

ERM no. 123

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

**ERM123**

THE COL

Papers on Africa and the Middle East, No. 2

FOREIGN TRADE AND EXTERNAL FINANCIAL POSITION

OF

NIGERIA

Economic Department

October, 1948

123

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PREFACE

This is the second in a series of Papers which the Africa-Middle East Section of the Bank's Economic Department is issuing to report on conditions in the territories within its area. The first Paper dealt with the foreign trade and external financial position of the Gold Coast, the British West African Colony. The present one, based mainly upon the work of Benjamin King, provides an account of the trade and external financial position of Nigeria.

The Papers are intended primarily to supply information required for the analysis of loan applications. It is hoped, however, that some of the material furnished will be of interest to members of the Bank generally and thus contribute to a broader understanding of the general problems of economic development.

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## NIGERIA: A SUMMARY VIEW

With the trust territory of the Cameroons,<sup>1/</sup> Nigeria has an area of 370,000 square miles and a population of some 22 million, of whom only a few thousand are white. A rather irregular block 600 miles square, it is situated in the southeastern part of the West African bulge; it is similar in size, population and, roughly, in shape to the 8 southern American states east of the Mississippi (excluding Florida). Its population is by far the largest of any political entity in Africa.

A dominant physical feature is the great Y-shaped waterway formed by two large rivers, the Niger and its tributary, the Benue, which enter it, one on the west and the other on the east and meet 250 miles from the sea. Between the northern border, which is semi-desert, and the humid south coast -- a maze of lagoons, sand-bars and mangrove swamps -- there is continuous variation in climate and vegetation. Most of the north is an open undulating plateau, the highest part of which, the Bauchi plateau, is the source of Nigeria's tin ore. In the extreme south is the dense tropical rain-forest, still rich in valuable timber and oil-palms, but much reduced by the inroads of agriculture.

Administratively, Nigeria includes the Colony proper -- a small area around Lagos, the capital and chief port (population 175,000) -- and the Protectorate, divided in turn into the Northern, Eastern and Western Provinces. The territory as a whole is controlled by a Governor responsible to the Colonial Office in London; under the Governor are 3 Chief Commissioners, one in each group of Provinces, and a Commissioner for Lagos.

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<sup>1/</sup> The Cameroons, assigned as a Mandate to the United Kingdom in 1922, are administratively part of Nigeria.

The Governor is assisted by an advisory body, the Executive Council, consisting mainly of Heads of Government Departments, but containing a few appointed Africans. The Legislative Council, which now has an African majority, is the body responsible for the passage of all legislation. Although the Governor has final powers, they are exercised only in an emergency.

The Constitution of Nigeria was much altered by a revision in 1946, which provides, in each group of provinces, for a House of Assembly with a majority of African members chosen mostly by local native authorities, and, in the Northern Provinces, for a kind of Upper House, the House of Chiefs. On these bodies are now devolved considerable financial powers within their areas, and deliberative functions for most national bills.

The present political organization of the Colony can best be explained by relating the historical events which influenced it. For many decades the densely populated area of Southern Nigeria was a source of slaves for the American slave market. The denunciation of the slave trade by the British in 1807 led to the establishment of a naval station at Lagos which was formally annexed as a British colony in 1861. At this time there was also a growing trade in the oil from the fruit of the oil-palm tree, abundant in the Nigerian forest belt. In 1865, largely at the instance of local traders, the British government announced a protectorate over this area, and soon thereafter the Royal Niger Company was given a charter extending over what is now Central and Northern Nigeria. Eventually, Northern Nigeria became the birthplace of the principle of "indirect rule", a principle developed largely of necessity under the administration of the Royal Niger Company, when the Company found itself faced with the problem of controlling a large area with little actual power and adopted the policy of administering

its territories through the existing native Emirates with their strongly centralized system of government.

When, in 1900, the Company's charter was revoked and Northern Nigeria became a protectorate, Lord Lugard, its first governor, further developed the system of indirect rule, consciously preserving the native organs of government; in the 1920's, the principle was extended to the southern provinces, where it required certain modifications. Today the basic organs of local government, which have a considerable amount of responsibility, are known as Native Administrations, or Authorities; since the promulgation of the new constitution, they have become the base of the electoral pyramid, the apex of which is the Legislative Council. The intermediate bodies, the Houses of Assembly, are the result of the strong social differences which exist between the Mohammedans of the North and the two pagan groups in the southwest and southeast.

The mass of the Nigerian people are engaged in agriculture, which, in general, conforms to the usual pattern of "shifting cultivation". Crops such as corn, millet, yams, cassava, and sweet potatoes supply most of the staple foods consumed. Cotton is grown over a large part of the country, much being used for native weaving but some being exported. Cocoa in the south and groundnuts in the north are the most valuable export crops, while the fruit gathered from the wild oil-palm furnishes two other important export commodities, palm oil and palm kernels. Groundnuts and palm oil are also consumed locally. In the north, which is comparatively free from the tsetse fly, there is a cattle industry, which supplies meat for internal consumption and hides and skins for export. Agricultural and forest products account for over 80 percent of Nigeria's total exports.

There are two main minerals in Nigeria, tin ore and coal. The tin mines are leased from the Government by a number of companies and individuals; the collieries in the southeast are operated by the Government. Gold ore and columbite, a by-product of tin ore, are also mined.

Since there are scarcely any concessions of land except for timber, and the railway is run by the Government, non-African enterprise is engaged mostly in export-import trade. A small number of British, Anglo-Greek and French concerns dominate this field; of these the two most important are the United Africa Company and John Holt and Company, both of which are also engaged in river transport.

Nigerian industry was originally confined to a few European factories producing such consumer goods as soap and cigarettes, and to the saw-mills of the United Africa Company. The war, however, gave a great stimulus to local production of food and drink products, hardware, furniture, cloth and building materials, both by large companies and by small African firms. In addition, the Government operated dairies and bacon factories. Under the Nigerian ten-year Development Plan efforts are now being made to further this process, particular stress so far having been laid on the peasant textile industry, for which 8 centers are being established throughout the country. Pioneer palm-oil mills are also being set up and other local industries promoted. Private enterprise is represented by a new brewery and a new plywood factory.

Since the coast offers no natural harbours, Nigerian ports are man-made. Lagos and Port Harcourt, the two most important, are connected with the interior by a west and east railway respectively, which converge on Kaduna in the north. The west railway passes through the cocoa district, and the east through Enugu, the center of the coal-fields. A third port,

Burutu, lies at the mouth of the Niger, and serves the interior by water. The Nigerian river system is an important means of transport, but suffers from great fluctuations in the depth of water, so that navigability varies widely over the seasons. It is said that the depth of the water has been much reduced by the irrigation schemes of the Office du Niger in French Sudan. Nigeria's main road system consists of two north-south and four lateral highways, in which the Government intends to make radical improvements. The whole transport system was badly run down during the war, and its rehabilitation is now an urgent short-term task. Locomotives, rolling-stock, river-boats, trucks, and lighters are all greatly needed.

Nigerian currency consists of notes and coins issued by the West African Currency Board and freely convertible into sterling. Between March 1939 and 1946 the circulation rose from 6 to 18 million pounds, an expansion occasioned mainly by military expenditure and large wartime export surpluses. Total circulation will probably remain large since prices are unlikely to return to prewar levels within the near future. The immediate consequences of the large monetary purchasing power and the continued shortage of imported consumer goods has been severe inflation. In the interior there is a grey market for imported goods, but even in the cities the cost of living is very high since the terms of trade have turned strongly against Nigeria -- an unprecedented phenomenon under boom conditions. In the summer of 1945, the high cost of living was the cause of a strike by African civil servants.

The Nigerian budget has shown interesting changes during the war. Revenue has increased from £6 million to £13 million from 1938/1939 to 1945/1946, and a surplus of some £2 $\frac{1}{2}$  million has replaced a deficit of £1 million<sup>1/</sup>

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<sup>1/</sup> There were surpluses of this order from 1943/44 to 1946/47.

In both years, customs, excise and export duties provided 45 percent of revenue; a striking change has taken place in revenue from direct taxes, whose share in the total has risen from one-sixth to one-fourth. While most items of expenditure have doubled, charges on public debt service remained the same as in 1938-39. Since these charges were nearly £1½ million, the budget benefits considerably from the resulting decline in the real debt burden.

Under Nigeria's 10-year Development Plan it is proposed to spend about £21½ million during the first 5 years. Of this sum about £7½ million will be raised by loans, £10 million provided under the Colonial Development and Welfare Act, and some £4 million financed from revenue.

The Development Plan covers a broad field, but is principally devoted to extension of the services already undertaken by the Government. Thus 60 percent of the total expenditure is to be allocated to water supply, health, education, road development and the building programs associated with these departments. Most of the other 40 percent is to be spent on the extension of other services such as agriculture in the broadest sense, power, communications and waterways.

Critics of the Plan have pointed out that even the large expenditure envisaged -- £55 million in 10 years -- will be spread over such a large area and such a large population that it will, by itself, have only an imperceptible effect. Furthermore, the Plan has already encountered shortages of skilled personnel, both European and African, and of steel and machinery; a further local criticism is that the quickly fired but easily quenched enthusiasm of the Africans has been first aroused by the Plan, and then disappointed by the lack of visible results.

The standard of living of the Nigerian people is extremely low; the average family is said to have an annual income of £15 at the most. As it will not be possible to raise this level significantly unless the cooperation of the African is enlisted, stress has been laid since the publication of the Plan on the necessity for stimulating local development of all kinds, which springs naturally from the immediate needs of the local inhabitants; in a few districts remarkable results on these lines have already been obtained by local District Officers. However, unlike the French Colonial Plan, the Nigerian Development Plan was not intended to cover the complete range of economic and social development. The activities of private enterprise and of the British Colonial Development Corporation lie outside it and there seems to be no machinery for more than the loosest coordination, which is possibly the Plan's main weakness.

The Plan does not indicate how far the Nigerian economy is expected to rely on its present pattern of exports, the main source of income after subsistence agriculture. Nigerian exports now depend largely on the demand, in industrial countries, for such commodities as cocoa, palm oil, and tin ore, whose future is, to say the least, uncertain. Even with the extraordinary prices which cocoa commands today, the current accumulation of assets by Nigeria is really only the result of restrictions imposed on consumers. In the long run, improvement of the standard of living of the Nigerian people may well lie in a different direction: stimulation of both internal trade and trade with local West African markets. In this connection, a promising field exists in the North, where a growing livestock industry, integrated with groundnut cultivation, could, at the same time, increase certain traditional exports and help to fill the need for protein foods, which in Africa is so great.

FOREIGN TRADE

Salient Characteristics of Nigerian Trade

Nigeria has only a very small share in total world trade, but the volume of its trade ranks fairly high among undeveloped countries. The trade of Peru, Uruguay and Siam, for example, each exceeds Nigeria's by only one-third; in Central Africa, Nigerian trade accounts for about 10 percent of the total, and, before the war, rivalled the Belgian Congo for first place.

Nigeria exports food and raw materials to the industrial countries of Western Europe, and North America in exchange for manufactured goods, mainly textiles. Before the war fully half of this trade was with the United Kingdom; the proportion is even greater at present.

The export trade of Nigeria has the apparent advantage of being more diversified than that of many undeveloped countries. Although for many years exports consisted largely of palm products, the position changed rapidly after World War I. Until the end of World War II five commodities -- palm oil, palm kernels, groundnuts, cocoa and tin ore -- each accounted for between 10 and 25 percent of total exports and together for about 80 percent. However, half of Nigeria's exports consist of vegetable oils and oilseeds.

Diversity has in fact offered little protection against the vagaries of the world market. While the volume of exports rose steadily throughout the inter-war period, their value fluctuated sharply; since prices of imported goods were less subject to variation, the terms of trade shifted abruptly.

Since 1924 there has been a fairly large export surplus which varied considerably but on the average was equal to about 25 percent of total exports; it was largely balanced by outward transfers by the Government

for debt service and pensions, remittances by its employees, and profits withdrawn by European companies.

#### Commercial and Tariff Policies

The customs duties of Nigeria are imposed almost entirely for revenue. In 1945-46 they accounted for about 3/8 of the total revenue of the Government. Export duties are applied to most of the principal commodities; import duties, which are the more important,<sup>1/</sup> also cover a wide range of articles, receipts from textiles and tobacco alone, however, accounting for more than half the total.

Nigeria has been traditionally a free trade area. The Niger Basin treaty of 1898 provided that neither France nor the United Kingdom would discriminate against each other in Nigeria; most-favored-nation agreements prevented discrimination against other countries. Preferential export duties were, however, possible and these were imposed on two commodities in 1919. The preferential export duty on palm kernels, which was intended to divert the crushing industry from the Continent to the United Kingdom, was a failure and only lasted a few years. The other preferential duty, on tin ore, was part of the policy of preserving the tin-smelting industry for Malaya and the United Kingdom, and discriminated mainly against the United States. It was removed on the conclusion of the United Kingdom-United States trade agreement of 1938.

The first import discrimination occurred in 1934, when the Anglo-Japanese treaty of 1911 was denounced with respect to West Africa. Quotas were then imposed on imports of Japanese textiles, and duties on certain other articles, principally apparel. Quota restrictions were extended to all foreign countries in 1937, after the Niger Basin treaty had been denounced

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<sup>1/</sup> About 6 times export duties.

by the French.<sup>1/</sup> No further preferential action was taken subsequently, and, in fact, the possibilities of such action were severely limited by the terms of Anglo-American agreement of 1938, which ensured that in the British Colonies the United States would receive no less favorable treatment than it was receiving at the time.

Although a large proportion of Nigeria's exports go to the United Kingdom, where they receive preference, Nigerian trade is affected by import restrictions imposed by her other customers, especially as there is a Commonwealth surplus in all the main export categories.

France has had, for many years, a rather complex preferential regime. The preferential measure which most nearly affected Nigeria, was the raising, in 1933, of French import duties on vegetable oil-seeds from non-Empire suppliers. The introduction of a licensing system at about the same time had a similar discriminating effect. However, the principal trade with France was in groundnuts, exports of which were not affected until 1935, when France increased the duty on them. In that year exports dropped from 125,000 to 74,000 tons.

Import restrictions on oil and oil-seeds were also introduced by two other important prewar customers: by Germany, principally under the Schacht plan of 1934, the main purpose being exchange control; and by the Netherlands, in 1935, to protect the N.E.I. at a time when the Dutch margarine industry found its markets reduced.

Exports to the United States were affected only insofar as palm oil was concerned; exports of that commodity to the United States, which represented about 10 percent of total Nigerian exports in 1929, suffered permanent damage from the duties imposed in 1930 and 1934, despite the mitigating clauses included in the 1938 Anglo-United States treaty.

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<sup>1/</sup> The Textiles (Quotas) Ordinance was suspended in 1939.

As was to be expected, during the recent war the Colony's trade relations were profoundly altered. During the war oils, oilseeds and cocoa were purchased in bulk for the British Ministry of Food through the West African Produce Control Board with established shippers acting as agents. Trade in most other export products came under the aegis of the Ministry of Supply or the Board of Trade, which bought at fixed prices from shippers. After the war this trading system has largely been retained, and in the case of cocoa placed on a permanent basis by the establishment, in 1947, of a Nigerian Cocoa Marketing Board which took over the function of the West African Produce Control Board in regard to that commodity; the establishment of a similar scheme for certain oils and oilseeds appears to be contemplated. The profits of both Boards are placed in trust for research and price stabilization. 1/

On the import side, licensing and exchange control have continued since the war with the result that many commodities can only be obtained from the United Kingdom where, however, the share of Nigeria in the exportable total has been severely limited by the current drive to increase exports to hard currency countries. Soon after the war the Colony's import controls were relaxed for a number of commodities by the granting of open general licenses and quota licenses for imports from the sterling area and soft-currency countries respectively. At the end of 1947, such controls were reimposed again as a consequence of the deteriorating balance of payments of the sterling area as a whole. Licenses for imports from the U.S.A. were restricted to essential commodities. 2/

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1/ See: Statement on Future Marketing of West African Cocoa, Cmd 6950, 1946; and Fifth Report from the Select Committee of Estimates, H.C.R. 181-I, H.M.S.O., 1948.

2/ According to Foreign Commerce Weekly, 20 December 1947, principally cotton piecegoods, nails, steel rods and corrugated iron sheets, trucks, "kit-cars", and gasoline.

Total Trade and Terms of Trade

Total Value and Volume.<sup>1/</sup> The value of Nigerian imports and exports fluctuates sharply with the trade cycle. In 1921 it was about half that of 1920, and a similar relation applied between the early 30's and 1928, and 1938 and 1937. The value of exports increased gradually through the peak years, from £16.7 million in 1920 to £17.6 million in 1929 and £19.2 million in 1937; as a consequence of wartime shortages, however, imports were over £20 million in 1920, but only £15.8 and £14.6 million in 1928 and 1937.

Changes in value give little indication of the development of the volume of trade. While it is difficult to assess changes in the volume of imports, it is possible to give some account of the volume of exports, which bears little relation to the value. For example, between 1929 and 1931, when values fell by more than half, volume fell by only 6 percent. Over the long run, volume grew by some 170 percent from 1920 to 1937, while values increased by only 15 percent. The relation between 1937 and 1929 is similar in kind, if not in degree.

Since World War II prices have risen rapidly and in 1947 import and export values reached £32.5 and £37.2 million respectively. Again, if volume is examined, a different picture emerges. The volume of imports is at present no higher than in 1937, even on the conservative assumption that prices have not risen since 1945; the volume of exports is lower still.

Balance of Trade and Terms of Trade.<sup>2/</sup> Since World War I, the balance of trade of Nigeria has normally been favorable. The exceptional years were 1920 to 1922, when there were import surpluses. In 1923, an

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<sup>1/</sup> For relevant statistics see Appendix, Tables 1 and 13.

<sup>2/</sup> For relevant statistics, see Appendix, Tables 1, 5 and 14.

export surplus of £600,000 occurred and from 1924 onwards the export surplus has always exceeded £1 million. During the inter-war period the largest export surpluses occurred in the boom years of 1929 and 1937, when they amounted to £4.5 and £4.8 million respectively. During World War II, as during World War I, larger export surpluses occurred than were hitherto the rule. But the post-war years have not shown import surpluses similar to those of the early 1920's, mainly because of the shortage of consumer goods for export from the United Kingdom and import and exchange restrictions preventing imports from hard currency countries.

With the United Kingdom Nigeria's balance of trade was strongly negative up to 1933. From 1934 to 1938 there was a favorable balance which increased throughout the war when it was well over £4 million; in 1947 it reached nearly £12 million.

With the United States there was a variable but consistently favorable balance of trade up to the outbreak of war. In 1929 and 1937 it reached about £1½ million, but in depression years it was often less than £½ million. During the war years Nigeria's trade with the United States on balance broke even; since then there has been a small favorable balance.

As might be expected, the terms of trade tend to turn sharply to the disadvantage of Nigeria during a depression, and back to its advantage during a boom. Even the price of imported cotton goods, more volatile than most, fell much less in the 30's than the prices of exports. In 1939 the position was still more adverse, the price of imported goods hardly falling at all, while the price of exports was only about 60 percent of that in 1937.

With the rise in prices since World War II, the terms of trade have, contrary to previous experience, turned strongly against Nigeria. This is partly due to the contract prices paid by the United Kingdom government.

But even in 1947, when export prices were approaching world prices, they were only double those of 1937, while cotton textile prices were in the neighborhood of four times those of 1937.

While the price rise in textiles may be somewhat exceptional, between 1937 and 1947 other prices, such as those of cement and tobacco, have at least doubled. On the assumption that all other imports have only doubled in price, the index of import prices for 1947 would still stand at 250. That this is conservative is borne out by other available price indices; indeed, it seems probable that a number of import prices had doubled by 1945, and that further substantial increases have taken place since then.

#### Trade by Main Suppliers and Markets<sup>1/</sup>

The principal trade partner of Nigeria is the United Kingdom. In peacetime it is relatively more important as a supplier than as a market, but in both capacities it is easily first. In each of the years 1922 to 1933, it supplied between 65 percent and 75 percent of the Colony's imports. Since then the percentage has been markedly lower; from 1934 to 1947 it has usually been between 50 and 60 percent.<sup>2/</sup> Nigerian exports to the United Kingdom fell steadily from 90 percent of total exports in 1919 to 35 percent in 1932, rose to between 45 and 50 percent during the years preceding the war and to over 80 percent during the war period, then declined again to 75 percent in 1947.

Except for the years immediately following World War I, Germany was next in importance as a trade partner during the inter-war period, taking about 20 percent of exports and supplying about 10 percent of the Colony's imports. For obvious reasons, this trade has ceased since the outbreak of World War II.

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<sup>1/</sup> For relevant statistics, see Appendix, Tables 2, 3, 4, 8 and 12.

<sup>2/</sup> An appreciable part of the imports from the U.K. are government imports.

During the inter-war period, the United States took about 10 percent of exports and supplied about 8 percent of Nigerian imports, the proportions being somewhat higher in the 20's and lower in the 30's. Since 1944, trade with the United States has increased until, in 1947, it supplied 13 percent of imports and took 16 percent of the Colony's exports.

France and the Netherlands are the only other countries which enjoyed more than 5 percent of the Colony's total trade. Both increased their imports steadily after World War I until in the late 20's their share of Nigerian exports was 8 or 9 percent. After World War II, trade with the Netherlands appears to have been recovering from its wartime hiatus, while that with France continues to be negligible.

While on the export side Nigeria's trade was relatively concentrated on the five countries already mentioned, which in very few years took less than 90 percent of the total, on the import side the position was quite different. Before 1933 the share of the United Kingdom, Germany and the United States was never less than 87 percent. After that year, however, a succession of new suppliers entered the field, India and Japan being the first and most important. These two countries, which had together supplied less than one-tenth percent of the Colony's total imports in 1929, were supplying about  $3\frac{1}{2}$  percent in 1932 and  $13\frac{1}{5}$  percent in 1934. This was a peak year, and Japanese imports tended to fall thereafter under the influence of the newly imposed import restrictions; nevertheless, from 1935 to 1939 imports from India remained at about 6 percent and from Japan at around 4 percent.<sup>1/</sup> By 1937, the hegemony of United Kingdom, Germany and the United States had thus been reduced to a point where they were supplying only 70 percent of all the Colony's imports.

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<sup>1/</sup> To this should be added probable clandestine exports through Hongkong.

During World War II, the United Kingdom, the United States, India and the Dutch West Indies supplied nearly 90 percent of Nigerian imports. India, in fact, became a major source of supply, furnishing nearly a quarter of all of the Colony's imports in the peak year of 1942; by 1947, however, it had slipped back to the prewar level. Since the war, the only major change, not already mentioned, has been the emergence of Italy, which accounted, in 1947, for 4 percent of the Colony's total imports.<sup>1/</sup>

#### Trade by Principal Commodities

Imports.<sup>2/</sup> The salient feature of Nigeria's imports is the large proportion of textiles and clothing, a characteristic of most African colonies. The proportion varies widely from year to year but has, in general, been around 35 to 40 percent of the total.

Until the depression of the 30's, the United Kingdom was the main source of these goods. During the years 1927 to 1930, 94 percent of all imports of cotton piece goods, easily the most important item, came from the United Kingdom. After 1931 competition became increasingly severe, especially from Japan; in 1934 the latter was exporting about 80 percent of the rayon goods imported into Nigeria. When Japan was forced to turn its attention to other goods by textile quota restrictions, India stepped into its place as a supplier of cotton goods; a trade which was greatly increased during the war and in 1946 still exceeded the prewar level.

Before the war Nigerian imports of food were about 10 percent of the total, the principal items being wheat flour, rice, preserved fish, sugar

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<sup>1/</sup> In one source for 1947 import statistics, imports from the Netherlands are quoted at a figure which would represent nearly 5 percent of imports. Various considerations make it unlikely that this is not a global figure including the Netherlands West Indies.

<sup>2/</sup> For relevant statistics, see Appendix, Tables 2, 3, 6, 7, 8 and 9.

and salt. From 1934 onwards the United States, India and Norway were almost exclusive suppliers of flour, rice and fish respectively, having captured the market from other European exporters; the United Kingdom, which had lost trade in these goods, became the chief exporter of sugar and the provider of virtually all the imported salt. Since the war, food imports have fallen off greatly. There is very little rice and fish, and considerably less sugar than before; the shortage of fish means a serious loss of protein food.

The remaining consumer goods imports consist on the one hand of "luxury" items such as drink, tobacco and perfumery, and on the other of a large number of miscellaneous household goods such as soap, paper, earthenware, buckets, lamps, kerosene and matches. Together these categories accounted for about 15 percent of total imports. The bulk of consumers' goods was imported from the United Kingdom, but Germany and Japan furnished an important share of certain types of hardware, earthenware and glass. The United States supplied virtually all the unmanufactured tobacco.

Before the war imports of all kinds for use in building, transport, mining, industry and agriculture were probably not more than a third of the total. Owing to the present shortage of consumers' goods, the share of producers' goods in total imports is now substantially higher. The most important categories are: building materials, such as corrugated iron sheets and cement; road transport goods such as cars, trucks, cycles and parts;<sup>1/</sup> gasoline, fuel, and lubricating oils; machinery and electrical apparatus; simple tools, mainly those used by farmers, and bags used for marketing produce; and finally, a large variety of iron and steel goods, from rails to screws. Although the bulk of these goods was supplied by the United Kingdom, Germany and Belgium were important exporters of iron and steel manufactures.

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<sup>1/</sup> Cycles play an important part in the collection of palm-oil.

The United States supplied automotive goods, mining machinery and petroleum products; in the latter field, the Dutch West Indies (presumably Royal Dutch Shell in Curacao) was rapidly displacing her. India became the largest exporter of jute bags.

During the war imports of all kinds, but particularly of consumer goods, were at a low level, and there has been little recovery since. This has probably resulted in a considerable accumulation of wealth by African middlemen, who were able to sell such imports as existed at very high prices.

Exports:<sup>1/</sup> Major Commodities. Before the unification of the Colony under Lord Lugard in the years preceding World War I, Nigerian exports consisted to an overwhelming degree of palm products, which had been the original object of commercial penetration and which gave their name to the Oil Rivers of the Calabar coast.

With the pacification of the North and the increase in transport facilities, new export products emerged — tin ore, groundnuts, hides and skins. At the same time cocoa was introduced in the South. As trade in these four commodities grew, the share of palm products in the total value of exports fell from 62 percent in 1920 to 31 percent in 1937, although the quantities exported were more than half as much again. In that year the commodities already named accounted for nearly 90 percent of total Nigerian export trade.

The United Kingdom was the largest importer of these commodities, taking about a quarter of the agricultural products in the late 20's. As output increased and restrictions of various kinds were imposed elsewhere, the proportion rose to about a third in 1937. In addition, the United Kingdom regularly imported all the tin ore. The United States was the

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<sup>1/</sup> For relevant statistics, see Appendix, Tables 2, 4, 10, 11, 12, 13, 14 and 15.

principal market for cocoa (except during the depression) and goatskins, and also imported some palm oil. Germany and the Netherlands were important markets for cocoa, palm kernels and groundnuts. The largest continental importer of groundnuts, however, was France.

During World War II, efforts were made to stimulate production of essential commodities; since then, however, the volume of exports generally has tended to fall. There has, however, recently been an increase in the volume of cocoa exports and an even greater relative increase in their value; the share of cocoa in total exports in fact rose from 20 percent in 1937 to nearly 30 percent in 1947. Hides and skins have similarly advanced from 4 percent to 9 percent. The lag in prices of palm products, however, was responsible for their continued decline to only a quarter of exports at current prices, and for the fall of the proportion of oil and oilseeds in exports for the first time below 45 percent of the total.

The continual decline in the importance of palm products is to some extent a result of the conditions under which they are produced. Palm oil is pressed in the villages from wild fruit, which are, from the start, low in oil content. Primitive methods of extraction further reduce the quantity of the oil obtained; in addition, its quality is too poor to compete with that obtained by the efficient plantation producers of Malaya, the E.E.I., and the Congo. The Nigerian Government has set its face against land concessions to foreign producers, probably because of the social implications of the alienation of land in an over-populated area such as the oil-palm belt. Emphasis is laid, rather, on the gradual education of the African producer. The Nigeria oil-palm does, however, produce large kernels, particularly in the Western Provinces. Before the war, when Nigeria was easily the leading exporter, having over 40 percent of the world's market,<sup>1/</sup> these were exported

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<sup>1/</sup> The percentage may well be higher since the war.

for crushing overseas, principally to the United Kingdom, the Netherlands, and Germany.

The future of vegetable oils in Nigeria would appear to depend on the much publicized groundnut. Exports of groundnuts, which are grown in the provinces near the railheads in the North, increased about 7 times between 1920 and 1947. Unfortunately, exports are now hampered by a breakdown in the transportation system; if transport facilities can be improved, the prospects for expanded production appear to be good. Proposals have recently been made for mechanized production along East African lines without, it is expected, the danger of the difficulties which the Kongwa bush entails.<sup>1/</sup>

Although cocoa has shared the lead with groundnuts in the rate of increase of output (6 times between 1920 and 1937), it does not appear to have the same prospects for the future.<sup>2/</sup> Nigeria lacks the prominence of the Gold Coast in the world market, mainly because it does not have as good a soil. Cocoa growing is, in fact, confined to a very small area in the southwest, and even there appears to be giving way to the kola tree, which is less soil-exhausting and whose nuts are a valuable item in internal trade.

Cocoa farming does, however, have an important effect on the Colony's internal trade. When the southern cocoa farmer is prosperous, the cattle industry in the north is lucrative, since meat is in great demand. One of the major by-products of the northern cattle industry, hides, have, because of their poor quality, not so far been as important in the Colony's exports as goatskins. It is of interest to note that two breeds of Nigerian goat produce most of the world's supply of glace kid. There has been a

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<sup>1/</sup> Report of the West African Oilseed Mission, Col. 224, 1948.

<sup>2/</sup> For a fuller description of cocoa production and marketing, see IBRD, Economic Department, "Foreign Trade and External Financial Position of the Gold Coast," October, 1948. It should be noted, however, that "swollen shoot" disease is by no means so serious a problem in Nigeria as it is in the Gold Coast.

growing American demand for this commodity, which, unlike that for many others, was scarcely affected by the depression of the 30's. Goatskins in fact are one of the few major commodities the exports of which are higher now than in 1937.

Tin, the one mineral which is at present prominent in Nigeria's export trade, does not seem likely to hold its place for many years. Most of the more accessible alluvial deposits of cassiterite have been worked out and the costly process of removing a deep overburden is now frequently involved in tin-mining. Production reached its prewar peak of 15,000 tons in 1929, but after 1931 was limited by the quotas imposed under the International Tin Control Scheme. Output was stepped up during the war to a record figure of over 18 thousand tons, but it has fallen again to 14 thousand tons in 1947, and, in view of the short life predicted for the mines, is not likely to be a major export in the future.

Other exports. Except in unusual circumstances the commodities already described account for 90 percent of Nigeria's exports. The importance of the remainder rests, therefore, on future possibilities.

If rubber, a wartime product, is excluded, cotton and timber remain as the normally most important among the minor commodities. Cotton is grown over a large part of the country and has been the subject of much experimentation. Although suitable native varieties are said to have been produced, it appears to be destined for use locally rather than for export. On the other hand, it is possible that the small local trade in native cotton goods might be revived. Before 1928 timber meant mahogany; since then, it has continuously given way to other woods, for which a market appears to have been created, particularly since the war, when South Africa took small quantities. However, except possibly in the remote parts of the Cameroons,

Nigeria does not possess large reserves of forest, which could be exploited, and proper utilization of existing forests is complicated by the resistance of the native authorities to central control. An interesting recent development, however, is the local production of plywood for export.

Before World War II, the only other agricultural commodities worthy of mention were bananas, mostly exported from the German-owned plantations in the Cameroons to Germany, and the minor oilseeds -- benniseed, shea nuts and cottonseed. Among minerals, gold ore production was increasing rapidly, mostly from small scattered workings. ~~It is estimated that~~

During World War II, special regulations restricted gold production, and since then the low price has curtailed exports. Two other minerals, however, have recently assumed importance -- coal and columbite. During the war, the Gold Coast and Sierra Leone came to rely on Nigeria for their supply of coal, principally for the railways. Exports, although small by international standards, are now four times those of 1937. If some of the French West African railways turn from wood to coal, this trade may well increase, as there are very large reserves. Columbite, a by-product of tin mining, was regarded for years as useless; there are consequently large dumps at the tin mines. Although columbium was beginning to be used before the war, a strong impetus to recovery of this mineral was given by the discovery of new uses in steel alloys for certain parts of aircraft engines. Nigeria now produces 90 percent of the world's output, most of which is imported by the United States.

While bananas and the minor oilseeds have almost disappeared from exports since the war, certain forest products have emerged -- gum arabic, piassava fibre and pepper. The latter was important before World War I, and its reappearance is probably due to the wartime absence of Far Eastern supply.

Another minor export item of interest is reptile skins, in which there is a small trade with countries of the Levant.

Reexports. Before the war reexports were always less than a quarter of a million pounds, and were therefore an unimportant element in trade. During the war, however, a comparatively large reexport trade was developed in gasoline and other petroleum products to the neighbouring French Colonies; this still accounted for over half of the total reexport trade of £900,000 in 1946.

#### Summary and Outlook

The export trade of Nigeria will, for some years, depend mainly, as it has in the past, on vegetable oils and oilseeds, although the emphasis may shift from palm products to groundnuts. Any consideration of its prospects must take into account not only the likely course of world demand and supply for oils and fats but the competitive merits of each constituent of this comprehensive category. In the short run the Colony's internal economy will probably be protected against the vicissitudes of the world market by stabilization schemes similar to that introduced for cocoa, but such schemes will be no protection in the long run, if the world market for oils and fats should become saturated.

Clearly the basic problems of Nigeria are to some extent those of other producers of the same commodities on the African West Coast -- Senegal, Dahomey, Gambia, and the Congo. Their solution depends on the degree of renewed competition from the Far East, not only from the N.E.I. and Malaya, but also from India, which was, before the war, by far the largest exporter of groundnuts, and on the expansion of purchasing power in Western Europe, particularly in Germany.

It has been said that one-third of the income of Nigerians is based on external trade, a state of dependence which can only be satisfactory if exports are diverse, or if there is great adaptability and willingness to change them, or if production is extremely efficient. None of these conditions applies in Nigeria. Attention is therefore being given to the development of internal trade, for Southern Nigerian producers are probably as well off trading palm-oil for meat from the North as they are in buying Norwegian stockfish. They may possibly be better off; in any event this trade is likely to be more stable.

Much emphasis has been laid on enlarging the part played by industry in the Nigerian economy, industry which replaces imports, such as the new brewery in Lagos, the Government's Peasant Textile scheme and its meat-processing plants, and industries processing export products, such as Unilever's new plywood factory, which enables a forest area to be more efficiently exploited by using woods which have no sale value externally. On the other hand, it has been stated that certain processing industries, which create by-products unsaleable locally, are uneconomic; an example is the extraction of oil from palm kernels.

The development of internal trade and industry need not, however, stifle the Colony's external trade, indeed it may stimulate it so far as local markets in other colonies are concerned. **Ranching** has been started in the Congo to provide meat for plantation workers; Nigeria might enter this trade as the standard of living in Central Africa rises.

In general the future development of the Colony's trade involves a number of unknowns: in Europe, in Africa, and in the Far East. Under the circumstances it appears wise for Nigerian producers not to advance in one direction beyond the point where retreat is impossible and to coordinate

new ventures with those planned for other parts of the Empire and in other Colonial areas. There is evidence that this is now being done to a much larger extent than in the past.

EXTERNAL FINANCIAL POSITION

Main Elements in Nigeria's International Accounts<sup>1/</sup>

In considering the external financial position of any West African Colony, it is important to note at the outset that there is no exchange problem in relation to sterling. Nigeria operates on a 100 percent sterling exchange system; all Nigerian currency is freely exchangeable for sterling through the West African Currency Board, an agency for all four West African Colonies. If a holder of Nigerian currency wishes to pay in sterling, he needs only to apply to the W.A.C.B. for the sterling equivalent of Nigerian currency.

Thus, from an external financial standpoint, it makes little difference whether in any given year the Nigerian Government and people increase their holdings of Nigerian currency or their balances in London banks, or their deposits in English banks in Nigeria, which are largely backed by sterling; what does make a difference is whether these funds are likely to be saved or spent.

The largest current item in Nigeria's international accounts is its export surplus. The way in which this surplus arises merits some discussion. The proceeds of Nigerian exports accrue to three major groups, the native economy, the Government and its civil servants, and extra-territorial enterprises. Each group contributes to the creation of the export surplus to the extent that it does not use its full share of export proceeds to buy imports but retains them in either Nigerian or foreign currency.

The native economy tends to demand imports to the extent of its share in the proceeds of exports; when it cannot get imports, as during and

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<sup>1/</sup> For relevant statistics, see Appendix, Tables 15 to 21.

since the war, it increases its holdings of currency or, more recently, of bank deposits. The native economy, therefore, is responsible for that part of the export surplus, which is equivalent to its increase in cash holdings.<sup>1/</sup>

Most of the government's share in the proceeds of exports, which accrue to it through taxation, is transferred to the United Kingdom in the form of debt service, pensions, and remittances by its European employees. From 1927 to 1938 this amounted to about £2½ million.

Extra-territorial enterprises contribute to the creation of an export surplus to the extent that their operating profits in Nigeria, which are transferred to the United Kingdom, exceed their new physical investments in Nigeria, either in the form of imports of fixed assets or of trade goods.

Thus the hard core of the export surplus can be attributed to the government's regular payments abroad, mostly on current account, and to large transfers of income by extra-territorial enterprises. The export surplus is significantly reduced, whenever there is heavy physical investment in Nigeria or either the Government or the native economy is spending in excess of its income.

In a rough way this is shown by the changing magnitudes of the export surplus between 1927 and 1938. After subtracting the outflow of £2½ million attributed to regular government transfers abroad, negative balances of more than £1 million occurred only in the years 1927, 1928 and 1938. In 1927 and 1928 large physical investment was undertaken by both mining companies and the government; in 1938 there was considerable dissaving by the native economy, and in addition, a large budget deficit.

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<sup>1/</sup> Cash holdings may of course be decreased to pay for imports in excess of the current share in export proceeds; this is likely to happen in depression years or in years when large cash holdings have accumulated as a result of a previous shortage of consumer goods (e.g. the early 20's).

In 1946 and 1947 the export surplus has been relatively low, considering the increased value of trade. This has happened in spite of the shortage of importable consumer goods and the rather low prices paid to producers, probably because government transfers to the United Kingdom did not rise proportionately and there has been considerable physical investment.

Some mention should be made of the hard-currency position of Nigeria since the war. This was succinctly summarized by the Financial Secretary of the Nigerian Government in answer to a question whether an application for a loan from the I.B.R.D. had been made to the Colonial Office. He said: "No application has been made by the Nigerian Government to the Colonial Office for such a loan. We have been informed that a dollar ceiling has been imposed for the whole of the Colonial Empire and that the ceiling for Nigeria is X dollars. We have fought and are still fighting for that to be increased .... and we regard it as absolutely imperative that we should have a higher allocation of dollars."<sup>1/</sup> He further confirmed that this ceiling was in no way related to dollar exports; hard-currency allocations thus being, clearly, a function of the position of the whole sterling area.

#### Sterling Debt and Sterling Assets

Since 1899 loans to the value of £42 million have been raised in the United Kingdom by the Nigerian Government; of these £16 million were devoted to redemptions. £18 million out of the net total of £26 million was spent on railways and about £5 million on port and harbour works. Since about half the remainder was spent on public utilities, the bulk of the loans raised was expended on productive enterprises.

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<sup>1/</sup> Fifth Report from the Select Committee on Estimates, H.C.R. 181-I, 1948, p 427.

In 1946, obligations for a total of £25 million were still outstanding. Of this sum all but £4 million was raised between 1919 and 1930 at relatively high rates of interest, which were, however, little different from those charged on British municipal loans. Yet, although part of the burden was offset by contributions from operating profits of the railways, the weight on the Nigerian budget was, nevertheless, heavy. Even in 1928-29 debt charges accounted for nearly a quarter of total expenditures;<sup>1/</sup> during the depression they amounted to about a third.

The postwar debt position is much more favorable. By 1945-46, the size of the budget was nearly double the 1938-39 figure, while interest on the debt remained the same at £1.2 million. The real burden was thus about halved. In 1947 a 5 percent loan was partly redeemed and partly converted to 2½ percent; through this operation interest on the debt was further reduced to less than £1 million or about 10 percent of total expenditure in the fiscal year 1945-46, in which year the railways alone contributed about that amount to revenue. The present debt can, therefore, be regarded as approximately self-financing.

In the first five years of the ten-year development plan, loans to the amount of about £7½ million are to be raised. But during this period, two more existing loans, totalling over £10 million can be redeemed, for which there are probably now about £4 million available in sinking funds. As the loans to be redeemed are at 5 and 6 percent, the charges on the new loans, totalling some £14 million, may well be lower than those on the redeemed obligations.

The Nigerian government disposes of considerable capital assets. On March 31, 1946, these included a surplus of £7¼ million and a reserve

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<sup>1/</sup> Excluding the operating expenditure of the railway.

fund of £1½ million. In addition to statutory sinking funds of about £6 million, there was a supplementary sinking fund of £2½ million, probably used for the 1947 redemption. A large part of these assets were acquired in the previous three fiscal years when record budget surpluses occurred.

No total figure for the sterling assets of Nigeria alone is available. At the end of 1947, the four West African Colonies together held about £75 million excluding the reserves of the W.A.C.B. This amount consisted partly of government funds held in London and partly of assets of banks operating in the colonies representing the counterpart of deposits made by extra-territorial enterprises, by the government and by West Africans. The share of the latter is not known either for West Africa as a whole or for Nigeria, but it has certainly risen considerably during the war. Post Office savings bank deposits in Nigeria, for example, which are largely held by Nigerians, rose from less than £200,000 on March 31, 1939 to nearly £2 million at the end of 1946. Finally, the profits of the West African Produce Control Board and the Nigerian Cocoa Board which amounted to about £10 million before the 1947-48 season began, are held in trust by the Government for Nigerian producers.

#### The Balance of Payments in 1936

Information on the balance of payments of African colonies is, generally, rather scanty and Nigeria is no exception to that rule. However, one detailed estimate has been made for the year 1936,<sup>1/</sup> and this will be described, firstly to give a general idea of the magnitudes involved, and, secondly to afford some basis for assessing postwar years.<sup>2/</sup>

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<sup>1/</sup> cf. Mining, Commerce and Finance in Nigeria, edited by Margery Perham, London, 1948.

<sup>2/</sup> The data given in the estimate have been reproduced in the Appendix, Table 16, in somewhat modified form. Certain self-balancing items, which were formerly included on the two sides of the balance sheet, have been omitted for the sake of simplicity.

The recorded merchandise balance for 1936 showed a surplus of about £4.3 million. Apparently exports were much undervalued and an adjustment of over £1 million had to be made; the final export surplus was, therefore, about £6 million.<sup>1/</sup>

The major movements in the services category were all outward. Interest on debt amounted to £1.2 million, as also did pensions for and remittances by government employees. The profits of extra-territorial enterprises<sup>2/</sup> (principally mining and trading) and remittances by their employees amounted to £3.1 million. Interest on the Government's investments and harbor dues offset this somewhat, but the negative balance for services was still as high as £4.6 million.

The resulting positive balance of £1.5 million was increased by nearly £1 million by investment in fixed assets by extra-territorial firms. From its budget surplus the government was able to transfer to the United Kingdom £1 million<sup>3/</sup> in excess of its sinking fund payments. As there were fairly large unknown items on the positive side, Nigerians were able, on balance, to increase their holdings of currency by nearly £2 million. The circulation in fact rose by £2.5 million as extra-territorial firms also increased their holdings of Nigerian currency.

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<sup>1/</sup> In addition to the price adjustment, an adjustment was also made for changes in stocks of trading firms. Increases in an exporter's stocks are, so far as Nigeria is concerned, tantamount to exports, though not yet so recorded. On the other hand, an increase in importers' stocks is already recorded in the imports, but has not yet had effect on payments by Nigeria; it must, therefore, be offset against recorded imports. In 1936 there was a rise in the former category and a fall in the latter, the net result being a positive balance of about £0.6 million.

<sup>2/</sup> See note (a) in Table 16.

<sup>3/</sup> Part of this sum was interest on sinking funds, which is always reinvested. A large budget surplus was unusual in prewar years.

The Balance of Payments in 1945/46

The fiscal rather than the calendar year has been chosen for study since most of the known items are from government sources. These items are, by an odd coincidence, remarkably similar to their counterparts in 1936.

The recorded trade balances for 1945 and 1946 were used to make a simple calculation for the fiscal year 1945/46; the result was a positive balance for that year of £4.3 million. There is reason to believe that recording errors, which in 1936 made a sizeable adjustment necessary, have been more or less eliminated.<sup>1/</sup> Little is known about export stocks except for groundnuts, which accumulated to the extent of 130,000 tons at Kano. Import stocks are unlikely to have been depleted, and there may have been slight restocking. Allowance for these two items probably increases the export surplus to around £6 million.

Interest on the public debt was the same as in 1936; remittances by government employees and pensions are not likely to have risen much, since the somewhat higher salaries were counterbalanced by the high cost of living and absence of leave owing to acute shortage of staff. About 25 percent more tin was mined than in 1936 and prices were high, but reports of mining companies indicate that costs were also high; tin-mining profits have therefore been conservatively set at the same figure as in 1936. Trading companies, however, appear to have had much higher profits. Some interesting data made available by the United Africa Company<sup>2/</sup> suggests that profits on exports<sup>3/</sup> have not risen; on the other hand a sum equivalent to about one-fifth of the landed cost of its imports was returned by the company to the

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<sup>1/</sup> Mining, Commerce and Finance in Nigeria, p 293, footnote.

<sup>2/</sup> Statistical and Economic Review, No. 1, March 1948.

<sup>3/</sup> About one-third of the total in 1936.

United Kingdom. By applying this proportion to 75 percent of total Nigerian imports, a conservative estimate since the U.A.C. controls about 40 percent, it appears that profits were some  $\text{£}1\frac{1}{2}$  million higher than in 1936. Although some items on the positive side are also a little higher, the negative balance on services would appear to be nearly  $\text{£}6$  million or over  $\text{£}1$  million higher than in 1936. The favorable trade balance is thus almost wiped out.

It is extremely difficult to account for such a small net balance on current account, since the government had a record budget surplus of  $\text{£}2.4$  million, Post Office savings bank deposits, which would probably be invested in the United Kingdom, rose by  $\text{£}0.5$  million, and in addition the government had to make its usual sinking fund payments and to reinvest the interest on the sinking fund. In all, these government transfers would probably amount to about  $\text{£}3$  million; nevertheless the currency circulation rose at the same time by almost as much. In addition, part of the value of exports accrued to Nigeria in the form of profits made by the West African Produce Control Board, which are held in trust in British banks; these amounted to  $\text{£}0.7$  million for cocoa alone, and can scarcely have been much less than  $\text{£}1$  million all told. To offset this there is only the physical investment by extra-territorial firms, which the import list suggests was little, if at all, higher than in 1936, the small contribution of the Colonial Development and Welfare Fund, and possibly the pay and gratuities of the 50,000 Nigerian veterans, which is not likely to be large. There thus remains a sum in the neighborhood of  $\text{£}5\frac{1}{2}$  million to be accounted for.

It must be emphasized that, except for a few known items, only two of which are at all large, the above estimate is very tentative. But an effort has been made to estimate figures on the negative side conservatively and on the positive side generously, so that, even allowing for a

large margin of error, it would still appear that there are one or more large positive items not yet included. One, for which no basis for estimating exists, is that part of the increase in outstanding currency which can be attributed to increased cash holdings by extra-territorial enterprises. This was as much as £600,000 in 1936, and may well have been far higher at the end of the war, when there was a pressing need for working capital to finance post-war trade at much higher prices. If this were so, the recorded increase in currency circulation may greatly exaggerate the increased volume actually in the hands of Nigerians. In addition, no estimate was made in 1936 for the change in bank deposits backed by sterling, in the hands of Nigerians; probably in that year it was negligible. During the war Nigerians probably accumulated large bank balances, which may very well have been depleted during 1945-46; there was, in fact, a strike among civil servants over the high cost of living at that very time. These two possibilities alone suggest that there may have been in the Nigerian balance of payments large counter-vailing items for which no estimates are available which would account for part if not for all of the above-mentioned discrepancy.

The Balance of Payments in 1946 and 1947

Only the most general remarks can be made for recent years. In the calendar years 1946 and 1947 there were again large export surpluses of £4 million and £6 million respectively, and groundnut stocks continued to accumulate. Although there is no reason to suppose that government payments for services increased, profits of mining and trading firms were no doubt higher under the influence of rising prices of tin and imported goods.

On the capital side however the position is somewhat different. In 1946/47 much of the budget surplus of nearly £2 million was probably earmarked for development; at the same time much larger transfers into Nigeria took

place under the Colonial Development and Welfare Act of 1945. Furthermore, postwar investment by private firms probably increased. In 1947/48, no budget surplus was expected and the Government may have actually imported capital out of previous surpluses. On the other hand, there is evidence that the rise in the currency circulation continued at the same rate, and the profits of the Nigerian Cocoa Board are known to have been extremely large.

On the whole, apart from hard currency availabilities, the country's position generally appears strong. Indeed, over the next few years the problem would seem to be an internal one, both political and economic, that of finding methods of controlling the inflationary effects of large export surpluses while carrying out the Development Plan. Success in this venture should automatically improve the external position.<sup>1/</sup>

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<sup>1/</sup> During the first five years of the Development Plan, £10 million from the Colonial Development and Welfare Fund are due to be injected into the country. As the preceding discussion has shown, an inflationary condition already exists, so that direct taxes are contributing a record proportion of revenue, and a small internal loan has been floated with immediate success. The Government's revenue position should therefore be excellent except for a possible reduction in customs duties resulting from import controls.

STATISTICAL APPENDIX

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Notes to Tables: (i) — means negligible or zero;  
 . . . means not available or not applicable.  
 (ii) All statistics before 1925 exclude the Cameroons.  
 (iii) Tons are throughout long tons.

Table 1

Nigeria: Total Trade, 1912-1947 a/

(Thousand £)

Year	Imports <sup>b/</sup>	Exports		Total	Balance
		Domestic <sup>c/</sup>	Reexports <sup>b/</sup>		
1912	5,952	5,477	297	5,774	- 178
13	6,332	6,779	318	7,097	+ 766
14	6,277	6,151	270	6,421	+ 144
15	4,984	4,874	72	4,946	- 38
16	5,174	5,884	146	6,030	+ 855
17	5,809	8,482	120	8,602	+2,794
18	7,423	9,359	153	9,512	+2,089
19	10,799	14,501	175	14,676	+3,877
1920	20,763	16,718	239	16,957	-3,807
21	10,237	8,028	230	8,258	-1,979
22	10,304	8,793	144	8,937	-1,367
23	10,271	10,803	82	10,885	+ 614
24	10,948	14,391	70	14,461	+3,513
25	14,783	16,906	57	16,963	+2,180
26	12,761	16,539	142	16,681	+3,920
27	14,438	15,470	204	15,674	+1,236
28	15,765	16,927	148	17,075	+1,310
29	13,219	17,581	176	17,757	+4,538
1930	12,617	14,778	251	15,029	+2,412
31	6,511	8,553	218	8,771	+2,261
32	7,195	9,279	198	9,477	+2,282
33	6,340	8,560	167	8,727	+2,387
34	5,364	8,734	140	8,874	+3,510
35	7,804	11,473	142	11,615	+3,811
36	10,830	14,930	147	15,077	+4,247
37	14,625	19,242	194	19,436	+4,811
38	8,632	9,462	240	9,702	+1,069
39	6,757	10,202	266	10,468	+3,712
1940	7,479	11,232	372	11,604	+4,125
41	6,505	13,124	658	13,782	+7,277
42	10,490	13,696	828	14,524	+4,034
43	12,418	14,320	832	15,152	+2,734
44	15,748	16,203	987	17,190	+1,442
45	13,583	17,146	821	17,967	+4,384
46	20,510	23,626	888	24,514	+3,944
47	32,466	37,155	1,215	38,369	+5,900

a/ Includes British Cameroons from 1925.

b/ Excludes transit trade to French territory.

c/ Includes domestic production of gold.

Sources: Nigeria, Trade Report, 1946; Records and Statistics (London Economist), August 7, 1948; U.N. General Assembly, Information from Non-Self-Governing Territories, A/566, 1948.

Table 2

Nigeria: Direction of External Trade, 1920-1947

	<u>1920</u>	<u>1928</u>	<u>1934</u>	<u>1937</u>	<u>1945</u>	<u>1946</u>	<u>1947</u>
<u>DOMESTIC EXPORTS</u>							
Total Value (£mill.)	<u>16.7</u>	<u>16.9</u>	<u>8.7</u>	<u>19.2</u>	<u>17.1</u>	<u>23.6</u>	<u>37.2</u>
<u>Percent Distribution</u>							
U.K.	92.1	43.5	45.9	44.1	74.0	77.5	75.5
Germany	0.2	23.1	11.9	17.1	1.6	—	...
France	1.6	8.4	11.8	8.5	1.2	0.1	...
Netherlands	0.8	5.9	8.6	8.7	2.5	3.0	3.1
Italy	...	3.8	4.9	3.3	—	—	...
British W. Africa	...	0.7	1.2	1.6	2.3	1.7	...
U.S.A.	3.6	12.6	9.6	12.2	14.3	10.9	16.0
Canada	...	...	...	0.8	2.9	4.3	1.3
Others <u>a/</u>	<u>1.7</u>	<u>2.0</u>	<u>6.1</u>	<u>3.7</u>	<u>1.2</u>	<u>2.5</u>	<u>4.1</u>
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0
<u>IMPORTS</u>							
Total value (£mill.)	<u>20.8</u>	<u>15.8</u>	<u>5.4</u>	<u>14.6</u>	<u>13.6</u>	<u>20.5</u>	<u>32.5</u>
<u>Percent Distribution</u>							
U.K.	82.0	69.8	58.7	54.5	57.3	64.0	49.7
Germany	0.2	10.3	5.0	9.3	—	—	...
France	0.3	1.7	1.3	0.9	—	0.3	...
Netherlands	0.7	3.5	2.3	1.7	—	1.4	4.5 <sup>b/</sup>
Italy	...	0.8	1.3	2.1	—	1.3	3.9
Norway	...	0.5	2.3	3.4	—	0.4	...
South Africa	...	—	—	—	1.5	1.0	...
India	...	—	6.4	5.6	12.1	9.3	7.0
Japan	...	—	7.3	6.3	—	—	...
U.S.A.	11.5	8.6	6.4	6.5	16.4	9.2	18.7
Neth. W. Indies	...	—	1.1	1.1	5.2	6.6	... <sup>b/</sup>
Others <u>a/</u>	<u>5.3</u>	<u>4.8</u>	<u>7.9</u>	<u>8.6</u>	<u>7.5</u>	<u>6.5</u>	<u>16.2</u>
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

a/ Includes named countries for which data are not available (...)

b/ Netherlands probably includes N.W.I.

Sources: Statistical Abstracts of the British Commonwealth, 1927-1945;  
Trade Reports, 1937, 1946; Records and Statistics, August 7, 1948;  
U.N. General Assembly, A/566, 1948,

Table 3

Nigeria: Imports by Principal Countries of Origin, 1925-47  
(Thousand £)

<u>Year</u>	<u>United Kingdom</u>		<u>United States</u>	<u>Germany</u>	<u>Netherlands</u>	<u>Italy</u>	<u>India</u>	<u>Japan</u>	<u>Neth. W. Indies</u>	<u>South Africa</u>
	<u>Total</u>	<u>Of which Govt. a/</u>								
1925	10,907	913	966	1,259	425	...	--	--	--	--
26	8,887	998	989	1,134	470	...	--	--	--	--
27	10,086	1,795	1,292	1,407	461	274	--	--	--	--
28	11,007	1,703	1,350	1,622	557	273	1	6	--	--
29	9,318	1,212	1,005	1,320	485	311	13	2	--	--
1930	8,625	925	1,142	1,272	513	310	70	1	--	--
31	4,598	643	584	584	200	147	72	12	--	--
32	5,356	282	548	454	164	131	139	122	--	--
33	4,391	272	399	525	161	83	203	317	--	--
34	3,150	309	344	268	123	67	340	392	58	--
35	4,784	382	483	550	152	79	454	214	73	--
36	6,295	472	592	946	179	110	608	484	112	3
37	7,960	713	948	1,358	248	250	823	917	155	2
38	4,713	884	694	755	150	309	583	379	132	5
39	3,648	625	477	513	186	170	429	212	293	4
1940	4,329	538	596	--	115	119	1,259	122	331	24
41	3,695	465	623	--	3	57	979	7	497	197
42	4,923	800	867	--	--	--	2,494	2	913	361
43	7,437	1,197	1,150	--	--	--	1,594	--	719	274
44	7,958	1,171	2,946	--	--	14	2,774	--	383	244
45	7,935	1,120	2,235	--	1	--	1,642	--	710	207
46	12,702	1,672	1,889	1	288	266	1,900	--	1,361	207
47	16,163	...	5,755	...	1,176 <sup>b/</sup>	1,260	2,028	...	b/	...

a/ Figures are for all government imports, but the bulk are from the U.K.

b/ Netherlands probably includes N.W.I.

Sources: Statistical Abstracts of the British Commonwealth, 1927-1945;  
Trade Reports, 1937, 1946; Records and Statistics, August 7, 1948.  
U.N. General Assembly A/566, 1948.

Table 4

Nigeria: Domestic Exports by Principal Countries of Destination, 1925-47

(Thousand £)

<u>Year</u>	<u>United Kingdom</u>	<u>United States</u>	<u>Germany</u>	<u>Netherlands</u>	<u>France</u>	<u>Italy</u>	<u>Canada</u>	<u>British W.Africa</u>
1925	9,257	1,624	3,606	1,011	767	...	--	...
26	9,246	1,285	3,792	511	962	...	--	...
27	7,498	2,007	3,777	588	948	407	--	54
28	7,368	2,126	3,919	1,000	1,431	638	--	120
29	7,764	2,554	3,421	1,441	1,461	527	--	128
1930	5,959	2,014	4,058	1,136	815	488	--	136
31	3,169	975	2,142	808	940	335	--	65
32	3,275	1,023	1,701	980	1,498	450	--	70
33	3,344	748	1,530	814	1,300	438	...	91
34	4,012	840	1,045	757	1,032	424	...	103
35	5,618	1,100	1,689	993	1,017	295	...	134
36	6,539	1,122	3,406	1,348	1,409	224	53	183
37	8,479	2,356	3,305	1,666	1,632	627	155	311
38	4,823	671	1,647	1,001	665	...	--	182
39	6,159	1,088	1,183	668	686	...	13	143
1940	7,171	1,356	--	127	315	...	--	159
41	11,158	1,378	--	2	1	...	1	186
42	12,000	804	--	4	1	...	19	262
43	12,331	1,105	--	--	--	...	93	253
44	13,861	1,360	--	2	1	...	398	294
45	12,747	2,451	--	429	207	...	491	399
46	18,299	2,596	--	708	3	--	1,005	403
47	28,087	5,973	...	...	...	...	497	...

Sources: Statistical Abstracts of the British Commonwealth, 1927-1946;  
Trade Reports, 1937, 1946; Records and Statistics, August 7, 1948;  
U.N. General Assembly A/566, 1948.

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Table 5

Nigeria: Balance of Trade with United Kingdom and United States  
1925-1947

(Thousand £)

Year	United Kingdom			United States		
	Imports	Exports <sup>a/</sup>	Balance	Imports <sup>a</sup>	Exports <sup>a/</sup>	Balance
1925	10,907	9,285	-1,622	966	1,624	+ 658
26	8,887	9,332	+ 445	989	1,285	+ 296
27	10,086	7,580	-2,506	1,292	2,007	+ 715
28	11,007	7,435	-4,572	1,350	2,126	+ 776
29	9,318	7,827	-1,491	1,005	2,554	+1,549
1930	8,625	6,038	-2,587	1,142	2,014	+ 872
31	4,598	3,253	-1,345	584	975	+ 391
32	5,356	3,357	-1,999	548	1,023	+ 475
33	4,391	3,425	- 966	399	748	+ 349
34	3,150	4,073	+ 923	344	840	+ 496
35	4,784	5,669	+ 885	483	1,100	+ 617
36	6,295	6,590	+ 295	592	1,122	+ 530
37	7,960	8,539	+ 579	948	2,356	+1,408
38	4,713	4,823	+ 110	694	671	- 23
39	3,648	6,159	+2,511	477	1,088	+ 611
1940	4,329	9,171	+4,842	596	1,356	+ 760
41	3,695	11,185	+7,490	623	1,378	+ 755
42	4,923	12,000	+7,077	867	804	- 63
43	7,437	12,331	+4,894	1,150	1,105	- 45
44	7,958	13,861	+5,903	2,946	1,360	-1,586
45	7,935	12,747	+4,812	2,235	2,451	+ 216
46	12,702	18,369	+5,667	1,889	2,596	+ 707
47	16,163	28,087	+11,924	5,755	5,973	+ 218

<sup>a/</sup> Includes reexports except 1938-1944 and 1947. For the U.K. there are about £70,000 in peacetime, but may have been substantially higher during the war. For U.S. negligible.

Sources: Statistical Abstracts of the British Commonwealth, 1927-1945;  
Trade Reports, 1937, 1946; U.N. General Assembly, A/566, 1948.

Table 6

## Nigeria: Imports by Main Categories, 1928-1946

	1928		1934		1937		1945		1946	
	£000s	%	£000s	%	£000s	%	£000s	%	£000s	%
<b>Consumers' Goods:</b>										
Principal Foods <u>a/</u>	1,573	10.0	569	10.6	1,309	8.9	716	5.3	990	4.8
Drink and Tobacco	1,019	6.5	396	7.4	686	4.8	851	6.3	1,321	6.4
Kola nuts	533	3.3	3	0.1	23	0.2	25	0.2	—	—
Apparel & Textiles	5,774 <sup>d/</sup>	36.6 <sup>d/</sup>	1,576	29.4	5,657	38.6	4,906	36.0	7,178	35.1
Misc. Consumer Goods <u>b/</u>	1,128 <sup>e/</sup>	7.2 <sup>e/</sup>	362	6.7	1,111	7.6	744	5.5	1,382	6.7
Subtotal	10,027	63.6	2,906	54.2	8,786	60.1	7,242	53.3	10,271	53.0
<b>Producers' Goods:</b>										
Coal, oil, gasoline, etc.	650	4.1	269	5.0	705	4.8	797	5.9	1,478	7.2
Tools, bags & sacks	425	2.7	291	5.4	420	2.9	584	4.3	883	4.3
Corrugated iron sheets and cement	624	4.0	185	3.5	555	3.8	511	3.8	546	2.7
Misc. iron & steel	1,200 <sup>d/</sup>	7.6	290	5.4	748	5.1	832	6.1	1,500 <sup>d/</sup>	7.3
Machinery (incl. electrical app.)	551	3.5	102	1.9	549	3.7	470	3.5	938	4.6
Road transport goods <u>c/</u>	839 <sup>d/</sup>	5.3	262	4.9	994	6.8	355	2.6	1,358	6.6
Subtotal	4,289	27.2	1,399	26.1	3,971	27.1	3,549	26.2	6,703	32.7
<u>All Other</u>	1,445	9.2	1,059	19.7	1,867	12.8	2,792	20.5	2,936	14.3
<u>Total Imports</u>	15,761	100.0	5,364	100.0	14,624	100.0	13,583	100.0	20,510	100.0

a/ All grains, sugar, fish, bread & biscuits, salt.

b/ Soap, matches, earthenware, glassware, beads, perfumery, cutlery, lamps, buckets, paper, stationery, medicines and drugs.

c/ Cars, trucks & parts; cycles & parts; tires & tubes.  
d/ Partly estimated.  
e/ Largely estimated.

Sources: Statistical Abstracts of the British Commonwealth, 1927-1945; Trade Reports, 1937, 1946; Enquiry into the Cost of Living and the Control of the Cost of Living in the Colony and Protectorate of Nigeria, Col. 204, 1946.

Table 7

Nigeria: Principal Imports by Volume and Value, 1927-1947

<u>Year</u>	<u>All grains</u>		<u>Fish</u>		<u>Salt</u>		<u>Tobacco &amp; Cigarettes</u>	<u>Beer &amp; Spirits</u>
	<u>Th.cwt.</u>	<u>£000</u>	<u>Th.cwt.</u>	<u>£000</u>	<u>Th.tons</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>
1927	251	265	301	613	56	333	591	430
1928	270	272	359	791	53	293	590	429
1929	302	291	353	747	52	282	492	354
1930	358	307	330	683	58	289	644	320
1931	243	165	167	316	48	230	298	186
1932	201	132	282	411	52	250	442	139
1933	182	105	182	267	43	205	325	126
1934	182	91	143	193	46	203	285	111
1935	213	116	191	310	49	214	351	126
1936	358	181	221	388	58	246	416	142
1937	328	194	315	563	54	267	495	191
1938	235	141	212	396	53	268	414	152
1939	189	112	127	226	46	239	454	137
1940	85	79	21	48	53	327	297	97
1941	41	44	2	9	40	270	363	199
1942	54	57	2	7	77	474	369	314
1943	72	54	-	3	52	432	542	214
1944	98	94	2	10	62	442	505	262
1945	114	135	7	26	57	406	595	256
1946	112	141	19	97	68	512	1013	308
1947	...	...	...	223	79	675	1110	...

Sources: Statistical Abstracts for the British Commonwealth, 1927-45  
Trade Reports, 1937, 1946  
Enquiry into the Cost of Living in Nigeria, Col. 204, 1946  
UN General Assembly, A/566, 1948  
Records and Statistics, August 7, 1948

Table 7 (Cont'd)

Nigeria: Principal Imports by Volume and Value, 1927-1947

(Thousand £)

	Principal Cotton Piecegoods <sup>a/</sup>		Other Cottons	Artificial Silk Piecegds.		Apparel	Bags & Sacks	
	Mill. Sq.Yds.	£000		Mill. Sq.Yds.	£000		Th. Dozen	£000
1927	100	3,301	439	...	...	415	532	288
28	119	4,025	477	...	...	484	553	272
29	100	3,313	346	...	...	410	591	277
1930	100	2,977	307	...	...	398	823	330
31	65	1,540	120	...	...	216	500	151
32	112	2,365	152	5.2	181	257	629	225
33	106	1,864	161	7.3	201	193	706	204
34	65	1,166	125	5.1	133	152	815	228
35	125	2,376	188	3.7	144	215	941	270
36	174	3,662	255	8.6	343	305	943	244
37	164	4,013	411	13.7	751	482	1,265	294
38	69	1,638	157	6.0	321	207	860	196
39	61	1,321	153	3.1	146	188	728	228
1940	80	2,163	167	1.5	71	176	1,176	592
41	60	1,832	142	1.3	80	116	587	255
42	84	3,368	325	2.0	181	121	1,285	652
43	84	4,745	420	2.3	273	112	668	374
44	106	6,447	371	5.2	567	321	761	572
45	83	5,086	374	3.9	436	168	686	461
46	84	5,828	484	3.3	459	407	1,065	730
47	105 <sup>b/</sup>	9,700 <sup>b/</sup>	...	...	...	...	...	...

<sup>a/</sup> Grey, bleached, printed, colored and dyed.

<sup>b/</sup> Partly estimated.

Sources: Statistical Abstracts for the British Commonwealth, 1927-45;  
Trade Reports, 1937, 1946;  
Records and Statistics, August 7, 1948.

Table 7 (Concluded)

Nigeria: Principal Imports by Volume and Value, 1927-47

<u>Year</u>	<u>Cement</u>		<u>Corrugated Iron Sheets</u>		<u>Petroleum Products</u>	<u>Electrical Machinery<sup>a/</sup></u>	<u>Other Machinery</u>	<u>Autos, Trucks &amp; Cycles b/</u>	<u>Tires &amp; Tubes</u>
	<u>Th. Tons</u>	<u>£000</u>	<u>Th. Tons</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>
1927	60	240	15.1	352	502	53	548	586	117
28	78	284	17.0	340	618	93	458	599	140
29	61	234	13.8	266	585	103	350	405	115
1930	51	174	14.5	253	596	100	272	470	118
31	32	100	8.4	122	357	50	148	290	62
32	31	97	8.3	119	340	21	36	146	61
33	28	78	8.5	127	269	27	33	187	55
34	35	81	6.9	104	225	26	76	192	52
35	37	83	10.9	168	257	34	74	267	74
36	47	105	14.1	227	309	51	124	361	85
37	68	169	19.3	386	390	132	417	712	135
38	50	150	3.7	75	387	154	301	292	61
39	51	161	5.8	127	457	106	197	206	85
1940	21	83	2.4	65	535	123	129	149	116
41	32	193	1.0	24	626	95	118	130	89
42	35	200	1.8	52	1,316	114	158	194	101
43	34	184	0.5	13	1,094	172	198	101	304
44	46	215	1.4	47	1,030	138	264	846	64
45	64	320	5.9	191	774	175	295	194	130
46	96	475	1.9	71	1,451	405	533	902	420
47	107	621	...	...	...	...	...	...	...

a/ Including apparatus such as radios.

b/ Including auto parts, but not cycle parts.

Sources: Statistical Abstracts for the British Commonwealth, 1927-45;  
Trade Reports, 1937, 1946  
Records and Statistics, August 7, 1948

Table 8

Nigeria: Principal Imports from Certain Countries, 1937 and 1946

(Thousand £)

	<u>1937</u>	<u>1946</u>		<u>1937</u>	<u>1946</u>
<u>UNITED KINGDOM</u>			<u>UNITED STATES</u>		
Salt	245	296	Flour & other grains	51	135
Cigarettes	314	367	Tobacco	179	531
Apparel	145	277	All cotton goods	-	697
Cotton piecegoods	2,964	3,570	Mining machinery	115	151
Other cottons	244	404	Autos, trucks & parts	275	94
Woolen goods	111	151	Petroleum products	172	86
Artificial silk goods	228	502	Other	156	195
Implements and tools	60	145			
Earthenware, glassware, buckets	84	262	Total	948	1,889
Misc. iron and steel	424	1,299			
Corrugated iron sheets	300	40			
Cement	97	415			
Cars, trucks and parts	177	478		<u>1937</u>	<u>1946</u>
Cycles and parts	217	276			
Tires and tubes	97	394	<u>INDIA</u>		
Electrical machinery and apparatus	114	380	Rice	57	-
Other machinery	229	500	Colored cotton piecegoods	378	335
Chemicals, medicines and drugs	191	533	Other cotton goods	78	805
Paper, stationery and books	139	442	Bags and sacks	267	693
Other	1,580	1,972	Other	43	67
			Total	823	1,900
Total	7,960	12,702			

Source: Trade Reports, 1937 and 1946.

Table 8 (Cont'd)

Nigeria: Principal Imports from Certain Countries, 1937 and 1946

(Thousand £)

	<u>1937</u>	<u>1946</u>		<u>1937</u>
<u>NETHERLANDS</u>			<u>GERMANY a/</u>	
Beer and spirits	35	56	Cotton goods	116
Printed cotton piecegoods	137	160	Artificial silk goods	261
Other	76	72	Earthenware, Glassware, buckets	105
Total	248	288	Implements and tools	80
			Miscellaneous iron & steel	117
			Other	649
			Total	1,358
<u>NETHERLANDS WEST INDIES</u>			<u>JAPAN a/</u>	<u>1937</u>
Fuel Oil	—	227	Apparel	212
Kerosene and gasoline	155	1,134	Cotton textiles	106
Total	155	1,361	Other textiles	128
			Earthenware, glassware, buckets	174
			Other	297
			Total	917
<u>ITALY</u>			<u>SOUTH AFRICA AND SOUTHERN RHODESIA b/</u>	<u>1946</u>
Cotton textiles	105	137	Tobacco	106
Artificial silk textiles	149	44	Boots and shoes	74
Other	51	82	Cement	22
Total	305	266	Other	131
			Total	313

a/ Negligible in 1946.

b/ Negligible in 1937.

Source: Trade Reports, 1937 and 1946.

Table 9

Nigeria: Imports of Certain Commodities Before and During World War II

<u>Commodity</u>	<u>Unit</u>	<u>Average 1934-39 (a)</u>	<u>Average 1940-45 (b)</u>	<u>Percentage of (b) to (a)</u>
Dried, salted fish	Th. cwt.	192	5	2
All grains	"	251	77	31
Sugar	"	149	39	26
Tobacco	Th. lbs.	2,812	2,427	86
Cigarettes	Thousands	313	188	60
Boots and shoes	Th. pairs	626	141	23
Singlets	Thousands	1,851	678	37
Cotton piecegoods:				
Grey	Million sq.yds.	18.3	18.4	100
White	" "	33.4	21.7	65
Printed, dyed & colored	" "	55.7	42.3	76
Artificial silk piecegoods	" "	8.6	2.5	29
Corrugated iron sheets	Th. tons	10.1	2.2	21
Cycles	Thousands	17.3	8.5	49
Cars, trucks & chassis	No.	1,596	575	28

Source: Enquiry into the Cost of Living in Nigeria, Col. 204, 1946.  
Statistical Abstract of the British Commonwealth, 1927-45.

Table 10

Nigeria: Distribution of Exports by Main Commodities, 1920-47

	<u>1920</u>	<u>1928</u>	<u>1934</u>	<u>1937</u>	<u>1945</u>	<u>1946</u>	<u>1947</u>
<u>Total Exports</u> (£ million)	16.7	16.9	8.7	19.2	17.1	23.6	37.2
	%	%	%	%	%	%	%
<u>Oil and Oilseeds</u>							
Palm oil	28.0	22.2	10.2	12.3	11.0	8.7	8.7
Palm kernels	34.2	26.2	18.2	19.0	20.4	17.6	16.7
Groundnuts	6.7	10.9	21.4	21.2	15.2	24.0	16.8
Other <u>a/</u>	1.2	1.2	1.6	1.2	0.5	0.3	...
Total	70.1	60.5	51.4	53.7	47.1	50.6	(42.2)
<u>Other Principal Agricultural Products</u>							
Cocoa	7.4	14.3	14.8	19.0	12.6	16.0	28.6
Rubber	0.3	1.5	0.5	0.7	7.1	5.9	1.8
Cotton	4.3	2.1	3.4	2.6	0.3	1.7	...
Timber	0.8	0.6	2.1	0.8	1.6	1.5	2.0
Hides & skins (untanned)	4.0	5.3	7.8	4.4	4.5	4.7	8.3
Total	16.8	23.8	28.6	27.5	26.1	29.8	(40.7)
<u>Principal Minerals</u>							
Tin ore	10.7	13.1	14.3	13.7	18.3	12.1	11.0
Other <u>b/</u>	...	0.1	3.2	1.5	3.9	2.1	...
Total	10.7	13.2	17.5	15.2	22.2	14.2	(11.0)
<u>Other</u>	2.4	2.5	2.1	4.6	4.6	5.4	(4.1)
	100.0	100.0	100.0	100.0	100.0	100.0	100.0

a/ Benniseed, cottonseed, shea nuts.

b/ Coal, gold ore, columbite (partly estimated in 1928 and 1934)

Sources: Statistical Abstracts of the British Commonwealth, 1927-1945.  
Trade Reports, 1937, 1946.  
Records and Statistics, August 7, 1948.

Table 11

Nigeria: Principal Exports, by Volume and Value, 1925-47

	<u>Palm Oil</u>		<u>Palm Kernels</u>		<u>Groundnuts</u>		<u>Cocoa</u>	
	Th. tons	£000	Th. tons	£000	Th. tons	£000	Th. tons	£000
1925	128	4,166	273	4,937	127	2,394	45	1,484
1926	113	3,616	249	4,440	127	2,343	39	1,363
1927	113	3,375	257	4,439	91	1,630	39	1,999
1928	127	3,751	247	4,423	103	1,849	49	2,421
1929	132	3,767	251	4,265	147	2,466	55	2,306
1930	136	3,250	260	3,679	146	2,196	52	1,756
1931	118	1,542	254	2,132	160	1,511	53	1,093
1932	116	1,514	309	2,696	188	1,874	71	1,461
1933	129	1,384	260	1,899	205	2,064	61	1,144
1934	113	885	289	1,591	245	1,860	78	1,290
1935	143	1,656	313	2,245	184	2,093	78	1,584
1936	163	2,079	386	3,637	218	2,847	81	1,997
1937	146	2,369	338	3,648	326	4,058	103	3,657
1938	110	981	312	2,168	180	1,306	97	1,567
1939	126	930	300	1,873	147	1,048	114	1,776
1940	133	1,099	236	1,500	169	1,476	90	1,583
1941	128	1,047	378	2,283	247	2,140	105	1,766
1942	151	1,427	345	2,458	194	1,688	60	1,043
1943	135	1,587	331	3,117	143	1,457	88	1,542
1944	125	2,030	314	3,637	156	2,013	70	1,338
1945	114	1,894	293	3,496	176	2,696	77	2,150
1946	101	2,051	277	4,160	286	5,675	100	3,779
1947	126	3,242	316	6,204	256	6,270	111	10,650

Sources: Statistical Abstracts of the British Commonwealth, 1927-45  
Trade Reports, 1937, 1946  
Records and Statistics, August 7, 1948

Table 11 (Cont'd)

Nigeria: Principal Exports, by Volume and Value, 1925-47

	Tin Ore		Hides & Skins (Untanned) a/		Cotton Lint		Rubber		
	Th. Tons	£000	Total £000	Goatskins Th. Cwt.	£000	Th. Cwt.	£000	Th. Cwt.	£000
1925	9.3	1,738	641	...	...	133	797	19	108
26	10.6	2,217	595	...	...	179	1,182	32	203
27	10.9	2,287	626	27	307	100	331	40	256
28	13.1	2,210	908	31	407	75	349	46	256
29	15.1	2,299	889	30	424	117	543	39	164
1930	12.1	1,373	848	38	580	160	624	43	150
31	10.8	906	702	38	448	70	153	36	71
32	6.0	580	582	30	339	24	51	17	31
33	5.2	659	556	36	307	88	193	20	33
34	7.5	1,244	677	38	382	117	297	32	44
35	8.9	1,457	736	43	419	217	580	41	61
36	12.0	1,763	737	40	408	222	554	43	90
37	15.0	2,628	853	42	442	192	497	51	126
38	10.4	1,435	396	44	307	114	247	63	136
39	14.5	2,368	690	55	442	88	191	53	128
1940	14.8	2,727	634	48	394	187	622	58	265
41	18.4	3,490	605	50	396	204	619	41	245
42	16.5	3,208	643	41	377	370	1,127	133	664
43	17.4	3,441	640	45	421	143	437	147	794
44	18.2	3,824	642	40	376	87	264	195	1,070
45	15.2	3,129	778	48	516	21	64	212	1,220
46	13.9	2,861	1,112	42	687	132	407	226	1,390
47	14.1	4,091	(3,100) <sup>b/</sup>	...	...	...	...	147	665

a/ Excluding reptile skins.

b/ Partly estimated.

Sources: Statistical Abstracts of the British Commonwealth, 1927-45.  
Trade Reports, 1937, 1946.  
Records and Statistics, August 7, 1948.

Table 11 (Concluded)

Nigeria: Principal Exports by Volume and Value 1927-47

<u>Year</u>	<u>Timber</u>		<u>Gold Ore</u>		<u>Coal</u>		<u>Columbite</u>	
	<u>Th.Cu.Ft.</u>	<u>£000</u>	<u>Th.Oz.</u>	<u>£000</u>	<u>Th.Tons</u>	<u>£000</u>	<u>Tons</u>	<u>£000</u>
1927	...	301	---	---	...	...	---	---
28	...	335	---	---	...	...	---	---
29	...	295	---	---	...	...	---	---
1930	...	195	---	---	...	...	---	---
31	...	128	---	2	...	...	---	---
32	...	106	2.1	12	28	26	---	---
33	...	103	16.1	100	24	25	---	---
34	...	183	34.6	233	38	40	...	...
35	...	156	38.9	276	37	33	...	...
36	1,720	133	34.8	244	47	43	511 <sup>a/</sup>	39 <sup>a/</sup>
37	2,120	149	26.2	185	44	45	717	65
38	1,520	106	24.8	176	...	...	...	...
39	1,270	86	25.6	212	...	...	...	...
1940	1,560	124	25.4	206	...	...	...	...
41	1,900	227	22.6	183	...	...	...	...
42	1,680	213	42.4	353	73	68	...	...
43	2,040	247	19.9	167	80	94	831	156
44	2,710	302	10.8	90	188	247	1,567	288
45	2,560	271	8.0	68	193	256	1,975	342
46	2,982	358	2.0	17	188	248	1,438	233
47	3,477	758	...	...	...	...	...	...

<sup>a/</sup> Probably much smaller in 1934 and 1935.

Sources: Statistical Abstracts of the British Commonwealth, 1927-45.  
Trade Reports, 1936, 1937, 1946.  
Enquiry into the Cost of Living in Nigeria, Col. 204, 1946.

Table 12

Nigeria: Principal Domestic Exports to Certain Countries, 1937 and 1946

(Thousand £)

<u>UNITED KINGDOM</u>	<u>1937</u>	<u>1946</u>	<u>UNITED STATES</u>	<u>1937</u>	<u>1946</u>
Palm oil	1,384	1,849	Cocoa	1,507	1,769
Palm kernels	1,405	3,988	Palm oil	402	11
Groundnuts	1,173	4,720	Palm kernels	107	--
Cocoa	716	1,371	Goatskins	238	227
Cotton	377	407	Sheepskins	55	96
Rubber	51	1,402	Pepper	--	91
Gum arabic	10	102	Columbite	28	220
Timber	91	299	Other	12	160
Hides and skins <u>a/</u>	203	893			
Tin ore	2,628	2,861	Total	2,349	2,574
Gold ore	185	17			
Other	278	439			
Total	8,479	18,295			

<u>GERMANY</u> <u>b/</u>	<u>1937</u>	<u>FRANCE</u> <u>b/</u>	<u>1937</u>
Cocoa	598	Groundnuts	1,418
Bananas	260	Hides and skins	164
Palm oil	119	Other	50
Palm kernels	1,507	Total	1,632
Groundnuts	1,590		
Other	223		
Total	3,297		

a/ Including tanned and reptile skins

b/ Negligible in 1946.

Source: Trade Reports, 1937, 1946.

Table 12 (Cont'd)

Nigeria: Principal Domestic Exports to Certain Countries, 1937 and 1946

(Thousand £)

	<u>1937</u>	<u>1946</u>		<u>1937</u>	<u>1946</u>
<u>NETHERLANDS</u>			<u>CANADA</u>		
Cocoa	759	207	Cocoa	--	408
Palm kernels	457	140	Palm oil	148	417
Groundnuts	300	318	Groundnuts	--	150
Other	145	43	Other	7	30
Total	1,661	708	Total	155	1,005
	<u>1937</u>			<u>1937</u>	<u>1946</u>
<u>ITALY b/</u>			<u>BRITISH, FRENCH &amp; BELGIAN WEST AFRICA</u>		
Palm oil	195		Coal	45	236
Groundnuts	402		Cotton piecegoods	159	6
Other	30		Other	143	318
Total	627		Total	347	560

b/ Negligible in 1946.

Source: Trade Reports, 1937, 1946.

Table 13

Nigeria: Volume of Exports, 1920-1947  
(Million £)

<u>Year</u>	<u>Domestic Exports</u>	<u>Domestic Exports at 1937 Prices <sup>a/</sup></u>
1920	16.7	7.0
1921	8.0	5.9
1925	16.9	11.0
1929	17.6	12.7
1931	8.6	11.9
1934	8.7	15.1
1937	19.2	19.2
1939	10.2	17.2
1945	17.1	16.1
1946	23.6	17.6
1947	37.2	13.6

<sup>a/</sup> Based on cocoa, groundnuts, palm products, tin ore, cotton.

Sources: Statistical Abstracts of the British Commonwealth, 1927-45  
Trade Reports, 1937, 1946  
Records and Statistics, August 7, 1948

Table 14

Nigeria: The Terms of Trade, 1920-1947

	<u>Unit Value of Domestic Exports <sup>a/</sup></u>	<u>Price Index of Imported Bleached Cotton Piece Goods <sup>b/</sup></u>	<u>Other Import Price Indices <sup>c/</sup></u>
1920	239	270	n.a.
1925	154	140	n.a.
1929	139	139	n.a.
1930	123	123	120
1931	72	104	107
1934	58	77	93
1937	100	100	100
1939	59	89	99
1945	106	265	224
1946	134	286	n.a.
1947	200	400	n.a.

a/ Compiled from Table 13.

b/ 1920, 1925 and 1947 figures based on all cotton goods.

c/ An import price index for 1930 to 1939 published by the United Africa Company in "Statistical and Economic Review" No. 1, March 1948, was used for 1930 to 1939. Its basis is unknown.  
To link 1939 with 1945, an index of consumer goods prices (1939 to 1945) published in "Enquiry into the Cost of Living ... in Nigeria", 1946, Col. 204 was used. The consumer goods make up about 2/3 of total imports.

Sources: Statistical Abstracts of the British Commonwealth, 1927-46  
Trade Reports, 1937, 1946  
Records and Statistics, August 7, 1948  
Enquiry into the Cost of Living in Nigeria, Col. 204, 1946  
Statistical and Economic Review No. 1, the United Africa Company, March 1, 1948

Table 15

Nigeria: Prices of main agricultural products, 1942/43 to 1946/47  
(£ per ton)

	<u>Palm oil: Grade II</u>				
	<u>1942/43</u>	<u>1943/44</u>	<u>1944/45</u>	<u>1945/46</u>	<u>1946/47</u>
Price, delivered at Lagos	9.2	10.1	12.3	13.1	15.3
Export price	11.7	16.2	16.6	20.3	25.7
	<u>Palm Kernels</u>				
Price, delivered at Lagos	5.7	7.8	8.7	9.2	10.7
Export price	9.6	11.5	11.9	15.0	19.6
	<u>Groundnuts (Kano area)</u>				
Price at Northern railhead	6.5	9.0	12.0	12.0	16.0
Export price	10.3	12.9	15.4	19.8	24.4
	<u>Cocoa: Main crop (average for grades I &amp; II)</u>				
Price at port	12.8	12.8	22.3	26.8	...
Export price	17.6	19.1	27.9	37.8	96.0

Note: The first price given in each case is the price paid to the producer plus cost of transport to the point mentioned.

The second price has been derived from the export statistics for the calendar year, e.g. 1943 in the case of 1942/43. As it also covers all grades, it is only roughly comparable to the first price given.

The difference between the two prices represents agents' allowance including middleman's commission and cost of bagging and storage, cost of transport to ship, export duty and profit of the West African Produce Control Board or Nigerian Cocoa Board on sales to the Ministry of Food. The latter was small until February 1947, when the Ministry of Food started paying prices nearer the world market. In the case of groundnuts, for example, in 1946/47 agents commission was £3.0, export duty £0.5, and rail transport to Lagos approximately £4.

Sources: Report of the Mission to Enquire into the Production and Transport of Vegetable Oils and Oilseeds Produced in the West Africa Colonies, Col. 211, 1947  
Fifth Report from the Select Committee on Estimates, H.C.R. 181-I, 1948  
Trade Report, 1946  
Enquiry into the Cost of Living in Nigeria, Col. 204, 1946

Table 16

Nigeria: Estimated Balance of Payments, 1936

(Thousand £)

<u>Category</u>	<u>Credits</u>	<u>Debits</u>	<u>Balance</u>
<u>Merchandise</u>			
As recorded	15,080	10,830	
Price adjustment	1,250	—	
Rise in exporters' stocks	1,270	—	
Fall in importers' stocks	—	690	
	<u>17,600</u>	<u>11,520</u>	<u>+ 6,080</u>
<u>Services</u>			
<u>Government:</u>			
Profits of W.A.C.B.	100	—	
Interest	380	1,160	
Mining royalty	—	100	
Pensions & employees' remittances	—	1,160	
Other	—	140	
<u>Extra-Territorial Enterprises:</u>			
Profits (mining) <u>a/</u>	—	1,110	
Profits (trading) <u>a/</u>	—	1,320	
Profits (other) <u>a/</u>	—	60	
Employees' remittances	—	600	
Other remittances (net)	160	—	
Harbor dues, etc.	400	—	
	<u>1,040</u>	<u>5,650</u>	<u>- 4,610</u>
<u>Capital</u>			
<u>Government:</u>			
Sinking fund payment	—	220	
Other transfers to U.K. (net)	—	1,030	
Col. D & Welfare Fund grant	10	—	
Total rise in currency circulation	—	2,500	
<u>Extra-Territorial Enterprises:</u>			
Rise in currency holdings	630	—	
Physical investment			
(Mining)	160	—	
(Other)	780	—	
	<u>1,580</u>	<u>3,750</u>	<u>- 2,170</u>
<u>Errors and Omissions</u>	700	—	<u>+ 700</u>

a/ Profits here include depreciation. The latter was small (less than £¼ million) and was probably largely a matter of accounting.

Source: Compiled from: Mining, Commerce and Finance in Nigeria, edited by Margery Perham, London, 1948.

Table 17

Nigeria: Estimated Balance of Payments, 1945/46

(Thousand £)

<u>Category</u>	<u>Credits</u>	<u>Debits</u>	<u>Balance</u>
<u>Merchandise</u>			
As recorded <u>a/</u>	19,600	15,300	
Price adjustment	--	--	
Rise in exporters' stocks	1,600	--	
Rise in importers' stocks	200	--	
	<u>21,400</u>	<u>15,300</u>	+ 6,100
<u>Services</u>			
<u>Government:</u>			
Profits of W.A.C.B.*	240	--	
Interest *	500	1,160	
Mining royalty	--	100	
Pensions & employees' remittances	--	1,400	
Other	--	200	
<u>Extra-Territorial Enterprises:</u>			
Profits (mining)	--	1,100	
Profits (trading)	--	2,700	
Profits (other)	--	100	
Employees' remittances	--	600	
Other remittances (net)	200	--	
Harbor dues, etc.	600	--	
	<u>1,500</u>	<u>7,400</u>	- 5,900
<u>Capital</u>			
<u>Government:</u>			
Sinking fund payment *	--	220	
Other transfers to U.K. (net)	--	3,100	
Col. D & Welfare Fund grant *	350	--	
Total rise in currency circulation*	--	2,850	
<u>Extra-Territorial Enterprises:</u>			
Rise in currency holdings	?	--	
Physical investment	1,000	--	
W.A.P.C.B.: transfer to U.K.	--	1,000	
	<u>1,400</u>	<u>7,200</u>	- 5,800
<u>Unknown Items, Errors and Omissions</u>			+ 5,600

\* Known items (in the case of interest, this only applies to outward payments)

a/ Calculated from 1945 and 1946 trade returns.

Table 18

Nigeria: Public Debt, at 31 December, 1946

<u>Description</u>	<u>Issue</u>	<u>Maturity</u>	<u>Rate</u>	<u>Outstanding</u>	<u>Annual Service</u>	
					<u>Interest</u>	<u>S/Fund</u>
			<u>%</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>
<u>External</u>						
Nigeria, Inscribed Stock	1919	1949-79	6	6353	382	40
"	1923	1963	4	5700	228	57
" <sup>a/</sup>	1927	1947-57	5	4250	213	43
"	1930	1950-60	5	4263	213	43
"	1934	1955	3	<u>4188</u>	<u>126</u>	<u>42</u>
Total				24,765	1161	224
<u>Internal</u>						
Nigeria, Registered Stock	1946	1961	3	300	9	...

<sup>a/</sup> In 1947 £3 millions redeemed and £1¼ millions converted to 2½% 1966-1971.

Source: Nigeria, Colonial Annual Report, 1946

Moody's Governments, 1948

Table 19

Nigeria: Assets of the Government<sup>a/</sup>

(Thousand £)

<u>Description</u>	<u>At 31 March 1946</u>	<u>At 31 March 1947</u>
Surplus	7,245	7,987
Reserve Fund	1,500	... <sup>c/</sup>
Supplementary Sinking Fund	2,473	... <sup>c/</sup>
Statutory Sinking Fund	<u>6,000<sup>b/</sup></u>	<u>6,469</u>
Total (rounded)	17,200	... <sup>c/</sup>

<sup>a/</sup> Excluding such agencies as the railway and the Post Office Savings Bank.

<sup>b/</sup> Partly estimated.

<sup>c/</sup> In 1946/47 the budget surplus exceeded the increase in the "Surplus" above by about £1 million. Whether this has been transferred to one of the Funds or advanced to Development funds in anticipation of future loans, is uncertain. If this sum is included, total assets at 31 March 1947 would be over £19 million, of which £3 million was shortly after devoted to loan redemption.

Sources: Nigeria, Colonial Annual Report, 1946  
Non-self-governing territories, Summaries and Analysis of  
Information transmitted to the Secretary-General during  
1947, United Nations, 1948.

Table 20

British West African Colonies: Total Sterling Assets

(Million £)

<u>Date</u>	<u>Total</u>	<u>Of Which</u>	
		<u>West African Currency Board</u>	<u>Other</u>
June 30, 1945	92	33	59
December 31, 1946	115	42 <sup>a/</sup>	73
December 31, 1947	125	51 <sup>a/</sup>	74

<sup>a/</sup> Partly estimated.

Note: Sterling assets comprise funds of the W.A.C.B., funds held with the Crown Agents for the Colonies, loans to H.M. Government, and London balances of banks operating in the Colonies. However, to the extent that the latter are offset by deposits of extra-territorial enterprises, they cannot really be said to be assets of the Colonies.

Sources: Colmer Committee, 8th Report, U.S.G.P.O., February 7, 1946.  
The Colonial Empire 1939-47, Cmd. 7167.  
The Colonial Empire 1947-48, Cmd. 7433.

Table 21

Nigeria: Changes in Monetary Circulation

<u>Year</u>	<u>Rise in Circulation</u>
1939/40	- 0.3
40/41	+ 0.5
41/42	+ 1.4
42/43	+ 4.0
43/44	+ 2.1
44/45	+ 1.9
45/46	+ 2.8
	<hr/>
	+12.3
Circulation at 31 March 1939	<hr/> 5.9
Circulation at 31 March 1946	18.1
Approximate imports of currency in 1946 & 1947	10.0
Order of magnitude of circulation at 31 March 1948	25 to 30

Sources: Trade Report, 1946.  
Colonial Annual Report, 1946.  
Information from non-self-governing territories,  
U.N. A/566, 1948.

Table 22

Nigeria: Expenditure on the Ten-Year Development Plan

(Thousand £)

<u>Year</u>	<u>Expenditure<sup>a/</sup></u>		<u>Source of Funds (Estimated)<sup>b/</sup></u>		
	<u>Estimated</u>	<u>Actual<sup>e/</sup></u>	<u>Revenue<sup>c/</sup></u>	<u>Loans</u>	<u>Colonial Dev. &amp; Welfare Fund</u>
1946/47	3,246	1,200	317	1,573	1,348
1947/48	4,126	3,200	584	1,790	1,717
1948/49	4,408	5,400	861	1,355	2,149
1949/50	4,495	...	997	1,244	2,199
1950/51	<u>5,172</u>	<u>...</u>	<u>1,144</u>	<u>1,492</u>	<u>2,373</u>
Total (1st 5 years)	21,447	...	3,903	7,453	9,786
Total <sup>d/</sup> (2nd 5 years)	32,000	...	10,400	8,400	13,200

a/ Includes loan charges (about £4 million over the 10 years)

b/ There appears to be a small discrepancy between the expenditure and the sum of these individual items.

c/ No deduction has been made for the contribution of revenue-earning schemes, which may amount to £2½ million over the 10 years.

d/ Rounded figures.

e/ Partly estimated.

Source: A Ten-Year Plan of Development and Welfare for Nigeria,  
Lagos, 1946.

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