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NIGERIA

# SPEECH

by His Excellency the Governor

Sir Arthur Richards, G.C.M.G.,

to the Legislative Council

10th December, 1945

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HONOURABLE GENTLEMEN,

At the annual opening of the Budget Session in the Spring it is customary for the Governor to review the achievements of the past year, to clarify Government policy on important issues and to indicate the manner, the method and the momentum of action proposed in pursuance of stated aims. It has not been my custom elsewhere to burden Council with any such review at subsequent meetings during the year, nor to make any statements unless matters of urgent public importance seemed to demand them. But this meeting is exceptional in that it is the first to be held after the happy and victorious end of the War both in the West and in the East. The problems of the Peace are now upon us and some statement is desirable about the continuance of controls. I shall also have something to say about Land Tenure, about the new Constitution, and about the Strike which occurred during my absence in Canada. Before proceeding to do so I should like to welcome to this Council Mr Odotola, the new Member for the Ijebu Division. I am sure that his knowledge of commercial affairs will enable him to make valuable contribution to our debates. Three Members are retiring—Dr Olusoga, who has served as a Member since 1938, having been three times nominated; Mr Jibril Martin, who has served since 1940 and has taken a prominent part in our debates and in the public affairs of the Colony; and Mr J. F. Winter. Mr Winter has defied the Medical profession and the Government Gazette in order to attend this meeting of Council. As he is retiring, not only from the Council but also from the country, I should like to place on record an appreciation of his services to the community in which his work has lain for over twenty-five years. His activities have been too manifold to mention in detail—from the Lagos Town Council to the Island Club, from Chief Air Raid Warden to the Boy Scouts Committee. He will be long remembered in this Council as the frankest purveyor of advice, whether to Government or to his own unofficial colleagues. His manifest sincerity has always freed his criticism from offence and has made it palatable—and of constructive value—even to the victims.

First of all a few words on Finance. I do not propose at this meeting to deal comprehensively with the financial position and prospects; these will be fully reviewed at the next budget session; but some reference to this fundamental subject is called for, particularly in view of the fact that at this meeting the Council is to be invited to consider a Ten-Year Plan of Development estimated to cost some Fifty-five Million Pounds. The sources from which it is hoped to find this large sum are set out in the



Sessional Paper which will be laid before the Council on Thursday. The Development Secretary will then draw attention to the fact that if the Ten-Year Plan is to be fully implemented a large sum, which he will state, must be found from Nigerian revenues during the period to supplement the contributions made under the Colonial Development and Welfare Act and the amounts to be raised by way of loans. In addition Nigerian revenues will have to bear the considerably increased departmental expenditure resulting from the introduction of schemes under the Plan and from other causes. Although our ability to proceed "according to plan" over the next decade must depend on many unpredictable factors, and notably on the fulfilment of the hope that the progressive implementation of the Plan will itself promote prosperity and so create revenue, it is at least satisfactory that we start off in a reasonably strong financial position. When I addressed this Council in March last I noted the great improvement in our reserve position which had taken place as a result of the surpluses achieved or anticipated in respect of the financial years 1943-44 and in 1944-45. In the result the out-turn of the latter year proved much more satisfactory than was anticipated. It was then thought that the Surplus would be £812,630; the closing of the accounts for the year has disclosed an actual surplus of £1,812,157, of which some £500,000 was appropriated by this Council at its last meeting to the Reserve Fund, which was thus brought up to £1,500,000. No specific appropriation of the residue of this large surplus is proposed, for reasons which will become clear later. The fact to be particularly noted is that on the 1st of April 1945 the total of the Reserve Fund, the Supplementary Sinking Fund and the general Revenue balance was £8,467,057. It is not possible at this stage to predict the result of the current year's working, but I am hoping that the small estimated Surplus may be somewhat exceeded and that our reserve position may be further strengthened.

I make no apology for dwelling on this question of our reserve position. A heavy strain will be placed on our resources during the next two years. A Bill to authorise the raising of a loan of £8,000,000 to finance loan projects during the first five years or so covered by the Plan is to be introduced at this meeting, but it is not intended to raise the loan until 1948 or 1949; meanwhile, expenditure on these projects will be met from our cash resources under Advances authorized by this Council. In view of this, and the necessity which we are always under of maintaining a large sum as "till money", a strong reserve position is essential and, had this not been achieved, a different and less effective financial procedure would have been required. With these anticipated heavy drawings on our resources during the next two years it will, in my view, be essential to aim at presenting and achieving balanced budgets. Later, when reimbursement of the Advances has been made from loan funds, a less cautious policy may well be justified for perhaps two or three years, if the alternative were to be an arrest or slowing down of development.

In spite of the relatively strong financial position that has



been achieved during the recent war years (which have been broadly years of great and remunerative productivity and severely restricted Government spending), it would, in my view, be idle to imagine that we can achieve the great things which we have in view without new taxation. The fiscal arrangements and potentialities of Nigeria clearly require comprehensive and authoritative review and I shall in due course make proposals with that object. Meanwhile immediate measures to add to our revenues are necessary and a Bill will shortly be published, for introduction at the next meeting of this Council, to raise additional revenue by a moderate increase in the income tax payable by individuals and companies. The Chief Commissioners have already taken effective measures, either by revision of rates or a closer system of collection, or both, to increase the yield from Direct Tax and further measures of this kind may be necessary as a corollary to the proposed revision of Income Tax rates.

I now turn to Land Tenure. Among the Bills to be introduced this Session is one to enable Native Authorities to make rules under the Native Authority Ordinance for the control and regulation of certain forms of Land Tenure.

In the Eastern and Western Provinces the ancient system of land tenure still remains the basis of our land policy but, owing to social and economic changes, these ancient systems have in some areas been subject to considerable modification. In the interests of all concerned it is important that these modifications should be regulated and controlled, and as conditions vary from one area to another it is considered that this control should be exercised by the local Native Authorities. In the Western Provinces in particular many of the Native Authorities, relying on native custom, have in fact exercised control of this nature for a number of years.

Many of the Native Authorities have for some time been pressing for legislation and it is considered that the time has come when such legislation should be introduced. In some areas there are also problems of native land tenure which require further study and each Chief Commissioner has been authorised to post an officer to make investigations into these questions.

In regard to the new Constitution, substantial progress has been made in the drafting of the instruments necessary to bring into being the new Constitution for Nigeria, the broad principles of which are contained in Sessional Paper No. 4 of 1945, which was laid on the table and approved by this House at the Budget Meeting last March.

The existing Letters Patent, Orders in Council and Royal Instructions have to be revoked and replaced by new instruments, and to ensure that the instruments be drafted with the minimum delay a Law Officer was sent to England in May last to prepare these drafts in consultation with the Legal Adviser to the Colonial Office.

The position now is that drafts, agreed upon by the Law Officers concerned, have been prepared, and will shortly reach this country for examination, and while minor amendments may be necessary



as a result of scrutiny of the drafts in the light of local conditions, it is not anticipated that any major amendments, which might result in delay, will be required.

It is probable that these finally approved instruments will be made by His Majesty early next year, and the Houses of Assembly established and all other requisite steps taken in time to enable the new Constitution to be in full operation before the Budget Meeting in 1947, provided that the necessary administrative machinery and procedure can be set up, shortage of staff being the chief handicap.

I will make a few remarks on exports, local foodstuffs and supplies. Exports of palm oil and kernels have unfortunately shown a decided decline in recent months, in part as the result of adverse climatic conditions during 1944, and in part as the result of a relaxation of the concentrated effort which has been made during the period of hostilities.

The production of groundnuts during the 1944-45 season exceeded expectation and a total of 228,000 tons was reached—33,000 tons more than the 1943-44 total. Indications are that the 1945-46 crop will show a further increase as the result of unusually favourable climatic conditions.

The 1944-45 cocoa crop totalled 86,000 tons. A moderately good season is expected in 1945-46 though the crop is somewhat later than usual. Prices were again substantially increased at the beginning of the 1945-46 season.

In general I should like to take this opportunity of emphasizing that the cessation of hostilities has increased, rather than diminished the Allied Nations' urgent need of oil and oil seeds, and I trust Nigeria's contribution to the Allied peace effort will not fall below her valuable contribution to the war effort.

Since April some parts of Nigeria, particularly Lagos, have passed through a period of food shortage which began in June and continued until the end of August. This shortage, which however never approached famine conditions as they are known in other parts of the world, was due chiefly to the prolonged drought which had a disastrous effect, especially on the yam crop. A contributory factor was the marked decrease in the cultivation of food crops in several important producing areas, a decrease caused partly by farmers being led by high prices to pay more attention to export produce, and partly by the drift of agricultural labourers, lured by hopes of an easy and well-paid life, to urban areas where they mostly join the ranks of the unemployed.

Lagos was particularly affected by a considerable reduction in the supplies of gari from Ijebu-Ode and this shortage, combined with that of other foodstuffs, began to lead to a rapid increase in prices. In these circumstances it was necessary to take energetic measures to ensure adequate supplies of cheap food both to protect the lower-paid classes against real want and also to fulfil the promise that instead of increasing Cost of Living Allowance the prices of the staple foods would be reduced.

The principal measures taken were to arrange for shipments of food from abroad and to subsidise the sale of these and local



foodstuffs through the Pullen markets. Considerable reductions were made in the prices of gari, palm oil, guinea corn and millet, the loss being borne by Government. The decrease in gari supplies from Ijebu-Ode enabled unscrupulous traders to charge exorbitant prices in the black market, and the pressure on the Pullen Markets, where alone it could be bought cheaply, became severe and the organization was strained to the utmost. Guinea corn and millet were brought down from the reserves held in the North and Lagosians began to consume increasing quantities of this new food. By the end of August considerable shipments of food had arrived from abroad, and with the approach of the harvest season Government felt justified in decontrolling gari. Since then, as always from September onwards, food in most areas has been plentiful and at a reasonable price, though it should be noted that with the decontrol of gari the price in Lagos is nearly double that of the same time last year.

It is now considered that with the end of the war everything should be done to encourage the return to normal channels of trade as soon as possible, and it is hoped that there will be no further requisitioning of crops after the present season; this will mean that when next season's crops are available in the open markets the Pullen Markets will come to an end. To attract foodstuffs back to the open markets it has been decided also that subsidizing of foods in the Pullen Markets should end. It was considered inequitable that the ordinary taxpayer who ultimately has to pay for the subsidies should continue to be penalized for the sake of the inhabitants of Lagos.

Imported foodstuffs have been in fair supply throughout the year, but the world food situation is in general so poor that there can be little hope of relaxing the present system of allocations and import control to any appreciable extent during 1946.

The control over the distribution of agricultural machinery, refrigerators, and typewriters has now been removed. Control of bicycles and tyres and tubes, however, is likely to remain for some time as there is little immediate prospect of increased supplies coming forward. Sewing machines were recently added to the list of controlled items (now only five in number) in order that a percentage might be reserved for ex-servicemen.

Price control has continued on the same lines as in 1944. It has been effective in so far as sales by the principal importers are concerned, but owing to the apathy of the public it is of little effect in subsequent resales.

The end of hostilities has brought about a slight improvement in the supply position of a fair range of commodities particularly of the United Kingdom origin, and it has been found possible to dispense with the special wartime procedures of programming and bulk purchasing by Government. Unfortunately the improvement does not yet extend to the more important commodities, and the quantities of textiles, motor vehicles, tyres and tubes, bicycles and building materials available for Nigeria still fall far short of our requirements, and there is no immediate prospect of improvement.



I come now to the strike of last Summer. We have at present with us an expert Commission of Enquiry which is engaged in studying the Cost of Living and the methods whereby Government can best control and stabilize it. The Government welcomes an impartial investigation by competent enquirers, but it would serve no useful purpose, nor would it be proper, for me to make any further comment during the progress of these investigations. I should, however, like to say that, in my view, the Nigerian Government exercised patience and sympathy during and after the strike, and that the action taken during my absence has my full support.

I do not propose to dwell on the many attempts to fog the issue and to disturb the public mind—such as the impossible story that I had paid secret visits to Nigeria during my leave, or the even sillier invention that a certain journalist was in danger of his life. I am sure that he had nothing more substantial to fear than the dark shadows of his own imagination. In passing I deplore the incitements to violence, the appeals to Government servants to be false to their trust and the attempts to traffic in disorder for political ends. I have yet to learn that one of the qualifications for real leadership is to urge one's dupes into trouble one has no intention of sharing.

Before dealing with the general question of Trade Unions there are three issues arising out of the strike. Firstly, at one time it was seriously suggested by their leaders that strikers should receive pay while on strike. I wish to leave no doubt in anyone's mind that such a claim will never in any circumstances be admitted by this Government. Secondly, the question of essential services. During the strike an attempt was made to paralyse the hospitals, water and electric power and sewage services and so forth. Nothing is more dangerous to public welfare than to admit that hired servants of the State can dictate to the Government the hours, the wages and the conditions under which they will carry on essential services vital to the welfare, safety and security of the citizens. The formidable and familiar weapon of the strike is without justification when used in such circumstances against the Government. A principle unchallenged by trade unionism in England is that men employed in public utility undertakings should not engage in a strike without giving due notice to terminate their contracts of service. Thirdly, I come to Government servants on the permanent and pensionable establishment. For them to come out on strike and to attempt to halt or check the functions of Government unless their demands are satisfied is at the best a gross breach of contract, and at the worst is perilously near to rebellion against constituted authority. I want such Government servants to understand their position. After the recent strike leniency was shown to their ignorance and they were taken back into service. In future they cannot expect such lenience and participation in a strike will terminate permanently their service with Government. In plain words, they will not be taken back.

In conclusion I wish to say a few words on Trade Unions. It has become more and more apparent that considerable confusion has



existed and still exists regarding the position, rights and liabilities of workmen who are members of a trade union under the provisions of the Trade Unions Ordinance, 1938. It is probable that this confusion arises from two main causes, the first a failure to understand the effect of the Trade Unions Ordinance, and the second that the actual composition of the members of any Union, from the inception of trade unionism here, has been upon a faulty basis.

With regard to the first point—failure to understand the legal significance of the Trade Unions Ordinance—this is neither the place nor the time to enter into a detailed legal discussion, but it may be of benefit to make a brief statement in simple language.

It should be understood that trade unions are not the creation of statute but existed, and still exist, at common law, and at common law may be lawful or unlawful according to whether their objects and rules do or do not violate the general principles of law; in particular the law relating to restraint of trade and conspiracy.

In general it is an actionable wrong to induce workers to leave their employment in breach of their contracts and to assist in supporting the persons who have so broken their contracts. Shortly, the result of the Trade Unions Ordinance is that, if acts are done in furtherance of a trade dispute, the persons concerned are protected from civil or criminal proceedings arising out of those acts, so long as such acts are within the scope of the Ordinance and not accompanied by any illegal means such as violence, intimidation, coercion, molestation, fraud, etc.; but this protection, so long as the Defence Regulations continue, is governed by what constitutes a legal strike under those regulations.

The point to be stressed is that while protection is given to acts within the scope of the Ordinance, those persons who, without proper and legal notice, participate in a strike—even though the strike and the acts accompanying it are legal—do so in breach of their contract of employment, and permanent and pensionable civil servants should carefully consider their position in the light of this breach of contract, and remember that, even if re-appointed, there has been a break in service. The strike and the acts accompanying it may be within the law, but the breach of contract of employment is always there. A strike or lockout in pursuance of a trade dispute is not of itself illegal, but may become so if it amounts to an actionable conspiracy or has any object other than, or in addition to, the furtherance of a trade dispute within the trade or industry concerned, or goes outside the scope of the Trade Unions Ordinance. Where, however, a strike interrupts vital social services or inflicts hardship upon the community, it will have to be considered whether steps should be taken, if necessary by legislation, to ensure the continuance of such services and the well-being of the community.

Turning to the second point from which confusion may arise—the composition of Trade Unions—the phrase just now used in connection with the legality of a strike or lockout is of interest. The particular phrase is “the furtherance of a trade dispute within the trade or industry concerned” and the important words “trade or industry concerned”.



It is clearly to the best interests of workers that all employed in one particular industry and skilled in the trade concerned should join together in one body not only to maintain and, if possible, to improve conditions in that trade or industry, but also because not only the workers but the employers as well have a common bond of interest and a mutual understanding of the difficulties and conditions of that industry or trade. When these conditions obtain a trade union becomes a force of value not only to the workers but to the employers, and thereby to the particular industry itself. Where, however, as too frequently occurs in Nigeria, a trade union consists of all persons employed by a particular employer, irrespective of trade or calling, this common bond is absent, and not only employers but the workers themselves suffer, for there can be no real joint interest between workers in different trades, between the clerk and the artisan, nor any understanding of each other's problems, and either the clerk or the artisan may find himself, to his detriment, involved in a trade dispute which does not directly concern him and the details of which mean little to him.

It is essential that trade unions should reorganize to the end that each particular trade or calling should have its exclusive trade union, and, by so doing, preserve its own individual interests and the prosperity of the industry as a whole.

That the faulty type of trade union, with mixed and possibly divergent interests, has become common in Nigeria is due to a great extent to the failure of workers to realize that the interests of any one trade may clash with the interests of another, and that consequently a mixed union must lack cohesion and brings upon one class of worker the troubles of another.

This Government is also to some extent to blame, for it is more than probable that wise advice at the time when unions here were in their infancy would have guided workers into recognition of the main principles of trade unionism, but unfortunately trade unions were allowed to develop on the lines of a family council or friendly society composed of all the employees of one firm or person, and in some instances the employer himself became the President of the Union! A trade union rightly composed, and possessed of an understanding of the problems of its own industry, can be a great power for good in any industry: with divided interests and without understanding of any particular industry a trade union may cause chaos in an industry to the detriment of its members.

Finally, to become a member of his trade union should be a valued privilege for the worker and be recognised as such, and the present system, based possibly on the principle of counting numbers, whereunder persons without interest in any trade or calling are welcomed as members of Unions for which there is no common bond of trade or skill, should cease, and Trade Unions should become what they are meant to be, a union of persons skilled in the same trade, working with the employer for the good of all parties and of the trade itself.

I thank you, gentlemen, for your attention.