the light of the foregoing the Corporation would need for its immediate use an amount of ₦80 million as follows:

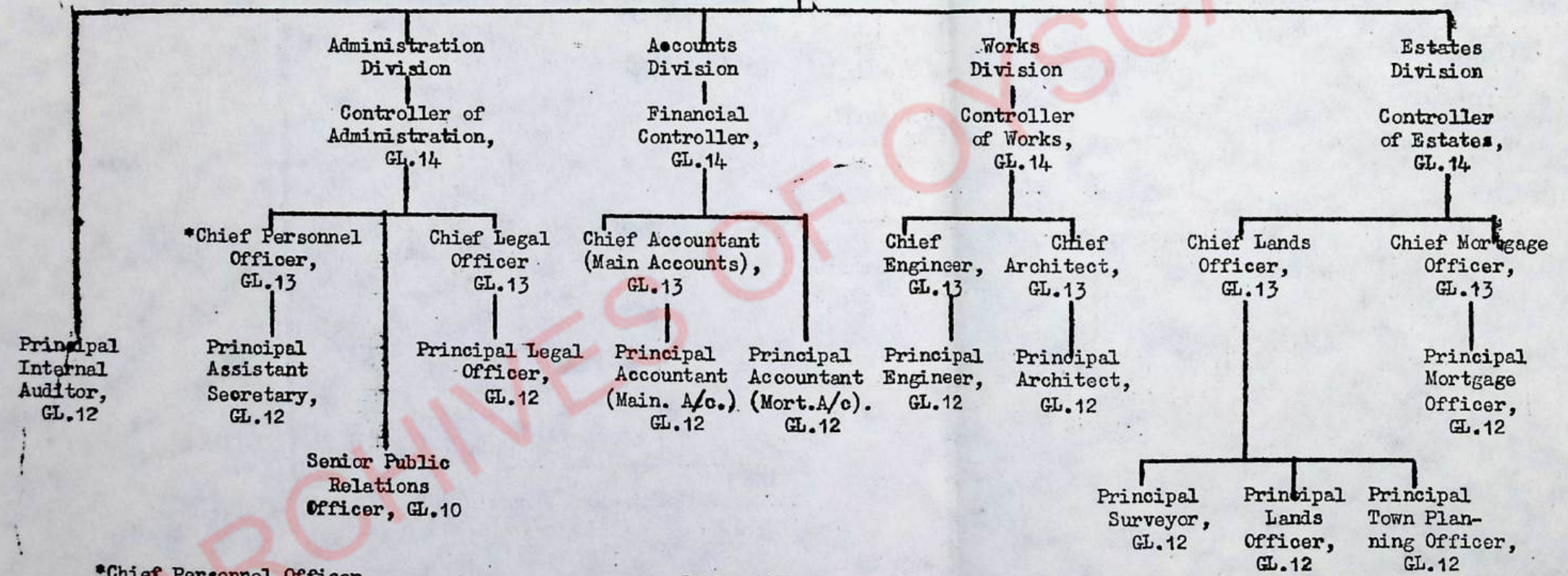
(i) Housing Construction	₦50,000,000
(ii) Mortgage Loans	<u>₦30,000,000</u>
	<u>₦80,000,000</u>

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PROPERTY DEVELOPMENT CORPORATION OF OYO STATE

APPROVED ORGANISATION CHART
WITH EFFECT FROM 1ST APRIL, 1977

The Board
General Manager (GL.15)



*Chief Personnel Officer and Secretary to the Board

Field Offices
Ibadan Zonal Office (Owode)
Oshogbo " "
Ife Branch Office

Estate	Size of Estate (Hectares)	Land Costs to include preparatory (₦)	1978/79 Programme					Remarks
			No. of Plots	No. of Houses	Size of Land Required (Hectares)	(G.D.C.) Land Development and House Construction costs (₦)	(G.D.V.) Value of on completion (₦)	
Iwo Road, Ibadan	240.54	2,248,000	1000	250	150	8,125,000	12,000,000	
Ife Road, Ibadan	404.678	2,101,200	80 hectares of industrial land	-	80	1,000,000	3,400,000	@ ₦4,00,000 per annum
Owode, Ibadan	404.6	-	-	1000	120	26,500,000	32,000,000	
Osogbo Schemes 1 and 2	219	945,000	80 hectares of industrial land	100	110	3,875,000	5,900,000	industrial plots @ ₦4,00,00 per annum
Ile-Ife Schemes 1 and 2	148	₦555,600 for Sch.2 only Scheme 1 already paid for	-	500	60	13,250,000	16,000,000	
Ilesa	340.676	1,496,000	250	100	90	3,625,000	4,075,000	
Oyo	662.17	2,712,600	250	100	90	3,625,000	4,075,000	
Ogbomoso	223.151	921,800	250	100	90	3,625,000	4,075,000	
TOTAL	2642.815	10,980,200	1750 residential plots. 160 hectares of industrial land	2150	790	63,625,000	81,525,000	$\frac{G.D.V.}{C.D.C.} = 128\%$

Application for Financial Assistance from the Federal Mortgage Bank for On-lending to Civil Servants by the Board of Management of the Oyo State Govt. Staff Housing Scheme.

Establishment and Constitution of the Board

The above-named Board was established under the Oyo State Government Executive Council Conclusion M. G. (76) dated 20th October, 1976. As the Board has not yet got its own set of regulations, it is operating under the Western Region Government Staff Housing Scheme Regulations used by its predecessor the Western Region Government Staff Housing Scheme, which later became the Western State Government Staff Housing Scheme. The Regulations are published as Western Regional Notice No. 527 in the Western Region of Nigeria Gazette No. 24 of 1959 - vide Appendix I

Membership of the Oyo State Government Staff Housing Scheme is as follows:-

- (i) The P. S. M. of W & Housing Chairman
- (ii) The P. S. M. of F & Econ Dev. or his representative Member
- (iii) The Solicitor-General, Ministry of justice or his representative who should be a legal practitioner Member
- (iv) The Chief Architect, Min. of W. & Housing Member
- (v) One representative nominated by the Public Service Negotiating Council I Member Member
- (vi) One representative nominated by the Public Service Negotiating Council II Member
- (vii) One representative nominated by the Public Service Negotiating Council III Member

An official of the Ministry of Works and Housing serves the Board as the Secretary. Four members of the Board present at any Meeting out of whom at least one shall be a representative of the Staff of the Oyo State Government shall form a quorum.

2. Aims and Objectives of the Board

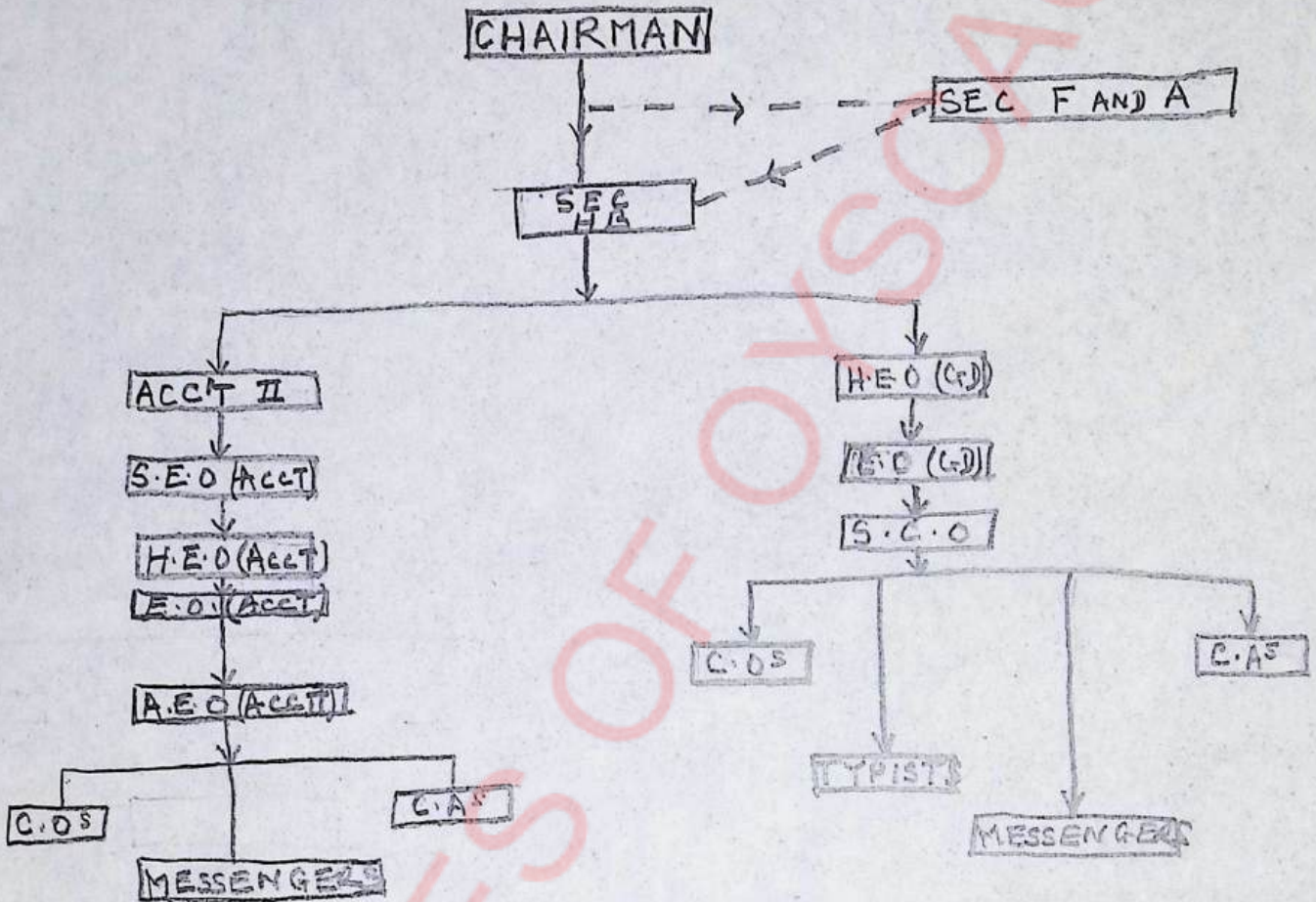
The main objective of the Government in establishing the Scheme is to provide government staff with loans to build or purchase houses for their residential use, the details of which are as set out in paragraph 2 (a) - (d) of the above - mentioned Regulations and reproduced hereunder:-

- (a) Loans for building a house
- (b) " " purchasing or redeeming a piece of land with a house thereon.

- (c) Loans for purchasing a house
- and (d) " " purchasing or redeeming a piece of land and building a house thereon.

3(i) Staff Establishment

Organisation Chart



(ii) Staff Compliments of the Housing Board is as follows:-

(A) Administration Section

1.	Secretary	(P. E. O.)	1
2.	HEO	(GD)	1
3.	. E. O.	(GD)	1
4.	Senior Clerical Officer		1
5.	Clerical Officers		4
6.	Clerical Assistants		3
7.	Typists		5
8.	Messengers		3

(B) Accounting Section

1.	Accountant Grade II		1
2.	S. E. O. (Accounts)		1

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(Contd.)

3(ii) (B) Accounting Section

3.	H. E. O. (Accounts)	1
4.	E. O. (Accounts)	1
5.	A. E. O. (Accounts)	1
6.	Clerical Officers	5
7.	Clerical Assistants	3
8.	Messengers	2

(iii) The above chart vividly shows the position of each officer on the staff. The figures in respect of the various grades reflect the provision as contained in the 1976/77 approved estimates. The establishment is, however, not separately shown in the current year's Estimates. Important posts that have not yet been filled are those of the Accountant (Grd.) II, SEO (Accounts) and Senior Clerical Officer. This and the frequent transfer of serving officers are factors seriously militating against efficient performance of duty of staff particularly in the Accounting Section.

4. The Mechanics of Housing Board Operations

The attached paper (Appendix 2) titled "The Mechanics of Housing Board Operations" highlights the procedure for processing the different kinds of application for loans received by the Board. Relevant forms being used at every stage of each operation enumerated therein are also attached as further annexures to Appendix 2.

5. Statistics on the Applicants as well as on loan Beneficiaries for the past 2 years - i.e. w.e.f. 1. 4. 76

(i) 1976 - 1977 - i.e. 1/4/76 - 31/3/77

No	of applications received	=	593
"	" " approved	=	446
"	" " rejected	=	147

(ii) 1977 - 1978 i. e. 1/4/77 - 16/12/77

No	of applications received up to 16/12/77	=	700
"	" " approved	=	336
"	" " yet to be considered	=	364

Reasons for disapproval or deferrment of applications can be due to one or more of the following factors:-

(a) Lack of funds:

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5 (ii)(Contd.) (b) Failure to satisfy conditions stipulated by the Board.

and (c) Staff Shortage due to lack of adequate personnel or frequent changes of those provided.

(iii) The cause for poor response during the last financial year was due in the main to the creation of more states when citizens of both Ogun and Ondo States moved to their respective states. But as soon as the mass movement of staff ceased, civil servants of the Oyo State origin became aware of the opportunity offered to build residential buildings of their own as a result of the publicity which both Federal and State Government have mounted on the existence of various Government Housing Schemes. Hence applications for housing loan are now being received by the Board at the rate of about 80 per month. Indeed within a period of 9 months 700 applications were received. It is therefore envisaged that about 300 more application will be received by the Board before the end of this financial year to make a total of 1,000 applications for this year.

On the average, ₦30,000 will be required for an applicant to erect his house based on the current sharp increase in the cost of building materials. A sum of ₦30,000,000 would therefore be required to meet the financial needs of the 1,000 applicants. Cost of servicing the Scheme per annum in terms of staff salaries and allowances is estimated at ₦135,814.00 as shown in Appendix 3

6. Loan Recovery

Adequate measures are taken to get loans duly and promptly repaid by recipient as follows:-

- (i) by writing his employer to effect regular monthly deductions from his salary and transfer same to the Scheme Account;
- (ii) by effecting repayment from his Pension/Gratuity.
- and (iii) by taking as security the applicant's executed Deeds of Agreement/Mortgage and keeping same in Board's custody.

Figures for total payments and receipts for the last 2 years are:-

	<u>Total Payment</u>	<u>Total Receipt</u>
1/4/76 - 31/3/77	₦775,117.70	₦135,750.04
1/4/77 - 16/12/77	₦1,773,598.56	₦136,045.22

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7. Recommendation

At present the Scheme is financed by appropriation from public funds which are credited to a Fund upon which the Board of Management of the Scheme draws from time to time to meet advances authorised under the Scheme. For the current financial year ₦1,000,000.00 was ear-marked and shown as subhead 4 of Head 324 in the current year Book of Estimates. This figure appears grossly inadequate in view of the large number of applications being received from civil servants.

To enable the Scheme to fulfil adequately the purpose for which it has been established a sum of ₦30,135,814.00 should meanwhile, be made available annually as follows:-

₦20,000,000.00	from the Federal Mortgage Branch
₦10,135,814.00	" " State Government
<u>₦30,135,814.00</u>	

ARCHIVES OFFICE

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- Appendix 2 The Mechanics of Housing Board Operations
- " 2(1) Form for application for Advance (Land OYHS 2A)
 - " 2(2) Form for supply of particulars of applicant
 - " 2(3) Form for guarantor to furnish particulars
 - " 2(4) Another form on the applicant's particulars
 - " 2(5) Form calling for applicant's Service Sheet
 - " 2(6) Form asking for applicant's Pension/Gratuity particulars.
 - " 2(7) Form used to obtain particulars of an applicant's marriage partner.
 - " 2(8) Following purchase of land/house, Form used to determine the genuineness of Deed of Conveyance submitted by an applicant.
 - " 2(9) Form for evaluation of building plan to determine how much to approve for applicant
 - " 2(10) Form for Inspection Report by the Chief Architect.
 - " 2(11) Form used for instalmental release of loan when project is in progress.
 - " 2(12) Forms for draft Agreement for consideration of Solicitor-General
 - " 2(13) Various forms used for instalmental loan payments.

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APPENDIX

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THE MECHANICS OF HOUSING
BOARD OPERATIONS

1. GENERAL PRINCIPLES:

Applications for loans from the Oyo State Government Housing Board are of six (6) types which are governed by the implementation of the Western Region Government Staff Housing Scheme Regulations (Western Regional Notice No.527) as amended from time to time.

2. The six (6) types of applications referred to above are:

- (a) applications for loan to purchase land (those are the most popular types of loans as conditions of their approval are reasonably relaxed).
- (b) applications for loans to build a house either with loan already drawn for the purchase of the land on which the house is to be erected or without:
- (c) applications for loans to purchase a house;
- (d) applications for loans to complete the building of a house;
- (e) applications for loans to redeem a house;
- and (f) applications for additional loans in all the cases referred in (a) - (e) above where the loans originally issued would not be sufficient to enable the civil servant applicant to own a house of its own in fulfilment of the objective of the Regulations referred to.

It may be added, at this stage, that the main objective of the Regulations referred to above is to enable a civil servant applicant to own a house of his own.

II. PROCESSING OF APPLICATIONS:

- (i) To make the processing of applications for the different types of loans reasonably easy designed forms are printed and issued to every applicant to fill and it is from the details in the forms completed by each applicant that his real intention can be neatly gleaned.
- (ii) In all cases, however, the applicant's employer must supply the details of:
- (a) his substantive grade;
 - (b) his present annual salary;
 - (c) his present station;
- and (d) his date of birth.

In addition the Ministry of Establishments and Training, in the case of civil servant simpliciter, must supply the details of the applicant's gratuity and pension while the heads of department or the employers of other applicants must do the same. For collecting these pieces of information, there are also designed forms which are processed by the Registry of the Housing Board. Mention may also be made at this stage that each applicant must supply two guarantors and to this effect designed forms are sent to these guarantors to fill.

III. LISTING APPLICATIONS FOR THE MEETING OF BOARD.

As soon as the details referred to above are available, an application can be listed for the Board's meeting in the case of an application for a loan to purchase land whereas in the case of applications for other types of loans the applicant, in addition, would be called upon to produce:

- (a) his deed of conveyance (if it is a loan to build a house)
- and (b) his approved or unapproved plans.

The deed of conveyance referred to in (a) above will be referred to the Deeds Registry and the Solicitor-General for Clearance

while the approved or unapproved plan referred to in (b) above will be referred to the Building Division of the Ministry for calculation of the real cost of the building to enable the Board to be in a position to know the total loan that can be approved for an applicant.

Above explanations take care of loans to purchase land, loans to build and also loans to complete the building of a house.

IV. LOANS TO PURCHASE A HOUSE AND TO REDEEM:

In the case of loan to purchase a house the vendor must:

- (i) (a) furnish the price of the building; and
 - (b) certify that he or she or it should be prepared to surrender all documents relating to the building to the Board on payment of the full cost of the building; and
 - (c) in case the vendor is a private man, the Architect must visit the building and confirm or otherwise the value of the building.
- (ii) In the case of a loan to redeem mortgage, however, the pattern as at IV (i) supra is applicable excepting that the Mortgagor must inform the Board of the actual amount yet to be redeemed.

V. PREPARATION OF THE BRIEFS FOR THE BOARD'S MEETING:

At any strategic time in our operations when a number of applications are matured and have been listed for the Board's meeting briefs are prepared and the Chairman is invited to schedule a date when the Board can assemble to consider all the matured applications.

VI. PROCESSING BOARD'S MINUTES

- (i) After the Board's meeting minutes of the Board are processed by the Secretary and when ratified by the Chairman the Secretary proceeds to implement the decisions of the Board.

- (ii) It is at this stage that extracts of the meeting are made for all the files of the applicants whose applications were considered by the Board and the decisions involved are conveyed to every applicant for acceptance or otherwise, which, in majority of cases, are accepted.
- (iii) The next stage is to get draft agreements for the Solicitor-General to consider and thereafter the faired agreements are issued to the applicants for execution. On the receipt of the executed agreements the Accountant of the Housing Board takes over to ~~prepare~~ prepare the Voucher which will be processed to the Chairman for signature and at the same time, execution of the 4 copies of the Agreements attached.
- (iv) On return of files from the Chairman the vouchers are sent to the Internal Audit by the Accountant, for checking. The Accountant, on return of the checked and passed vouchers, prepares payable orders which, after their return from the Machine Room, can be released to the individual applicants by instalments as stipulated in para 7 (1) - (4) of the Scheme's Regulations, using forms marked as Appendix 2 (13).

OYO STATE GOVERNMENT SERVICE STAFF HOUSING SCHEME
FORM OF APPLICATION FOR ADVANCE

1. Name.....
All Names in full
2. Age.....
Date of Birth
3. Substantive rank and salary.....
4. Department.....
5. Your home town.....
6. State whether single or married and number of children or dependents.....
7. Length of pensionable service.....
8. Amount standing to credit in Provident Fund.....
9. Where is applicant living at present and does he hold his present house under lease and what rental does he pay?
.....
.....
10. (a) Type of house required.....
(b) Number of rooms.....
(c) Estimated value on completion.....
11. State—
(a) the amount of advance desired.....
(b) whether it is desired to make repayment within ten, fifteen or twenty years.....
12. Purpose for which advance is required:
(1) Building a house.....
(2) Purchasing a house.....
(3) Purchasing land for building a house thereon.....
(4) Completing the building of a house.....
13. (1) Situation and description of land:
(a) Town or Village.....
(b) Division.....
(2) Title to land:
(a) (i) Freehold or Leasehold.....
(ii) Give registration particulars of deed.....
(b) (i) Other title *e.g.*, customary.....
(ii) Give details, *e.g.*, inheritance.....

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Ref. No.
Ministry of Works and Housing,
Oyo State of Nigeria Govern-
ment Staff Housing Board,
Secretariat,
Ibadan.

M
Housing Loan - HB/C.

I acknowledge receipt of your application forwarded through your Head of Department/Employer.

2. The following action has been taken immediately:-

(a) A letter has been addressed to your Ministry/Department/Employer requesting it to supply the following details:

- (i) your substantive rank;
- (ii) your present annual salary;
- (iii) your present station;
- and (iv) your date and place of birth.

(b) Another letter has been sent requesting your Ministry/Department/Employer to forward an up-to-date record of your service to the Ministry of Establishments and Training, where applicable, to enable that Ministry compute your gratuity and pension particulars.

3. Attached hereto are two guarantors' forms for issuing to your two guarantors who should arrange to get them completed and returned to this office direct.

4. You should, in addition, please arrange to forward to this office, as soon as possible, your Deed of Conveyance and two copies of unapproved plan if it is a loan to build a house but, if otherwise, you should ignore this request.

5. I may add however that the intention of this letter is to enable you to follow up, at your end, all actions necessary to facilitate the quick processing of your application. It is therefore needless to point out that failure or delay on your part in this regard may lead inevitably to an avoidable delay in processing your application at this end. Of course, since you have been fore-warned of this probable consequence, it will not be right to lay any blame arising therefrom at the door of the Board.

6. Please acknowledge the receipt of this letter.

Secretary,
Oyo State of Nigeria Government
Staff Housing Board.

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DECLARATION BY GUARANTOR

I, _____
(Full names in Block Letters)

of _____
hereby accept to guarantee to the Government Staff Housing Board the
repayment of the loan which Mr./Mrs./Miss _____
(Name of Applicant)

has applied for to build residential house.

2. Further, I hereby declare as follows:-

- (a) that my annual salary or income is N _____
- (b) that my property/Properties is/are:-

	PROPERTY	LOCATION
(1)	_____	_____
(2)	_____	_____
(3)	_____	_____

(c) that I realise about N _____ annually from the Property/
properties listed under (b) above.

(d) that I also derive an annual income of # _____ from

(e) that my occupation is _____

(f) that my Office Address is _____

(g) that my residential address is _____

3. Have you ever applied for or received a loan from the Government
Staff Housing Board, if so, when and show month & the name of the app

4. Have you ever accepted to stand surety for an applicant who
applied to the Housing Board for a loan, if so, furnish the name
of the applicant?

5. I make the above declaration conscientiously believing the same to
be true.

DECLARANT

Dated this _____ day of _____ 19 ____.

NOTE:- "Strike out the particulars that are not applicable"

2 (4)
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C O N F I D E N T I A L

MINISTRY OF WORKS AND HOUSING
OYO STATE OF NIGERIA
I B A D A N

Our Ref. No. _____

Date: _____

Mr _____
Application for Housing Loan

With reference to my/your letter _____

I am directed to ask you to furnish the Housing Board with the following information in respect of the above-named officer of your Ministry/Office:

- (a) His/her substantive grade;
- (b) His/her present annual salary;
- (c) His/her present station;
- (d) His/her date and place of birth.

- 2. The information is urgently required for the Housing Board's meeting to be held shortly.
- 3. Your early reply will be appreciated.

Secretary,
Oyo State of Nigeria Government
Staff Housing Board.

"CONFIDENTIAL"

2(5)
130
Ref. No. _____
Ministry of Works and Housing,
Oyo State of Nigeria Government
Staff Housing Board,
Secretariat,
Ibadan.

Mr _____
Application for Housing Loan

With reference to your letter No. _____
of _____, I am directed to request you to please forward
urgently direct to the Permanent Secretary, Ministry of Establishments and
Training, Ibadan, an up-to-date record of service of Mr. _____
for computation of his/her retirement benefits. The Gazette Publication
particulars of appointment and confirmation of the officer should be quoted
in the Record.

2. The Housing Board requires the applicant's retirement benefits to enable it to arrive at an equitable decision on his/her loan application.
3. Please, take early action on the matter and advise me accordingly.
4. A copy of this letter is being sent to the Permanent Secretary, Ministry of Establishments and Training, Ibadan for information and necessary action.

Secretary,
Oyo State of Nigeria Government Staff
Housing Board.

Ref. No. _____
Ministry of Works and Housing,
Oyo State of Nigeria Govt. Staff
Housing Board,
Ibadan.

Copy to:-
The Permanent Secretary,
Ministry of Establishments and Training,
Ibadan.

For information and necessary action.

2. On receipt of the applicant's Record of Service, Please furnish the Housing Board with his/her pension and gratuity particulars to help the Board arrive at an equitable decision on his/her application.

Secretary,
Oyo State of Nigeria Govt. Staff Housing
Board.

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

2 (6)

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MINISTRY OF WORKS AND HOUSING
OYO STATE OF NIGERIA
I B A D A N

Our Ref. No. _____

Date: _____

The Permanent Secretary,
Ministry of Establishments and Training,
C.D. Classes and Pension Division,
Oyo State of Nigeria,
I b a d a n.

Mr.
Application for a loan under the Oyo
State of Nigeria Government Staff
Housing Scheme

I have to inform you that Mr. _____
of the Ministry of _____
have applied to the Board of Management, Oyo State of Nigeria
Government Staff Housing Scheme, for ₦ _____ loan
to build/purchase a residential house. I shall be grateful if you
can furnish his pension and gratuity particulars to help the Board
arrive at an equitable decision on his application.

Secretary,
Oyo State of Nigeria Government
Staff Housing Board.

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2 (7)
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C O N F I D E N T I A L

MINISTRY OF WORKS AND HOUSING
OYO STATE OF NIGERIA
IBADAN

Ref. No. _____

Date: _____

Sir/Madam,

Application for Housing Loan

With reference to _____

I am directed to request you to furnish the following particulars in respect of your husband/wife:-

- (a) Full names in capital letters;
- (b) His/her occupation;
- (c) His/Her office address.

2. The information is urgently required for consideration of your loan.

I am, Sir/Madam,

Your obedient servant,

Secretary,
Oyo State of Nigeria Government
Staff Housing Board.

S. D. R.,

Please, confirm that Deed of Conveyance No. _____
at back cover is free from all incumbrances.

Secretary,
Housing Board.
/ /

2 (8A)
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ARCHIVES OF OYSCA

2 (8B)
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Solicitor-General,

Please, scrutinize a Deed of Conveyance dated _____
day of _____ 19____ and registered as No. _____
at page _____ in Volume _____ at rear
cover and advise the Housing Board whether or not the deed can be
accepted for purposes of a Government loan.

2. The Senior Deeds Registrar's comments are at page _____.

Secretary,
Housing Board.

_____/_____/_____.

ARCHIVES OF OYSCA

2 (9)
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Ref. No. _____
Ministry of Works and Housing,
Ibadan.

Date: _____

The Chief Architect,
Ministry of Works and Housing,
Secretariat,
Ibadan.

Mr./Mrs.
Report of building inspection and valuation
of Mr./Mrs. _____ building

I am directed to forward herewith an unapproved building plan of Mr./Mrs. _____ and request you to inspect the building site, evaluate the plan and furnish the estimated cost of completing the building as stated hereunder:

- (a) Location
- (b) Type of building
- (c) The total Estimate of the building
- (d) General information that may be of use to the Board apart from those already given above.

Secretary,
Oyo State of Nigeria Government
Staff Housing Board.

Ref. No. _____
Ministry of Works and Housing,
Ibadan.

Date: _____

Above for your information and necessary action.

2. Please contact the Architect in the Ministry of Works and Housing and arrange to show him the site of your building for the purpose of inspection.

Secretary,
Oyo State of Nigeria Government
Staff Housing Board.

2 (10)
B4

No. _____
Ministry of Works and Housing,
Ibadan.

Date:

The Chief Architect,
Ministry of Works and Housing,
Secretariat,
Ibadan.

Report of building inspection and valuation

of Mr./Mrs. _____ building

I have to refer to your valuation report dated and to inform you that Mr./Mrs. has applied for an additional loan to complete his/her house owing to rising costs of building materials and labour. Will you please inspect the building and forward the following particulars:-

- (a) Description and value of work done and fixed in position.
- (b) Description and value of work outstanding.
- (c) General Information that may be of use to the Board apart from those already given above.

Secretary,
Oyo State of Nigeria Government
Staff Housing Board.

Our Ref. No. _____
Ministry of Works and Housing,
Ibadan.

Date:

Above for your information and necessary action.

2. Please contact the Architect in the Ministry of Works and Housing and arrange to show him the site of your building for the purpose of inspection.

Secretary,
Oyo State of Nigeria Government
Staff Housing Board.

ARCHIVES OF OYO STATE

2(11)

Ref. No. _____
Ministry of Works and Housing,
Ibadan.

Date: _____

The Chief Architect,
Ministry of Works and Housing,
Secretariat,
Ibadan.

Mr./Mrs. _____
Report of building inspection and valuation
of Mr./Mrs. _____ building

I have to refer to your letter No. _____
of _____, and to request you to inspect the
the building and forward the following particulars:

- (a) Description and value of work done and fixed in position.
- (b) Description and value of work outstanding
- (c) General information that may be of use to the Board apart from those already given above.

Secretary,
Oyo State of Nigeria Government
Staff Housing Board.

Ref. No. _____
Ministry of Works and Housing,
Ibadan.

Date: _____

Above for your information and necessary action.

2. Please contact the Architect in the Ministry of Works and Housing and arrange to show him the site of your building for the purpose of inspection.

Secretary,
Oyo State of Nigeria Government
Staff Housing Board.

APPENDIX I

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ARCHIVES OF OYSCAC

2 (12A)
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FOR LAND

THIS AGREEMENT made the _____ day of _____ 19____

BETWEEN _____ Chairman of the Board of Management, Oyo State of Nigeria Government Staff Housing Scheme, acting for and on behalf of the Government of the Oyo State of Nigeria (hereinafter called "the Lender") of the first part AND

(hereinafter called "the Borrower" which expression shall be deemed to include his/her heirs, executors, administrators and assigns) of the second part AND

(hereinafter called "the Guarantors" which expression shall be deemed to include their executors and administrators and assigns) of the third part.

WHEREAS the Lender has agreed with the Borrower to lend to the sum of _____ to purchase land with a view to obtaining a further loan to build a residential house thereon in accordance with the Oyo State of Nigeria Government Staff Housing Scheme Regulations, upon having the repayment of the same with such interest as hereinafter mentioned secured in manner hereinafter appearing:

NOW THIS DEED WITNESSETH as follows:-

1. In pursuance of the said Agreement and in consideration of the sum of _____ paid by the Lender to the Borrower (the receipt whereof the Borrower hereby acknowledges) the Borrower hereby covenants with the Lender that he/she will repay to the Lender the said sum of

_____ together with interest thereon at the rate of three Naira (N3) per centum per annum by _____ consecutive equal monthly repayments the first of such repayments to be made on or before the last day of the month immediately following that in which this Agreement is signed.

2. AND THIS AGREEMENT FURTHER WITNESSETH that in pursuance of the said Agreement and in consideration of the said sum of
advanced to the Borrower
the Guarantors hereby guarantee to the Lender the repayments of all moneys which shall at any time be due from the Borrower to the Lender under the provisions of this Agreement: PROVIDED ALWAYS and it is hereby agreed that any neglect or forbearance of the Lender in endeavouring to obtain payment of any moneys due under this Agreement when the same shall become due and payable and any time which may be given to the Borrower by the Lender shall not release or exonerate or in any way affect the liability of the Guarantors under this clause.

3. AND it is hereby agreed as follows:-

- (a) That the Borrower shall immediately after purchasing the said land execute at his/her own expense a legal mortgage over the said land together with all improvements thereon whether now erected or to be erected hereafter to secure repayment of the said sum advanced to him/her and interest accrued under this Agreement.
- (b) That in the event of the Borrower making default in
of any consecutive equal monthly
and if notice requiring repayment of the money
has been served on the Borrower and default
has been made in repayment thereof for three months
after such service, the Lender may require repayment
of the balance of the said sum then owing at the
date of default to be made before the due dates.
- (c) That the Borrower may, after giving the Lender
fourteen days' notice, repay the said sum of
or any
part thereof still outstanding together with the
interest thereon.

(d) That in the event of the Borrower failing to purchase the said land within three months from the date of this agreement the said sum of _____ and the interest thereon shall forthwith be due for repayment:

Provided that the Lender may in his absolute discretion extend the said period of three months.

(e) That the Borrower shall pay to the Lender 50 per cent of the amount of any gratuity which may be due and payable to the Borrower on his retirement from the service of the Government of the Oyo State of Nigeria, or out of such gratuity, the amount of the outstanding balance of the loan as yet not repaid on the date of such retirement plus any interest due thereon, whichever is less. The Borrower hereby authorises the Lender to receive direct 50 per cent of the amount of such gratuity, or as the circumstances may require, to make therefrom a deduction of any amount payable under the preceding provisions of this paragraph before payment of the balance thereof is made to the Borrower:

Provided that the amount so received or deducted by the Lender shall be taken into account and the

Agreement shall be considered as discharged or varied accordingly.

(f) That if the Borrower dies while in the service of the Government, the legal personal representatives of the Borrower shall pay to the Lender 50 per cent of the amount of any gratuity which may be granted to the legal personal representatives by the Government of the Oyo State of Nigeria, or out of such gratuity, the amount of the outstanding balance of the loan as yet not repaid at the time

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such gratuity is granted plus any interest due thereon, whichever is less. The Borrower hereby authorises the Lender to receive direct 50 per cent of the amount of such gratuity, or as the circumstances may require, to make therefrom a deduction of any amount payable under the preceding provisions of this paragraph before payment of the balance thereof is made to his/hers legal personal representatives: provided that the amount so received or deducted by the Lender shall be taken into account and the Agreement shall be considered as discharged or varied accordingly.

- (g) The costs to the Lender of and incidental to this Agreement and the registration thereof shall be paid by the Borrower on demand. If the said costs be not paid before the loan or any part thereof is made they may be deducted therefrom by the Lender.
- (h) That the loan is subject to the conditions for the time being set out in the Oyo State of Nigeria Government Staff Housing Scheme Regulations as the same may from time to time be amended except where modified by the provisions of this Agreement.

IN WITNESS WHEREOF the said parties hereto have hereunto set their hands the day and year first above written.

SIGNED by the said

f. _____
for and on behalf of the Government
of the Oyo State of Nigeria

Chairman, Board of Management,
Oyo State of Nigeria Government
Staff Housing Board.

In the presence of:

.....
(WITNESS)

Address:

.....

Occupation:

.....

143

SIGNED by the said

(BORROWER)

In the presence of:

.....
(WITNESS)

Address:

.....

Occupation:

.....

SIGNED by the said

(GUARANTOR)

In the presence of:

.....
(WITNESS)

Address:

.....

Occupation:

.....

SIGNED by the said

(GUARANTOR)

In the presence of:

.....
(WITNESS)

Address:

.....

Occupation:

.....

ARCHIVES OF OYSONS

144
DATED

DAY OF

19

B E T W E E N

A N D

THE OYO STATE OF NIGERIA GOVERNMENT STAFF
HOUSING BOARD

AGREEMENT relating to a loan to purchase
a piece of land

FOR LAND
SUPPLEMENTARY AGREEMENT

2 (7B)
145

THIS AGREEMENT made the _____ day of _____ 19____

BETWEEN _____ Chairman
of the Board of Management of the Oyo State of Nigeria Govern-
ment Staff Housing Scheme for and on behalf of the Government
of the Oyo State of Nigeria (hereinafter referred to as the
"Lender") of the first part AND

(hereinafter referred to as the "Borrower" which expression
shall where the context so admits include his/her heirs,
executors, administrators and assigns) of the second part AND

(hereinafter referred to as the "Guarantors" which expression
shall be deemed to include their executors and administrators)
of the third part is SUPPLEMENTAL to an Agreement (hereinafter
called the "Principal Agreement") dated the _____ day of
19____ and made between the Lender of the first
part, the Borrower of the second part and the Guarantors of
the third part.

WHEREAS:

- (1) The principal sum of _____
with the interest thereon secured by
the principal Agreement remains owing to the Lender.
- (2) The Lender has agreed to advance to the Borrower
a further sum of _____
to purchase land in accordance with
the provisions of the Oyo State of Nigeria Govern-
ment Staff Housing Scheme Regulations, upon having
the repayment of the same with such interest as is
hereinafter mentioned secured in the manner here-
inafter appearing.

NOW THIS AGREEMENT WITNESSETH as follows:-

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1. In pursuance of the said Agreement and in consideration of the said sum of

paid by the Lender to the Borrower (the receipt whereof the Borrower hereby acknowledges) and such further advances as may be subsequently made to the Borrower by the Lender, the Borrower hereby covenants with the Lender that he/she will repay to the Lender the said sum of

made to him/her in accordance with the Oyo State of Nigeria Government Staff Housing Scheme Regulations together with interest thereon at the rate of three Naira (₦3.00) per centum per annum by consecutive equal monthly repayments the first of such repayments to be made on the last day of the month immediately following that in which this Agreement is signed.

2. The Borrower as beneficial owner hereby declares that all the property comprised in the principal Agreement shall henceforth be a security for and be charged with payment of the said sum of

with interest thereon from the date hereof at the rate aforesaid in addition with the said sum of

secured by the principal Agreement with interest and that no part of the said property shall be redeemable and the mortgage term now subsisting in the said property shall not cease until all such sums as aforesaid with the interest thereon respectively shall have been fully paid to the Lender.

3. In pursuance of the said Agreement and in consideration of the said sum of

and such further advances as may be subsequently made to the Borrower, the Guarantors hereby guarantee to the Lender the repayment of all moneys which shall at any time be due from the Borrower to the Lender under the provisions of this Agreement.

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4. All the covenants provisions and powers contained in or subsisting under the principal Agreement (except the covenants for payment of principal money and interest) shall be applicable for securing the payment of the said sum of and the interest thereon and for enforcing and defining the rights of the parties under the security hereby constituted as if the sum of

and the interest thereon had formed part of the principal money and the interest thereon payment whereof is secured by the principal Agreement.

IN WITNESS WHEREOF the said parties hereto have hereunto set their hands the day and year first above-written.

SIGNED by the said

for and on behalf of the Government of Oyo State of Nigeria.

Chairman, Board of Management, Oyo State of Nigeria Government Staff Housing Scheme.

In the presence of:

.....
(WITNESS)

Occupation:

.....

Address:

.....

SIGNED by the said

(BORROWER)

In the presence of:

.....
(WITNESS)

Occupation:

.....

Address:

.....

SIGNED by the said

(GUARANTOR)

In the presence of:

.....
(WITNESS)

Occupation:

.....

Address:

.....

SIGNED by the said

(GUARANTOR)

In the presence of:

.....
(WITNESS)

Occupation:

.....

Address:

.....

ARCHIVES OF OYSCAC

145



DATED _____ DAY OF _____ 19 _____

B E T W E E N

A N D

THE OYO STATE OF NIGERIA GOVERNMENT STAFF
HOUSING BOARD

SUPPLEMENTARY AGREEMENT relating to an
additional loan to purchase a piece of land

ARCHIVES OF OYSCAC

FOR BUILDING A HOUSE

2(20)
150

THIS MORTGAGE is made the _____ day of _____ 19____

BETWEEN _____ Chairman of the Board of Management of the Western State of Nigeria Government Staff Housing Scheme, for and on behalf of the Government of the Western State of Nigeria (hereinafter referred to as the "Lender") of the first part AND

referred to as the "Borrower" which expression shall where the context so admits include _____ heirs, executors, administrators and assigns) of the second part AND

(hereinafter referred to as the "Guarantors" which expression shall be deemed to include their executors and administrators) of the third part.

WHEREAS -

(1) By an agreement dated the _____ day of _____ 19____ and made between the Lender of the first part, the Borrower of the second part and the Guarantors of the third part (hereinafter referred to as the "original Agreement") the Lender advanced to the Borrower the sum of

_____ to purchase land with a view to obtaining a further loan to build a residential house thereon in accordance with the Western State of Nigeria Government Staff Housing Scheme Regulations.

(2) The Borrower in the original Agreement agreed to execute a legal mortgage over the said land after purchase to secure the repayment of the said sum of

(3) The Lender has agreed to advance to the Borrower a further sum of _____ and to make further advances in accordance with the provisions of the Western State of Nigeria Government Staff Housing Scheme Regulations which together with the said sum of

_____ shall not exceed the total sum

of _____ upon having
the repayment of the same with such interest as in hereinafter
mentioned secured in the manner hereinafter appearing.

(4) The Borrower is seised in fee simple free from incumbrances
of the property described in the Schedule hereto.

NOW THIS DEED WITNESSETH as follows:-

1. In pursuance of the said agreement and in consideration of the
original sum of _____
paid by the Lender to the Borrower (the receipt whereof the Borrower
hereby acknowledges) and such further advances as may be subsequently
made to the Borrower by the Lender, the Borrower hereby covenants
with the Lender that _____ will repay to the Lender the said original
sum of _____ and
such further advances made to _____ in accordance with the Western
State of Nigeria Government Staff Housing Scheme Regulations together
with interest thereon at the rate of three naira (₦3) per centum per
annum by _____ consecutive, _____ repayments the
first of such _____ to be made on the last day of the month
immediately following that in which the payment of the said total
sum of _____ is completed.

2. For the consideration aforesaid and in pursuance of the
original Agreement and the consideration therein mentioned the
Borrower as BENEFICIAL OWNER hereby demises to the Lender all the
property specified in the Schedule hereto TOGETHER with all present
and future buildings or other improvements thereon TO HOLD the same
unto the Lender for the term of 3,000 years from the date hereof
without impeachment of waste subject to the provision for cesser
hereinafter contained:

Provided that if the Borrower shall pay to the Lender the said
sum of _____ and the
interest in respect thereof plus any money still owing under the
original Agreement in accordance in all respects with the terms in
that regard contained in this deed and the original Agreement the term
hereby created shall cease.

3. AND THIS DEED FURTHER WITNESSETH that in pursuance of the said agreement and in consideration of the said original sum of _____ and such further advances as may be subsequently made to the Borrower, the Guarantors hereby guarantee to the Lender the repayment of all monies which shall at any time be due from the Borrower to the Lender under the provisions of this deed PROVIDED ALWAYS and it is hereby agreed that any neglect or forbearance of the Lender in endeavouring to obtain payment of any monies due under this deed when the same become payable and any time which may be given to the Borrower by the Lender shall not release or exonerate or in any way affect the liability of the Guarantors under this clause.

4. The Borrower hereby further covenants with the Lender:-

- (a) That in the event of the Borrower making default in repayment of any consecutive _____ payment and if notice requiring such repayment has been served on the Borrower and default has been made in respect thereof for three months after such service, the Lender may require payment of the balance of the said total sum then owing at the date of default together with interest thereon to be made before the due dates.
- (b) That before the dates on which the sums advanced are due to be paid, the Borrower may, after giving the Lender fourteen days' notice, repay the said original sum of _____ and such further advances as may have been made to _____ together with the interest thereon.
- (c) That in the event of the Borrower failing to apply for a final advance bringing the total sum advanced to _____ up to the said total sum of _____

within one year from the execution of this Deed the Lender may require immediate repayment of the original sum and all or any of the

advances made to the Borrower during the said period of one year; provided that the Lender may in absolute discretion extend the period of one year or for making the repayment referred to in this paragraph.

(d) That the Borrower shall pay to the Lender 50 per cent of the amount of any gratuity which may be due and payable to the Borrower on retirement from the service of the Government of Western State of Nigeria, or out of such gratuity, the amount of the outstanding balance of the loan as yet not repaid on the date of such retirement plus any interest due thereon, whichever is less. The Borrower hereby authorises the Lender to receive direct 50 per cent of the amount of such gratuity, or as the circumstances may require, to take therefrom a deduction of any amount payable under the preceding provisions of this paragraph before payment of the balance thereof is made to the Borrower; provided that the amount so received or deducted by the Lender shall be taken into account and the equal payments referred to in Clause 1 of this Agreement discharged or varied accordingly.

(e) That if the Borrower dies while in the service of the Government, the legal personal representatives of the Borrower shall pay to the Lender 50 per cent of the amount of any gratuity which may be granted to the legal personal representatives by the Government of the Western State of Nigeria, or out of such gratuity, the amount of the outstanding balance of the loan as yet not repaid at the time such gratuity is granted plus any interest due thereon, whichever is less. The Borrower hereby authorises the Lender to receive direct 50 per cent of the amount of such gratuity, or as the circumstances may require, to make therefrom a deduction of any amount payable under the preceding

provisions of this paragraph before payment of the balance thereof is made to legal personal representatives: provided that the amount so received or deducted by the Lender shall be taken into account and the equal payments referred to in Clause 1 of this deed discharged or varied accordingly.

(f) That so long as any money remains owing on this security the Borrower shall keep the buildings for the time being comprised herein insured in the names of the Borrower and the Accountant-General, Western State of Nigeria, against loss or damage caused by fire, water or lightning to the full insurable value thereof with some insurance office approved by the Lender and shall deposit the policy so effected with the Lender AND if the Borrower shall fail to perform obligations under this Clause and if the Lender shall thereupon insure the said buildings in the sum not exceeding the amount aforesaid the Borrower shall on demand repay to the Lender all payments made by him for that purpose and shall pay interest at the same rate as in respect of the mortgage money from the date of demand until repayment on any moneys not repaid on demand as aforesaid and all such moneys and interest shall be charged on the property hereby mortgaged: PROVIDED that all moneys which may be received by virtue of any such insurance shall be applied in the first place in making good the loss or damage in respect of which the same shall have been received.

(g) That if at any time the Borrower is entitled to the benefit of an insurance on the buildings for the time being comprised in this security which is not effected or maintained in pursuance of his obligation aforesaid then all moneys received by virtue of such

insurance shall if the Lender so requires be applied at the option of the Lender either in making good the loss or damage in respect of which the same shall have been received or be paid to the Lender and be applied by him in or towards discharge of the said principal sum of _____ and interest thereon.

- (h) That so long as any money remains owing on this security the Borrower shall keep the building for the time being comprised herein in good repair and if the Borrower shall fail so to do the Lender shall thereupon be entitled to enter upon the premises or any part thereof and execute such repairs as may be necessary and proper without thereby becoming liable as Mortgagee in possession and the Borrower shall on demand repay to the Lender all the expenses thereby incurred by the Lender and shall pay interest at the same rate as in respect of the mortgage money from the date of demand until repayment on any moneys not repaid on demand as aforesaid and all such expenses and interest shall be charged on the property hereby mortgaged.
- (i) During the continuance of this security the Borrower shall not without the consent in writing of the Lender grant or agree to grant any lease or tenancy of the mortgaged premises or any part thereof or accept or agree to accept a surrender of any lease or tenancy thereof.
- (j) The costs _____ the Lender of and incidental to this agreement and the registration thereon shall be paid by the Borrower on demand. If the said costs be not paid before the loan or any part thereof is made they may be deducted therefrom by the Lender.

(k) That the loan is subject to the conditions set out in the Western State of Nigeria Government Staff Housing Scheme Regulations as the same may be amended from time to time except where modified by the provisions of this Agreement.

IN WITNESS WHEREOF the parties have hereunto set their hands and seals the day and year first above written.

S C H E D U L E

SIGNED, SEALED and DELIVERED by the said for and on behalf of the Government of the Western State of Nigeria.

Chairman, Board of Management, Western State of Nigeria Govt. Staff Housing Scheme.

in the presence of :

.....
(WITNESS)

Occupation:

.....

Address:

.....

SIGNED, SEALED and DELIVERED by the
said

.....

(BORROWER)

in the presence of:

.....
.....
(WITNESS)

Occupation:

.....

Address:

.....

SIGNED, SEALED and DELIVERED by the
said

.....

(GUARANTOR)

in the presence of:

.....
.....
(WITNESS)

Occupation:

.....

Address:

.....

SIGNED, SEALED and DELIVERED by the
said

.....

(GUARANTOR)

in the presence of:

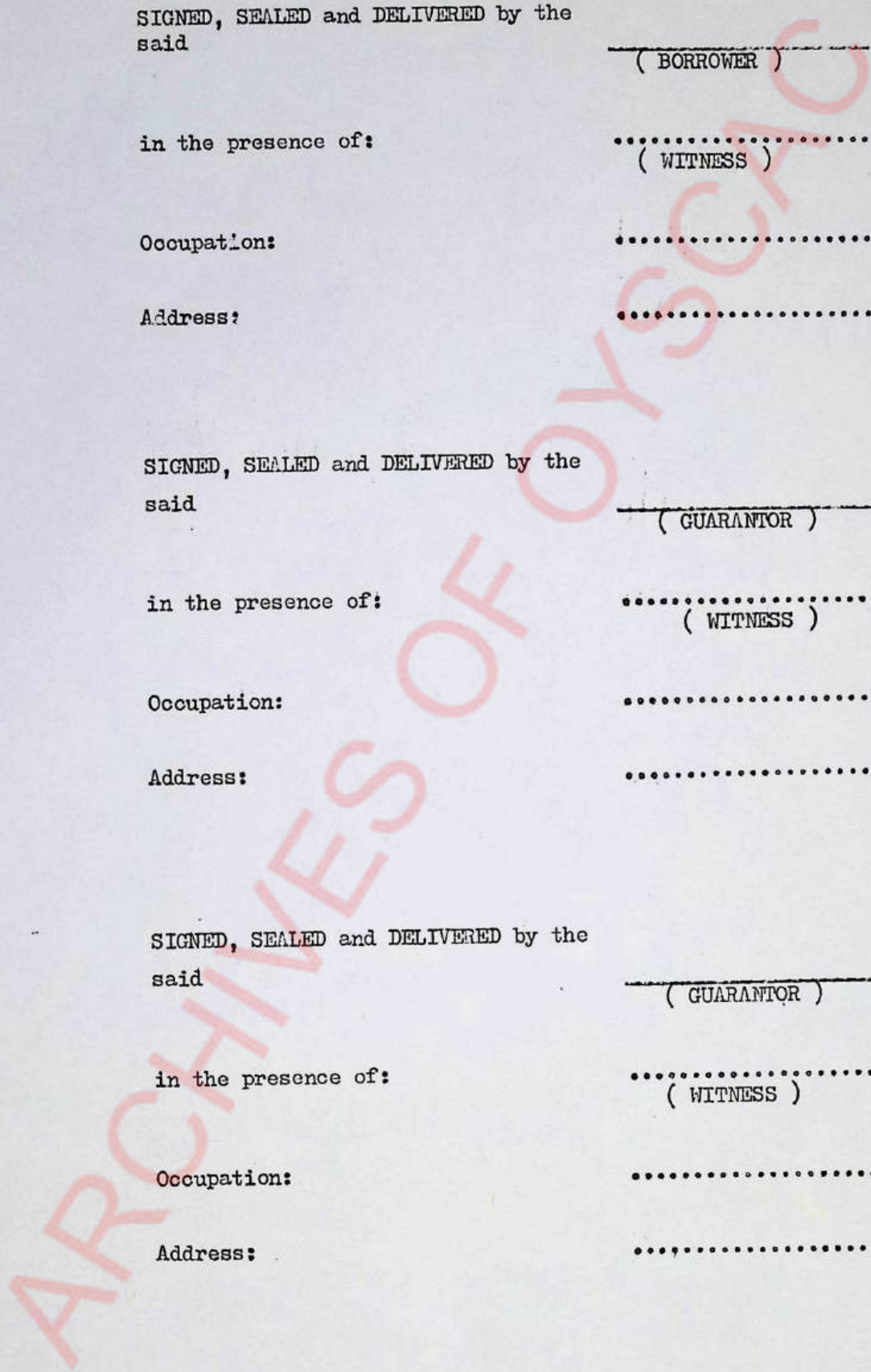
.....
.....
(WITNESS)

Occupation:

.....

Address:

.....



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DATED _____ DAY OF _____ 19____

B E T W E E N

A N D

THE WESTERN STATE OF NIGERIA GOVERNMENT
STAFF HOUSING BOARD

LEGAL MORTGAGE relating to a loan to
build a residential house at

PREPARED BY :-

SENIOR STATE COUNSEL
for Solicitor-General,
Ministry of Justice,
Ibadan.

FOR BUILDING A HOUSE

2(121)

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SUPPLEMENTARY DEED

THIS DEED made the _____ day of _____ 19__

BETWEEN _____ Chairman
of the Board of Management of the Oyo State of Nigeria Govern-
ment Staff Housing Scheme for and on behalf of the Government
of the Oyo State of Nigeria (hereinafter referred to as the
"Lender") of the first part AND

(hereinafter referred to as the "Borrower" which expression
shall where the context so admits include his/her heirs, executors,
administrators and assigns) of the second part AND

(hereinafter referred to as the "Guarantors" which expression
shall be deemed to include their executors and administrators)
of the third part is SUPPLEMENTAL to a Mortgage (hereinafter
called "Principal Mortgage") dated the _____ day of _____
19__ and registered as No.. _____ at page _____ in Volume
_____ of the Lands Registry, Ibadan and made between the
Lender of the first part, the Borrower of the second part and
the Guarantors of the third part.

WHEREAS:

- (1) The principal sum of _____
with the interest thereon secured
by the principal Mortgage remains owing to the
Lender.
- (2) The Lender has agreed to advance to the Borrower
a further sum of _____
and to make further advances in
accordance with the provisions of the Oyo State
of Nigeria Government Staff Housing Scheme Regu-
lations, which together with the said sum of _____
shall not exceed the total sum of _____

NOW THIS DEED WITNESSETH as follows:-

1. In pursuance of the said Agreement and in consideration of the said sum of

paid by the Lender to the Borrower (the receipt whereof the Borrower hereby acknowledges) and such further advances as may be subsequently made to the Borrower by the Lender, the Borrower hereby covenants with the Lender that he will repay to the Lender the said sum of

and such further advances not exceeding

made to in accordance with the Oyo State of Nigeria Government Staff Housing Scheme Regulations together with interest thereon at the rate of three Naira (₦3) per centum per annum by consecutive equal monthly payments the first of such payments to be made on the last day of the month immediately following that in which the first payment of the said total sum of

is made.

2. The Borrower as beneficial owner hereby declares that all the property comprised in the principal Mortgage shall henceforth be a security for and be further charged with payment of the said sum of

with interest thereon from the date hereof at the rate aforesaid in addition to the said sum of

secured by the principal Mortgage with interest and that no part of the said property shall be redeemable and the mortgage term now subsisting in the said property shall not cease until all such sums as aforesaid with the interest thereon respectively shall have been fully paid to the Lender.

3. In pursuance of the said Agreement and in consideration of the said sum of

and such further advances as may be subsequently made to the Borrower, the Guarantors hereby guarantee to the Lender the repayment of all moneys which shall at any time be

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due from the Borrower to the Lender under the Provisions of this Mortgage.

4. All the covenants provisions and powers contained in or subsisting under the principal Mortgage (except the covenants for payment of principal money and interest) shall be applicable for securing the payment of the said sum of

and the interest thereon and for enforcing and defining the rights of the parties under the security hereby constituted as if the sum of

and the interest thereon had formed part of the principal money and the interest thereon payment whereof is secured by the principal Mortgage.

IN WITNESS WHEREOF the parties hereto have hereunto set their hands and seals the day and year first above written.

SIGNED, SEALED and DELIVERED by the said

for and on behalf of the Government of Oyo State of Nigeria.

Chairman, Board of Management, Oyo State of Nigeria Government Staff Housing Scheme.

In the presence of:

.....
(WITNESS)

Occupation:

.....

Address:

.....

SIGNED, SEALED and DELIVERED by the said

(BORROWER)

In the presence of:

.....
(WITNESS)

Occupation:

.....

Address:

.....

SIGNED, SEALED and DELIVERED
by the said

(GUARANTOR)

In the presence of:

.....
(WITNESS)

Occupation:

.....

Address:

.....

SIGNED, SEALED and DELIVERED
by the said

(GUARANTOR)

In the presence of:

.....
(WITNESS)

Occupation:

.....

Address:

.....

ARCHIVES OF OYSOACA

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DATED DAY OF 19_____

BETWEEN

A N D

THE OYO STATE OF NIGERIA GOVERNMENT STAFF
HOUSING BOARD

SUPPLEMENTARY DEED relating to an additional
loan to complete the building of a residential
house

2 (13A)

1st instalment of loan to Build
or loan to Purchase Land

Chairman,

via
Secretary (F. & A.)

via
Sec. Housing Board,

I submit at back cover for your execution four
copies of the deed of Agreement/Mortgage in respect
of the -----
approved for Mr. -----
to ----- vide pages -----

2. The draft deed has also been vetted by the Solicitor
General vide pages -----

3. You will please sign the payment voucher for N-----
at back cover in favour of Mr. -----
being -----
approved -----

4. His loan balance is -----

Accountant
Housing Board

/ /

ARCHIVES OF OYSAC

2nd instalment of Loan to Building
35%

Chairman
via
Secretary (F & A)
via
Secretary (H.B.),

Please, see the Ministry of Works' inspection report on Mr/Miss/Madam _____ building at page _____. He/She is now entitled to payment of second instalment from the _____ loan approved for him/her.

2. The payment of his/her loan is reckoned as follows:-

- (a) Approved loan (page _____) = ₦ _____
- (b) 1st instalment paid (page _____) = ₦ _____
- (c) Value of work executed and fixed)
in position after payment of)
first instalment vide page _____ } = ₦ _____
- (d) Value of work executed and fixed)
in position before the release of)
the first instalment vide page _____ } = ₦ _____
- (e) Actual value of work done with the)
first instalment therefore is (c))
minus (d) i.e. _____ } = ₦ _____
- (f) Value of work done in excess of)
first instalment is (e) minus)
(b) above i.e. _____ } = ₦ _____
- (g) Amount (2nd instalment) now due)
for payment will therefore be)
35 per cent of (a) plus (d) i.e.)
 $\frac{₦ \quad \quad \quad \times 35}{100} + \frac{₦ \quad \quad \quad}{1}$)
in accordance with Regulation 7(1))
(b) (i) = _____ } = ₦ _____

3. You will please sign Payment Voucher at b.c. for ₦ _____ in favour of Mr/Miss/Madam _____ being payment of second instalment from _____ loan granted to him/her.

4. His loan balance is ₦ _____.

Accountant,
Oyo State of Nigeria Govern-
ment Staff Housing Board.

2 (13C)

3rd instalment of loan to build
35%

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Chairman

via

Secretary (F & A)

via

Secretary (H.B.),

Please see the Ministry of Works' Inspection Report on Mr/Miss/Madam _____ building at page _____. He/She is now entitled to payment of 3rd instalment from the loan approved for him/her.

2. The payment of the loan is calculated as follows:-

(a) Approved loan vide page _____	= ₦ _____
(b) <u>Payment:</u>	
(i) 1st instalment paid page _____	= ₦ _____
(ii) 2nd instalment paid page _____	= ₦ _____
Total: 	= ₦ _____

(c) Amount (3rd instalment) due now for payment will be 90 per cent of the approved loan (a) above less total amount already paid (b) above since the value of work executed is not less than (b) above i.e. 90 per cent of ₦ _____ (a) minus
 ₦ _____ (b) in accordance with Regulation 7(1) (b)(i) ₦ _____ = ₦ _____

3. You will please sign payment voucher for ₦ _____ at b.c. in favour of Mr/Miss/Madam _____ being payment of 3rd instalment from the ₦ _____ loan granted to him/her.

4. The payment voucher for ₦ _____ is also submitted at b.c. being the _____% of ₦ _____ additional loan approved for him/her vide Boards Extract at Page _____.

5. He was given _____% of the additional loan vide pages _____ (where the copy paid voucher is attached)

His loan balances is as follows:-

Original loan	= ₦ _____
Additional loan	= ₦ _____

Accountant,
Oyo State of Nigeria Govern-
ment Staff Housing Board.

2 (1311)

Final Payment of loan to build,

Chairman,
Via
Secretary (F & A)
Via
Secretary Housing Board.

Please, see the Ministry of Works and Transports' completion certificate in respect of _____ building at page _____. Since he has completed his building, he is entitled to the payment of the final instalment of the loan of _____ approved for him vide page _____.

2. The ^{(1) First instalment} payment of the loan is as follows:-

- (a) First instalment of the loan paid vide page _____ =
- (b) Second " " " " " " " " _____ =
- (c) Third " " " " " " " " _____ =

Total: _____

(d) Amount now payable is the approved loan of _____ less the total amount already paid i.e. _____ =

3. You will please sign the payment voucher for _____ at b.c. in favour of _____.

Accountant
Housing Board.

/ /

ARCHIVES

2 (13E)

Additional work to purchase land

Chairman
Via
Secretary (F & A)
Via
Secretary Housing Board

I submit at back cover for your execution four copies of a further charge/Supplemental Agreement in respect of the _____ approved for Mr. _____ to _____ vide pages _____.

2. The two guarantors have agreed to the additional loan vide pages _____.

3. The draft Deed has also been vetted by the Solicitor-General vide pages _____.

4. You will please sign the payment voucher for £ _____ at b.c. in favour of Mr. _____ being _____

approved _____.

5. His/her loan balance is £ _____.

Accountant,
Housing Board.

/ /

ARCHIVES OF OYSCA

Adm. Section Staff Composition with fringe Benefits

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RANK	Salary Scale	Annual Salary	Annual Leave	Leave Rate	Car loan	Basic	mls. claim	Housing Bills
(i) P.E.O. (1)	GL. 11	₹6,444.00	30 days	₹160.00	₹4,800.00	₹50.00	5k per kl	₹40.00
(ii) H.E.O. (1)	GL. 08	₹3,264.00	30 days	₹128.00	₹4,800.00	₹50.00	5k per kl.	₹40.00
(iii) A.E.O. (1)	GL. 06	₹1,944.00	21 days	₹128.00	m/c.1000	₹10.00	1/24 per kl	not applicable
(iv) S.C.O. (1)	GL. 05	₹1,476.00	21 days	₹96.00	m/c.1000	₹10.00	1/24 per kl.	not applicable
(v) C. O. (4)	GL. 04 ₹1200 each	₹4,800.00	21 days of ₹96 each	₹384.00	₹4000.00	₹40.00	1/24 per kl.	not applicable
(vi) C.A. (3)	GL. 03 ₹948 each	₹2,844.00	14 days of ₹96 each	₹288.00	₹3000.00	₹30.00	1/24 per kl.	not applicable
(vii) Typist Gd.I(5)	GL. 04 ₹1200 each	₹6,000.00	14 days of ₹96 each	₹480.00	₹5000.00	₹50.00	1/24 per kl.	not applicable
(viii) Messengers(3)								
(viii) Messengers(3)	GL. 02 ₹852 each	₹2,556.00	14 days of ₹96 each	₹288.00	₹3000.00	₹30.00	1/24 per kl.	not applicable
		<u>₹30,528.00</u>		<u>₹1952.00</u>	<u>₹24,600.00</u>	<u>₹270.00</u>	<u>₹250.00</u>	<u>₹80.00</u>
<u>ACCOUNTING SECTION</u>								
(i) Accountant grade II	GL. 09	₹4,364.00	30 days	₹160.00	₹4,800.00	₹50.00	5k per kl.	₹40.00
(ii) S.T.O. A/Cs(1)	GL. 09	₹4,364.00	30 days	₹128.00	₹4,800.00	₹50.00	5k per kl.	₹40.00
(iii) H.E.O. " (1)	GL. 08	₹3,264.00	30 days	₹128.00	₹4,800.00	₹50.00	5k per kl.	₹40.00
(iv) E.O. " (1)	GL. 07	₹2,532.00	21 days	₹128.00	₹3,600.00	₹50.00	5k per kl.	not applicable
(v) A.E.O. " (1)	GL. 06	₹1,944.00	21 days	₹128.00	m/c1000	₹10.00	1/24 per kl	not applicable
(vi) C.O. ₹1200 (5) each	GL. 04	₹6,000.00	21 days	₹480.00	₹5,000.00	₹50.00	1/24 per kl	not applicable
(vii) C.A. ₹948 (3) each	GL. 03	₹2,844.00	21 days	₹288.00	₹3,000.00	₹30.00	1/24 per kl	not applicable
(viii) Messengers (2)	GL. 02	₹1704.00	14 days	₹192.00	₹2,000.00	₹20.00	1/24 per kl	not applicable
Salaries.....	₹57,542.00	<u>₹27,016.00</u>		<u>₹1,632.00</u>	<u>₹29,000.00</u>	<u>₹310.00</u>	<u>₹250.00</u>	<u>₹120.00</u>
Advances.....	₹73,600.00							
Allowances.....	₹4,672.00							
Grand Total	<u>₹135,814.00</u>							

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Sec (G & A),

I humbly submit from p. 95
please.

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C. R.
9/1/28

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