



NIGERIA



SPEECH

by His Excellency the Governor
Sir Arthur Richards, G.C.M.G.,
to the Legislative Council
28th October, 1946



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HONOURABLE GENTLEMEN,

I have no intention of detaining you to-day with a long Address, but there are two matters of great public interest to which I should like to direct your attention before the Council proceeds with the Agenda for the present meeting. First of all as regards the new Constitution. The Royal Instructions, Letters Patent and Orders in Council necessary to bring it into effect have been published and will come into force on the 1st January, 1947. As Honourable Members doubtless realize, a good deal of preparatory work has to be done to adapt the financial and administrative procedure of Government to the requirements of the new Constitution. That work has been in hand for some time and is nearing conclusion. A point of direct relevance to the new constitutional arrangements is the relative contributions which each of the three Regions makes to the general revenues of Nigeria and the relationship which those relative contributions bear to the present scale of Government expenditure on regional services in each Region. The statistics necessary for a completely accurate computation are not available; in particular it is impossible to compute exactly what portion of revenue from import duties or from income tax on companies is derived from particular geographical areas. Nevertheless, by means of information which has been readily supplied by the principal firms, it has been possible to arrive at figures which for purely comparative and practical purposes may be regarded as reliable. Obviously it would have been satisfactory to find that there was at least a rough correspondence between what each Region contributes to the revenues of Nigeria and what it receives by way of Government expenditure on regional services, as such a position would be an excellent foundation on which to rest the new financial responsibilities which are to be entrusted to the Regions and their Councils. Perhaps, however, it would have been too much to expect such a position to arise without there having been any set policy during the last thirty years to achieve it. The result which has emerged may, however, occasion some surprise since it establishes that whereas the Northern Region may be held to contribute some 46 per cent to the revenues of Nigeria which are not to be declared regional, only 36 per cent or so of Government expenditure on regional purposes is for services in the Northern Region. The corresponding figures for the Western Region are 30 per cent revenue contribution and 26 per cent Government expenditure and for the Eastern Region 24 per cent revenue contribution and 38 per

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cent Government expenditure. It thus follows that the Eastern Region is at present receiving by way of Government expenditure on services of benefit to that Region far more than its proportionate contribution to general revenue. Of course, the Northern Region has a much larger population than either of the other two Regions but that fact does not affect in any way the validity of the main conclusion that in the North Government expenditure is materially less than it ought to be, and in the East materially more than it ought to be, on the basis of the relative contributions made to revenue. Clearly this is not a satisfactory position or one that could be allowed indefinitely to continue. An immediate rectification of the position is not possible for the obvious reason that the new constitutional arrangements could not be made an occasion for an immediate and drastic redistribution of Government expenditure. Nevertheless, rectification is necessary even though it may take some years to achieve it and that is a matter which will receive careful consideration in connection with the allocation of available revenues to the Regions for regional purposes. Meanwhile, I consider it proper that the Council should be aware of the significance and importance of the conclusion to which I have drawn attention. One of the main contributory causes is, of course, the high rates of direct taxation paid by the people of the Northern Region which materially exceed in their average incidence those in force in the Western and Eastern Regions. It would seem that whereas direct taxation in the North, including the share retained by the Native Administrations, works out at 3s 3d per head of the population the corresponding figures in the West are 2s 6d and in the East 1s 9d.

Next I should like to say a word concerning price control of consumer goods. In the first place it is well to recognize that while there has been a decrease in the quantity of imported goods since the war there has also been an appreciable increase in their landed cost, arising out of mounting manufacturing costs and increased freight charges. While Government has armed itself with special and comprehensive powers under the Defence Regulations to prescribe the selling prices of merchandise the fact remains that price control by legislative action under local conditions can only be made fully effective as far as the doors of the importing firms. The distributive trade of Nigeria being virtually in the hands of small, independent traders it depends on the extent of their co-operation with the authorities, coupled with the co-operation of the public, whether or not price control shall become a dead letter. The importing firms have been accused of raising the price of imported goods by confining sales of goods in short supply to a few favoured middlemen, who re-sell at fantastic profits, and also by the practice of conditional sales. I think few will be found to quarrel with the commercial morality of the firms in giving first choice of available supplies to their established customers. From that point onwards, however, no matter how stringent may be the legislation, the profit will be regulated by the laws of supply and demand. As regards conditional sales this Government's views are

widely known, and made illegal in the absence of legal sanctions. Extreme complexity, out, however, the parties to every of prospective method of bringing subject reference Conditional sales. Certain prospective refuse their customer goods that are entails the diverse do not ordinarily goods to the block financially at the have been asked conditional sales the hands of the practices are standing

We live in a The damage and in a month or a inadequate staff impatient and in our own contribution Council has served time for the new imperfections of advance towards early review of it that it is not improving on the alteration which approval at press sections and certain successful constitution of State has been will see improved that sail the sea the stresses and be necessary to 9th in order to be left for the in England on an opportunity accordingly I will sense of public discharged your section of the have been some

shows that the Eastern Government expenditure is more than its proportionate share of the Northern Region and the other two Regions. The validity of the main argument is materially affected especially more than it is by contributions made to the position or one that would require immediate rectification. A serious reason that the Government has made an occasion for Government expenditure. Although it may take time which will receive an allocation of available resources. Meanwhile, it should be aware of the fact which I have drawn attention to is, of course, the incidence of the Northern Region. It would seem that the share retained is 3d per head of the population and the rest are 2s 6d and in

ing price control of all to recognize that a large quantity of imported goods will be available in their manufacturing costs and the Government has armed itself with the Defence Regulation. The fact remains that local conditions can be met by the importing of goods virtually in the quantities on the extent of supply. The control shall become a source of raising the price of goods in short supply, and the Government will be found to be making few firms in giving first priority to their customers. From a stringent may be the Government's views are

widely known, namely, that it frowns on the practice, which it has made illegal in relation to price-controlled goods, but an extension of legal sanctions beyond their existing limit presents problems of extreme complexity and there is no easy solution. I would point out, however, that there can be no conditional sales without two parties to every transaction and a determined refusal on the part of prospective purchasers to indulge in the practice is the best method of bringing it to an end. Before leaving this difficult subject reference must be made to the other side of the picture. Conditional sales have their counterpart—conditional purchases. Certain prospective purchasers with substantial orders to place refuse their custom to firms who will not also sell to them consumer goods that are in short supply. Acquiescence in such demands entails the diversion of supplies of consumer goods to channels that do not ordinarily deal with them and serves to maintain a flow of goods to the black market, whereby the unscrupulous few gain financially at the expense of the general public. Importing firms have been asked, and are again asked, to discountenance both conditional sales and conditional purchases, but it is ultimately in the hands of the general body of consumers whether or not these practices are stamped out.

We live in a world that is slowly and painfully adjusting itself. The damage and dislocation of six years of war cannot be repaired in a month or a year. We are doing our best—most of us—with inadequate staff and insufficient materials. It is good to be impatient and impetuous, so long as sincerity and good-will inspire our own contributions to acceleration. The present Legislative Council has served its purpose and must make way in two months' time for the new Constitution. Whatever may be said of the imperfections of the new Constitution at least it represents a great advance towards self-government, and provision is made for an early review of its terms after a few years' trial, and who shall say that it is not wise to try the new machine in practice before improving on the model? I have yet to hear of any proposals for alteration which would have the slightest chance of universal approval at present, however desirable they may seem to certain sections and certain interests. It must be remembered that every successful constitution represents a balance of forces. The Ship of State has been re-modelled. I have no doubt that the future will see improvements in design and in motive power, just as ships that sail the sea are ever improving in design and in ability to meet the stresses and strains of inconstant weather conditions. It will be necessary to call one more meeting of this Council for December 9th in order to clear up certain business which is urgent and cannot be left for the new Council in March 1947. As I shall be absent in England on short leave during December I shall not then have an opportunity of bidding farewell to the present Council and accordingly I wish to do so now. I thank you, gentlemen, for the sense of public service and responsibility with which you have discharged your task in this House. The official and unofficial sections of the Council have not always seen eye to eye, and there have been some differences of opinion which we have been unable

to resolve by debate. But I think that, in this Chamber at least, it has been appreciated that differences of opinion can be honest and sincere on both sides and that we have all been working according to our lights for the good of Nigeria and its people. Perhaps I may express a hope that in the new Council the faces will not all be new and that some at least of those who have contributed to the dignity of this Council may return to help the new one with its unofficial majority in the responsible task which awaits it. The success of any political assembly depends so much on its respect for tradition and dignity, in simple words on its respect for itself. The President of this Council is and will be the interpreter of its corporate will and of its determination to preserve decorum in its debates and responsibility in its decisions. I thank you, gentlemen, for your services to the State and for the part you have taken in proving that an unofficial majority will be the first step towards an increasing measure of political self-determination.