



NIGERIA



Legislative Council  
Debates

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TENTH SESSION, 1933

(January 9, 1933)

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Price: One Shilling and Sixpence

DEBATES  
IN THE  
LEGISLATIVE COUNCIL  
OF  
NIGERIA  
ON

Monday, 9th January, 1933.



Pursuant to notice the Honourable the Members of the Legislative Council met in the Council Chamber, Lagos, at 10 a.m. on Monday the 9th of January, 1933.

PRESENT

OFFICIAL MEMBERS.

- The Governor,  
His Excellency Sir Donald Cameron, G.C.M.G., K.B.E.
- The Chief Secretary to the Government,  
The Honourable Mr. G. Heenan, C.M.G.
- The Acting Attorney-General,  
The Honourable Mr. J. C. Howard.
- The Treasurer,  
The Honourable Mr. C. W. Cese, C.M.G.
- The Director of Medical and Sanitary Service,  
The Honourable Dr. W. B. Robinson, C.M.G.
- The Honourable Mr. E. R. J. Hussey,  
The Director of Education
- The Director of Marine,  
The Honourable Capt. L. Hall, O.B.E., R.D., R.N.R
- The Comptroller of Customs,  
The Honourable Mr. E. C. Bird.
- The Deputy Chief Secretary,  
The Honourable Mr. A. C. M. Burns, C.M.G.
- The Acting Administrator of the Colony,  
The Honourable Mr. E. M. Falk.
- The Director of Public Works,  
The Honourable Mr. C. I. Cox.
- The Director of Agriculture,  
The Honourable Mr. O. T. Faulkner, C.M.G.
- The Honourable Lt.-Col. R. F. Rowe, D.S.O., M.C.,  
The Commissioner of Lands.

UNOFFICIAL MEMBERS.

- The First Lagos Member,  
The Honourable Dr. C. Adeniyi-Jones.
- The Member for the Colony Division,  
The Honourable Sir Kitiyi Ajasa, Kt., O.B.E.
- The Second Lagos Member,  
The Honourable Mr. E. G. Moore.
- The Member Representing the Niger African Traders,  
The Honourable Mr. S. Obianwu.
- The Member for the Egba Division,  
The Honourable Mr. S. H. Pearse.
- The Commercial Member for Lagos,  
The Honourable Mr. R. E. Irving.

- The Member for the Warri-Benin Division,  
The Honourable Mr. I. T. Palmer.
- The Third Lagos Member,  
The Honourable Mr. T. A. Doherty.
- The Banking Member,  
The Honourable Mr. L. M. Herapath.
- The Member for the Oyo Division,  
The Honourable Mr. A. S. Agbaje.
- The Member for Shipping,  
The Honourable Mr. H. S. Feggetter.

## ABSENT.

- The Lieutenant-Governor, Southern Provinces,  
His Honour Captain W. Duchanan Smith, C.M.G., M.C.
- The Acting Lieutenant-Governor, Northern Provinces,  
His Honour Mr. G. S. Browne, C.M.C.
- The Commandant,  
The Honourable Colonel W. R. Meredith, D.S.O.
- The Senior Resident, Plateau Province,  
The Honourable Mr. H. H. Middleton.
- The Senior Resident, Ilorin Province,  
The Honourable Mr. H. B. Hermon-Hodge.
- The Senior Resident, Kano Province,  
The Honourable Mr. H. O. Lindsell.
- The Senior Resident, Owerri Province,  
The Honourable Mr. O. W. Firth.
- The Senior Resident, Calabar Province,  
The Honourable Mr. G. Findlay.
- The Resident, Niger Province,  
The Honourable Mr. H. F. Backwell.
- The Resident, Bornu Province,  
The Honourable Mr. P. de Putron.
- The Acting Secretary, Northern Provinces,  
The Honourable Mr. H. B. James.
- The Resident, Warri Province,  
The Honourable Mr. J. W. C. Rutherford.
- The Resident, Benue Province,  
The Honourable Mr. E. S. Pembleton.
- The Resident, Oyo Province,  
The Honourable Mr. H. L. Ward Price.
- The General Manager of the Railway,  
The Honourable Mr. E. M. Bland, C.M.G.
- The Mining Member,  
The Honourable Mr. A. L. Butler, O.B.E.
- The Commercial Member for Calabar,  
The Honourable Mr. G. Graham Paul.
- The Member for the Rivers Division,  
The Honourable Mr. Mark Pepple Jaja.
- The Member for Calabar,  
The Honourable Mr. C. W. Clinton.
- The Commercial Member for Kano,  
The Honourable Mr. T. Hepburn.
- The Member for the Ibo Division,  
The Venerable Archdeacon G. T. Basden.
- The Commercial Member for Port Harcourt,  
The Honourable Mr. P. H. Davey.

His Excellency  
Council withThe minutes  
been printed  
as read and

The following

## PRAYERS.

His Excellency the Governor opened the proceedings of the Council with prayers.

## CONFIRMATION OF MINUTES.

The minutes of the meeting held on the 30th June, 1932, having been printed and circulated to Honourable Members were taken as read and confirmed.

## PAPERS LAID.

The Honourable the Chief Secretary to the Government laid the following papers on the table:—

- Sessional Paper No. 16 of 1932, Annual Report on the Mines Department for the year 1931.
  - Sessional Paper No. 17 of 1932, Annual Report on the Police Department for the year 1931.
  - Sessional Paper No. 18 of 1932, Annual Report on the Geological Survey for the year 1931.
  - Sessional Paper No. 19 of 1932, Annual Report of the Harbour Department for the year 1931.
  - Sessional Paper No. 20 of 1932, Nigeria Railway and Udi Coal Mines Administrative Report for the year ended 31st March, 1932.
  - Sessional Paper No. 21 of 1932, Annual Report on the Colony for the year 1931.
  - Sessional Paper No. 22 of 1932, Annual Report on the Posts and Telegraphs and Post Office Savings Bank for the year 1931.
  - Sessional Paper No. 23 of 1932, Annual Report of the Medical and Health Department for the year 1931.
  - Sessional Paper No. 24 of 1932, Annual Report on the Education Department for the year 1931.
  - Sessional Paper No. 25 of 1932, Annual Report of the Agricultural Department for the year 1931.
  - Sessional Paper No. 26 of 1932, Annual Report on the Marine Department for the year 1931.
  - Sessional Paper No. 27 of 1932, Annual Report of the Lagos Executive Development Board, 1931-32.
  - Sessional Paper No. 28 of 1932, Annual Report of the Survey Department for the year 1931.
  - Sessional Paper No. 29 of 1932, Annual Report on the Northern Provinces for the year 1931.
  - Sessional Paper No. 30 of 1932, Annual Report on the Forestry Administration of Nigeria for the year 1931.
  - Sessional Paper No. 31 of 1932, Annual Report on the Prisons Department (Northern and Southern Provinces and Colony) for the year 1931.
  - Sessional Paper No. 32 of 1932, Treasurer's Report for the year 1931-32.
  - Sessional Paper No. 33 of 1932, Annual Report on the Public Works Department for the year 1931.
- Subsidiary legislation made since the last meeting of the Council.

## QUESTIONS.

THE HON. THE MEMBER FOR THE WARRI-BENIN DIVISION  
(MR. I. T. PALMER):—

1. To ask what has been the Revenue and Expenditure of the Benin Native Administration for the last five years.

Answer:—

THE HON. THE CHIEF SECRETARY TO THE GOVERNMENT:—

	Revenue.	Expenditure.
	£	£
1927-28	18,248	16,687
1928-29	22,387	17,134
1929-30	23,662	22,782
1930-31	23,372	21,230
1931-32	15,904	16,806

THE HON. THE MEMBER FOR THE WARRI-BENIN DIVISION  
(MR. I. T. PALMER):—

2. To ask if there has been any recent case of defalcation of Native Administration money in the Benin Province, if so to what extent, and what action is Government taking.

Answer:—

THE HON. THE CHIEF SECRETARY TO THE GOVERNMENT:—

In May 1932 it was reported that the Benin Native Administration had sustained a loss of £605 4s. 0d. of which amount £55 2s. 0d. representing 50 per cent of the tax collected was due to the Government. A District Head was suspended and his trial on a number of charges arising out of the loss is pending.

THE HON. THE MEMBER FOR THE EGBA DIVISION (MR. S. H. PEARSE):—

3. Whether the report is true that the share of the First Class Native Administrations in respect of the Annual Tax is to be reduced from 70 per cent to 60 per cent.

Answer:—

THE HON. THE CHIEF SECRETARY TO THE GOVERNMENT:—

The answer is in the affirmative.

THE HON. THE MEMBER FOR THE EGBA DIVISION (MR. S. H. PEARSE):—

4. Whether it is contemplated that this reduction be extended to Abeokuta Province.

Answer:—

THE HON. THE CHIEF SECRETARY TO THE GOVERNMENT:—

The answer is in the affirmative.

THE HON. THE MEMBER FOR THE EGBA DIVISION (MR. S. H. PEARSE):—

5. Considering the several works of public utility now being undertaken by the Abeokuta Native Administration, whether some financial assistance would not be added to the present moiety of 70 per cent.

Answer:—

THE HON. THE CHIEF SECRETARY TO THE GOVERNMENT:—

The Government is not at the present time in a position to promise any further financial assistance.

THE HON. THE MEMBER FOR THE EGBA DIVISION (MR. S. H. PEARSE):—

6. Whether this is the opportune moment to permit of any inroads into the Native Administration funds, considering the effect of present day trade depression.

Answer:—

THE HON. THE CHIEF SECRETARY TO THE GOVERNMENT:—

It is regretted that such a reduction in the revenue of the Native Administrations should become necessary but in the present condition of the revenue of Nigeria a grant at the rate of 70 per cent of the tax is excessive and beyond the means of the country.

The Hon. the Member for the Egba Division (Mr. S. H. Pearse):—

Arising from the reply to this question, I think it is my duty to state for the information of His Excellency that of all the Southern Provinces, Abeokuta is the only Province that collects its own taxes through the Native Administration. The burden of the work does not therefore fall upon the Administrative Officer, and the Central Government is relieved of that expenditure.

#### RESOLUTIONS.

The Hon. the Chief Secretary to the Government:—

Sir, I rise to move the following resolution:—

“ Be it resolved: That this Council consents to the  
“ Order-in-Council made by the Governor in Council  
“ under section 12 of the Customs Tariff Ordinance,  
“ 1924. (No. 20 of 1924) on the 3rd day of January,  
“ 1933, in so far as the said Order relates to the  
“ Colony and to the Southern Provinces of Nigeria.”

It is not, I think, necessary for me to read the Order in Council. A copy is in the hands of each Member, and as I refer to explain the new duties I shall give the amount of the existing duty.

The object of this Order in Council is to substitute specific duties for the existing preferential duties on certain kinds of apparel (item 3 of the present tariff), certain provisions (item 29 of the present tariff), cotton cordage and yarn (item 36 of the present tariff) and woven manufactures (item 41 of the present tariff). An *ad valorem* duty has this great disadvantage from the revenue point of view that, as the cost of production falls, the duty falls. The consumer, therefore, has the benefit not only of a reduced cost of production but also of a reduced import duty. For example, with a ten per cent *ad valorem* duty and a cost of production 10d., the consumer pays 11d., plus freight and distribution charges. If the cost of production drops to 5d., the consumer pays 5½d. plus the same charges. In other words, the consumer gains 5½d. when the cost of production has only been reduced by 5d. I do not wish to suggest that in every case the whole benefit of a reduced import duty reaches the consumer. I think there is no doubt that in some cases the retailer is sufficiently astute to retain a portion of it for himself. At the same time the general advantage must lie with the consumer.

The position now is that the Government can no longer afford to see its import duty rates fall and its revenue disappear in this manner. The process of falling rates must either be arrested, or, in the alternative, new and additional taxation must be imposed. The most convenient and, I think, the fairest course is to arrest the fall of import duty rates by stabilising them on a specific duty basis. The consumer should be content if the reduction in the cost of production is passed on to him. He should not require additional relief at the expense of the Government revenue.

In the case of certain forms of apparel, woven goods and cotton cordage, the new specific duties are based upon 1929 prices, so that if imposed in 1929 they would have given the same yield as the 15 per cent *ad valorem* duty of that date. In other cases the specific duties have been based on current prices, so that if imposed at the present time they will yield approximately the same revenue as the existing 15 per cent *ad valorem* duties.

A few figures which I propose to give Honourable Members will, I think, convince them that no unduly hard burden will be thrust upon the consumer by these new rates:— In 1929 the price of a first grade shirt was 10s.; in 1932 it was 5s. 6d. The people at large will be more interested in the fourth grade shirt. The price of a fourth grade shirt in the same time has dropped from 3s. 6d. to 1s. 6d., while the price of a fourth grade singlet has dropped from 1s. to 4½d. The price of a pair of canvas shoes has dropped from 3s. to 1s. 6d.—I am referring to the inferior grade. The price of a pair of fourth grade stockings has dropped from 1s. to 4d. The prices of cotton piece goods have experienced equally remarkable falls. The price of cotton (bleached) in January-

February, 1929, was 7.11d.: the price in January—February, 1932, was 3d. I could give you many other figures, but I will give just one more: they all point in the same direction. Cotton (seed) dropped from 9.45d. in January, 1929, to 5.23d. in January, 1932. I think these figures illustrate very clearly that a specific duty on top of the 1932 price will impose a very much smaller burden on the consumer than a 15 per cent *ad valorem* duty on top of the 1929 price.

I will now describe in detail the new duties, and I will deal with the items in the Order-in-Council one by one.

*Apparel*.—I propose to leave this item for the moment and consider it later with woven goods, woven manufactures and cotton cordage.

*Para. (2)—Candles*.—The existing duty is 15 per cent *ad valorem*, the new duty is 1d. per pound. This is estimated to produce approximately the same revenue as the existing 15 per cent *ad valorem* duty. It is not, I think, a very important item, and I have no further comments to make.

*Para. (3)—Provisions*.—

(a) Coffee and Chicory, 3d. the pound. This is the same as the existing duty.

(b) Confectionery, 15 per cent *ad valorem*. The existing duty is ten per cent *ad valorem*. The original intention was to convert the ten per cent *ad valorem* duty into a suitable specific duty, but the types of confectionery vary so extraordinarily in value, from the humblest bull's eye to the first-class chocolate full of liqueur, that it was considered advisable to retain the *ad valorem* basis. At the same time, the ten per cent *ad valorem* duty was, I think, rather accidental. All other provisions and articles of this nature were taxed at the rate of 15 per cent *ad valorem*, and so in order to bring confectionery into line with other provisions, the rate of ten per cent has been raised to 15 per cent. It is not, I think, a tax that will press unduly hardly upon the poorer members of the community.

(c) Fish in tins, jars, or bottles, 1d. the pound. The existing duty is 10 per cent *ad valorem*. The rate of a penny per pound is calculated to give the same yield as the existing duty but it has the advantage that it is not subject to diminution if the price of fish falls still further.

(d) Flour, 2s. 3d. the hundred pounds.

(e) Milk, 10s. the hundred pounds.

(f) Rice, 1s. 9d. the hundred pounds.

These three specific duties are in the place of the present duty of 15 per cent *ad valorem*, and as in the case of fish, they have been so calculated that they will yield approximately the same revenue as the existing duties.

(g) Salt, other than table salt, 2s. 6d. the hundred pounds.

That is the existing duty: there is therefore no change.

(h) Sugar, 2s. the hundred pounds.

That is the existing duty, so that there is no change.

(h) Saccharine, 2s. the ounce.

A new duty has been imposed on saccharine. I have no great expert knowledge of saccharine, but I am informed that the new duty is of the customary magnitude, and I am also informed that it is a duty which will have singularly little effect in Nigeria.

(i) Tea, 3d. the pound.

This is the same as the existing duty, therefore no change.

(j) All other provisions, whether fresh, tinned, bottled, dried or otherwise preserved, 15 per cent *ad valorem*.

This is the same as the existing duty, with the same proviso, and no change at all has been made.

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I come now to paragraph 1 (4), cotton cordage, and cotton and noil yarns, 3d. the pound, and

(5) woven manufactures—it will be convenient to consider these sub-paragraphs together—including—

- (a) Greys and plain weave bleached goods,  $\frac{1}{8}$ d. the square yard,
- (b) Fancy weave bleached goods,  $1\frac{1}{4}$ d. the square yard,
- (c) Madras, real, 2d. the square yard, Madras, imitation,  $1\frac{1}{2}$ d. the square yard,
- (d) Velvets and velveteens, 4d. the square yard, and
- (e) All other, not elsewhere enumerated, 15 per cent *ad valorem*.

These specific duties have been recommended to the Government by the African Sections of the London, Liverpool and Manchester Chambers of Commerce, and the Association of West African Merchants, who were invited to submit specific duties so calculated that if imposed in 1929, they would have given the same yield as the 15 per cent *ad valorem* duty then in force. The specific duties in this Order-in-Council are the duties so recommended with the exception of Madras (real), 2d. the square yard, and Madras (imitation)  $1\frac{1}{2}$ d. the square yard. The Chambers of Commerce did not deal with Madras. It was, however, considered advisable that specific duties should be levied on Madras calculated in the same manner and on the same principle as the other duties calculated by the Chambers of Commerce.

I come now to the question of apparel in paragraph 1 (I). The articles of apparel on which it is proposed to put specific duties are shirts, shoes made principally of rubber and canvas, singlets and stockings. These articles are, with the exception of the rubber in the shoes, manufactured from woven material. The opportunity has therefore been taken to convert the *ad valorem* duties on these articles of apparel into specific duties, calculated in the same way as the specific duties on other forms of woven manufacture. I will again mention some of the figures I mentioned before in order to satisfy Honourable Members that the consumer will not be unduly depressed by these new duties.

If the whole of the new threepenny duty on a singlet (the cheapest kind of singlet) is thrown on to the consumer, he will pay 7 $\frac{1}{2}$ d. for his singlet instead of 1s. in 1929. He will pay 2s. for his shirt instead of 3s. 6d.: he will pay 2s. 3d. for his shoes instead of 3s., and 7d. for his socks instead of 1s.

I have told you, gentlemen, that the specific duties when based upon 1929 prices, have been calculated so as to be exactly equivalent in yield to the 15 per cent *ad valorem* duty of that date. This is not quite correct. A small advantage has been given to the consumer, and the specific duties are not quite equivalent to the *ad valorem* duties on the 1929 price basis. The effect of these new duties will be that the revenue in 1933-1934 will be something in the region of £150,000 greater than if these duties were not imposed. I do not regard this as new revenue: I regard it more as the effect of the repair of a leakage and the prevention of future leakages. If Honourable Members are not in favour of repairing the leakage which has been going on for the last two years, it is inevitable that new taxation of a different kind will be necessary.

Sir, I beg to move the resolution standing in my name.

The Hon. the Comptroller of Customs:—

I beg to second the motion.

The Hon. the First Lagos Member (Dr. C. C. Adeniyi-Jones):—

Your Excellency, I have listened very carefully to the position of the Honourable Chief Secretary in his support of the measures which have been embodied in this new Order-in-Council, and I must say, Sir, that in one particular I feel extremely happy, and in one particular alone, and it is that the new duties do not affect stock-fish. When the letter announcing the meeting of this



Council was delivered to me and I saw "fish" included in the schedule, and noted the intention of Government to convert the existing *ad valorem* duty into a specific one, I felt terribly alarmed as to the effect it would have on the consumer whose condition, in consequence of the economic depression, is a very pitiable one already. Looking generally, Sir, one question has stood out in bold relief in my mind's eye ever since I have been considering the agenda of this meeting, and it is, what will be the net or resulting effect in the intention of Government to convert the existing *ad valorem* duties on the commodities mentioned into a specific one? If the policy, Sir, is to raise the general price of any of these commodities, then it would appear that, especially at this trying time, Government will be introducing a measure which will have the effect as it were of killing the goose that lays the golden eggs.

Of course it will practically mean that in these days of depression and retrenchment with resulting unemployment, that the administration will be introducing a measure which will raise the cost of these commodities without raising in a corresponding measure the purchasing power of the public; that is to say of the consumer, and I feel that it is only natural that if such be the case, the consumer, if he finds he is unable to pay the price for these goods, will either give up buying them or will buy them to a very reduced extent. In this case the Government and the European firms will suffer, and eventually the man in the street will be called upon to pay a new form of taxation. It would appear, however, that in the very great majority of these items, the duties will remain, if I understand the Honourable Chief Secretary correctly, *in statu quo*. I should like to point out, Sir, that in connexion with the woven or cotton goods, that is to say the textile goods, there appears to be (if I am correctly informed) a slight increase in the duty. When the agents of prohibition some years ago succeeded in inducing Government to raise the duty on spirits as a measure against the importation of spirits into British West Africa, they were able to point triumphantly to a resulting increase in the use and purchase of textile goods, with a corresponding increase in the revenue, but it would appear that this increase was not principally due to the exorbitant or rather prohibitive duty that was then introduced, but rather to the cheapness of the textile goods that prevailed at the time.

I think, Sir, that the same color is operating to-day. The Association of West African Merchants, the Chambers of Commerce of London, Liverpool and Manchester, and the huge combines with apparently very highly paid representatives, are privileged if they so desire to make recommendations to this Council for the Council's consideration. It would be in their interests to do so as well as, in the interests of the shareholders of the respective companies they represent, but I say, Sir, that this Council should think very seriously, and should think twice, before investing any such recommendations with the majesty of the lay. I have listened, Sir, to the Honourable Chief Secretary and it appears that the new Order-in-Council will have the effect of increasing even if only slightly, the duty on textile goods. On the other hand, it is common in the English newspapers that the aim of these recommendations is against certain cheap commodities that have found their entrance into the local market, and which in their sale are proving detrimental to the standard of living of the Lancashire cotton operatives. If this is so, I sympathise with those operatives, but I feel that the dominant factor in this instance ought not to be the welfare of the Lancashire operatives, but that of the poor consumer in this country who has his own standard of living to protect equally with any other body of persons anywhere.

I would beg leave to remind you, Sir, that those European combines, whether they be the Association of West African Merchants or the respective Chambers of Commerce, do not only control the price at which goods are sold to this country, but they also control the purchasing price of produce and of raw materials. If they would only pay what I will call a good price for the produce of this country, they would be giving the consumer in this country an opportunity to pay a little more for his goods whatever the increase in the duty might be, and so be in a position to buy Lancashire goods, and in this way relieve the operatives

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of their anxiety as to living. As Your Excellency is very poor just now, then there is the necessity for a place and an increase in the condition of the country a very important consideration whether this is an open any duty that will cause a commodities on which we are but also the Government arising therefrom.

As I have said, Sir, it is fish is not included in the there is any increase in the assessed on each hundredw

The Hon. the Chief Secy  
The duty on spirits is one. It is a special duty

The Hon. the Chief Secy

There is one principle attention of Government seemed satisfied with the monopoly of the firms began to take effect on the Government in We were told, introduce legislation going into the market invaded. The appeal is owing to the ever so much appeal is one of the Government's tion for that has not arisen upon the agitation in Lancashire at the bottom of Commerce pure and Secretary's commun than sup increase motive and ag operati to what tions w the

The Hon.  
You are in a position to whole first (a), (b) and very great is concerned. example, these men why the same the app

of their anxiety as to being able to maintain their standard of living. As Your Excellency knows very well the price of produce is very poor just now in consequence of the economic depression; then there is the necessary drastic retrenchment which is taking place and an increase in unemployment, and this together with the condition of the man in the street, makes the condition of the country a very pitiable one. Therefore we would ask you to consider whether this is an opportune time to increase in any way any duty that will cause an increase in the general price of commodities on which we are dependent—not only the consumer but also the Government from the point of view of the duty arising therefrom.

As I have said, Sir, it is a great satisfaction to us that stock fish is not included in this schedule. I do not know whether there is any increase in the duty on rice? I see that it is to be assessed on each hundredweight.

**The Hon. the Chief Secretary to the Government:—**

The duty on rice is intended to be the same as the existing one. It is a specific duty instead of an *ad valorem* duty.

**The Hon. the First Lagos Member (Dr. C. C. Adeniyi-Jones):—**

There is one principle to which I should like to invite the attention of Government, Sir. Before the War when everybody seemed satisfied with small profits, the markets were so to speak, the monopoly of the African traders, but when the European firms began to invade the district markets with such deleterious effects on the African traders, representations were made to the Government in order to protect these traders if it were possible. We were told, I believe, at the time that Government could not introduce legislation to prevent any trader who so desired from going into the markets. The result was that the markets were invaded. The African traders were in a great many cases ruined owing to the invasion of the native markets, and Lagos is to-day even much poorer for that invasion. The question is that if an appeal is once made to the Government to protect these African traders in order that their standard of living may not suffer, and Government finds that it is not in a position to introduce legislation for that purpose, I do not know whether the same situation has not arisen again to-day, or whether Government can still call upon the community to support the law, that is to say if the agitation raised in the English papers about the condition of the Lancashire operatives in maintaining their standard of living is at the bottom of the recommendations made by the Chambers of Commerce in connexion with these new duties. If it is a question pure and simple of preventing leakage, as the Honourable Chief Secretary clearly indicated, it will be much better for the community concerned to support a measure of that kind rather than support the introduction of direct taxation which will certainly increase the burdens of the country. On the other hand if the motive behind these huge mergers is, as has been published time and again in the English papers, that of protecting the Lancashire operatives, then I am asking Government to consider very seriously to what extent they are justified in investing any such recommendations with the majesty of the law.

**The Hon. the Banking Member (Mr. L. M. Serapath):—**

Your Excellency, there are three points I should like to mention in connexion with this Order-in-Council, which I may say, has my whole-hearted support. I should like to have seen, Sir, in the first item of this Order, the same proviso applied to sub-headings (a), (b) and (c) as is applied to that of (d). Without knowing a very great deal of the inside working of the firms in Lagos, that is to say so far as the individual articles which they sell are concerned, I should have thought that there were shirts, for example, that came in at prices which were slightly in excess of those mentioned by the Honourable Chief Secretary, and I do not see why a shirt coming in at 7s. 6d. should only pay 9d. duty at the same time that a shirt coming in at 1s. 6d. pays 9d., and the same applies to singlets, socks and stockings.

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The second point I should like to mention is with reference to paragraph (5) (c). If my information is correct (I have only the information given me by individuals in the trade), the imposition of twopence per square yard on real Madras is still going to make that Madras a little cheaper, and again (I may be incorrect) Government is going to lose slightly in revenue, and I would like to have seen that tax on Madras increased to cover any possible loss that might be occasioned by changing the *ad valorem* duty to a specific one.

The third and last point is that there is no mention of any duty on silk. It seems to me that this more expensive material is still to have an *ad valorem* duty. The price of silk has dropped in the same way as the price of cotton and woven goods, and I see no reason why a specific duty should not be imposed on silk.

#### The Hon. the Chief Secretary to the Government:—

The suggestions of the Honourable Banking Member will be borne in mind, but the position is that the Order-in-Council cannot be amended here, and no action can therefore be taken to-day to introduce the provision in paragraph (1) (d), to which the Honourable Member referred, into items (a), (b) and (c). Nor is it possible to alter the twopence per square yard on Madras (real) and 1½d. on Madras (imitation). A new Order-in-Council would have to be made and would have to be brought before the Council again. The suggestions of the Honourable Member will, however, be borne in mind.

#### His Excellency:—

As I had a great deal to do with this question when I was in England, a question which has been before the Government and before the London, Liverpool and Manchester Chambers of Commerce to my own knowledge for the last twenty-two years, I propose to say a few words, especially in reply to the Honourable the First Member for Lagos.

Dealing first with the Honourable Banking Member's point about Madras (it is a matter I took up in 1910), the position is this: if it were admitted at 1½d. it would receive a large benefit. The desire was to collect on it the same duty and no more and no less than had been collected on the 15 per cent *ad valorem* basis, and twopence on real Madras represents that as nearly as possible. I think he will find that the duty of 1½d. on imitation Madras and twopence on real Madras will meet the views of the manufacturers and suppliers.

His other point with regard to introducing a new provision (which has already been alluded to by the Honourable Chief Secretary), I propose to meet by introducing legislation to be taken here in March next amending the present practice of making an Order-in-Council in Executive Council and then bringing it here for approval. It means that an Order-in-Council once made in Executive Council cannot be amended here, and I propose to substitute the practice of imposing these duties by Resolution in Legislative Council, which can be amended as the course of the debate may suggest.

The Honourable the First Lagos Member spoke of the London, Liverpool and Manchester Chambers of Commerce, and of the Association of West African Merchants. Before I went to England I had noticed the devastating effect on our customs revenue of the fall in the prices of goods on which an *ad valorem* duty was charged. I asked the Chambers of Commerce and the Association of West African Merchants to consider, bearing in mind the whole history of this question back to 1910, the best manner in which specific duties could be raised on woven goods in place of *ad valorem* duties. The West African Sections of the three Chambers of Commerce and the Association were good enough to appoint a Committee to undertake that work for me, and I want to take this opportunity of thanking them on behalf of this Government for the work, and very difficult work it was indeed, that they accomplished.

The Honourable Member said that they made certain recommendations to this Council. They made no recommendations to the Council, but they made recommendations to me which it was my duty, after considering them, to lay before the

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Secretary of State to ascertain whether he agreed with the views that I had expressed. I had those recommendations, the specific duties on woven goods, and I had the local Government, as I had the Council.

They are designed entirely to meet the views of the Honourable Chief Secretary. The shilling is going down, the twopence is going down, and I desire to see the twopence necessarily, and I desire to see the twopence for the benefit of the people. I presume he will get it. It is paid twopence for an article, and he has said, and paid X duty, he is going to pay something less than X, but a little less than X, we are stopping further to increase the heavier duties. Also as the revenue goes down the drain, and this is the kindest method of protection of the revenue for months ago, the consumer has to pay more than he paid then. This is the reason of saving the revenue to do with the operatives. I have argued before about the operatives, but I do not know where the Honourable

The Honourable Member has said that the operatives of Lanashire are coming in here to obtain cheap goods. With all respect to the line of thought, if you have a yard of any give wherever it comes of the lower price every article of the same duty. The more appropriate he knows as the Government to consider this. I would rise to consider this. I would not get the L. think of the ago, and the to the emp. Russian emp. people of and Britis. could obtai our interest intact. [I] developm must cease

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Secretary of State to ascertain whether the Secretary of State agreed with the views that I had formed on the matter. As a result of those recommendations, the duties shown in the Order-in-Council, the specific duties on woven goods, have received the approval of the local Government, as I hope they will receive the approval of this Council.

They are designed entirely to stop money going down the drain; as the Honourable Chief Secretary called it "leakage". A shilling is going down the drain now, let us say, quite unnecessarily, and I desire to save some of it. In the present rate I am saving about tenpence, and I am leaving the other two-pence for the benefit of the consumer, if he can get it, and I presume he will get it. It is evident that if in 1929 a man paid tenpence for an article, as the Honourable Chief Secretary has said, and paid X duty on it, he paid 10d. plus X. Now he is going to pay something like fivepence or sixpence and not X, but a little less than X, therefore in the case of woven goods we are stopping further leakage but we are not imposing any heavier duties. Also as the Chief Secretary said, if we let revenue go down the drain, it has to be found somewhere else, and this is the kindest manner in which the measures for the protection of the revenue can be taken. As compared with twelve months ago, the consumer will pay less for the article than he paid then. This measure is entirely dictated by the fiscal reason of saving the revenue from going to waste: it has nothing to do with the operatives of Lancashire. I have never heard that argument before about the operatives of Lancashire, and I do not know where the Honourable Member got it from.

The Honourable Member has also spoken not only about the operatives of Lancashire, but of the fact that it is in the interests of the people here (if I understood him correctly) to be able to obtain cheap goods, we will say from Russia--because cheap goods are coming in here from Russia--even if the revenue suffers. With all respect to the Honourable Member, I cannot accept that line of thought. If we are going to collect a penny on a square yard of any given article, we are going to collect it on that article wherever it comes from: it is the consumer who gets the benefit of the lower-priced article. This is not a preferential tariff, and every article of a kind that comes in here will pay exactly the same duty. The Honourable Member's speech might have been more appropriate if we were introducing preferential duties, but he knows as well as I do that it is not in the power of this Government to introduce any system of preferential duties. But I would rise to a higher plane and ask the Honourable Member to consider this. He asks in effect why should the populace here not get the benefit of cheap Russian goods? I would ask him to think of the position of the people of Nigeria fifty or sixty years ago, and their position now. Has that change taken place owing to the employment of British credit and British capital here, or of Russian capital? The benefits that have been bestowed on the people of this country because they could obtain British capital and British credit are infinitely greater than any benefit they could obtain from cheap Russian goods, and it is therefore in our interests, as part of the British Empire, to keep British capital intact. [Cheers.] If British capital is not kept intact, the development of this country and other countries similarly situated must cease.

I only want to make one other remark, and it should have been made from the unofficial side, not by me, and it is this. I feel it is my duty to make it, and it is to ask the Honourable Member to consider this. He makes a very dangerous statement that the merchants of London, Liverpool and Manchester can dominate the produce prices in Nigeria, and I would ask him to pause and think for a moment whether he could prove any such assertion. The Honourable Member ought to know that the oleaginous produce which is exported from Nigeria presents, I believe, some ten per cent, or less, of the whole of the oleaginous produce of the world. If we are offering ten per cent of that produce, and the rest of the world is offering ninety per cent, how on earth I would ask Honourable Members of this Council, can we dominate the prices of oil, kernels and groundnuts. The prices of our produce are fixed by world prices, and the position with respect to world prices has got much worse owing to the fact that within the last two years a large quantity of what oil has been brought into the market in competition with our palm oil and kernels.

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I do hope the Honourable Member will not repeat that statement. It is heard from the ignorant people in the markets of the interior, and if they hear that similar statements are being made in this Council, they will believe there is some truth in that very erroneous belief. That is the reason why I am going out of my way, not on behalf of the merchants, but in the interests of the peace and good order of this country, to ask the Honourable Member to permit me to deny his statement.

## BILLS.

The Hon. the Treasurer:—

Sir, I rise to move that a Bill entitled "An Ordinance to provide for the purchase and cancellation of £528,000 of Nigeria five per cent stock 1950-1960" be read a first time.

The Hon. the Deputy Chief Secretary to the Government:—

I beg to second the motion.

*Bill read a first time.*

The Hon. the Treasurer:—

Sir, It will be convenient if this Bill, which I think can be described as non-controversial, be passed at this meeting of the Council in order to allow for the cancellation of the stock on or about the 1st February, 1933, at which date the half yearly portion of the annual interest on the stock begins to accrue. I beg to move the suspension of Standing Order 32 to allow the Bill to be passed in all its stages at this meeting of the Council.

*Standing Order 32 suspended.*

The Hon. the Treasurer:—

The reasons for the introduction of this Bill, Sir, are, I think, adequately set out in the memorandum to the Bill. Honourable Members will recall that at a meeting of this Council held in September, 1929, the mover of this Bill explained to the Council that the estimated cost of the Lagos sewerage scheme, according to the report of the Crown Agents, was £771,357, which included the cost of the drainage scheme for Ikoyi. In view of the financial stringency existing at that particular time it was decided not to proceed with the Ikoyi part of the scheme. The figure for Lagos only was £674,500, but it was considered unwise to commit this country to greater charges than would accrue from a £5,000,000 loan, and it was decided that a sum of £550,000 would be sufficient to provide for a part of the scheme only, and then if the scheme were successful, to consider ways and means for raising another £125,000 to complete it. There is no question that the financial position in 1929 has deteriorated very greatly at the present day, and it is quite reasonable that we must review our commitments in the light of the present day situation. The position has to be faced that we cannot afford to proceed with a scheme for which the money provided is totally insufficient, and for which a further sum of at least £25,000 will have to be found and perhaps even more, to say nothing of the maintenance charges which will have to be added to the annual recurrent expenditure. There is another aspect to consider. I refer to the Public Debt of Nigeria. This Bill is designed to cancel £528,000 of the stock in that particular loan, on which interest at five per cent has got to be found, and in addition annual payments to the Sinking Fund at one per cent. This Bill will reduce the Public Debt of Nigeria by £528,000 to a total of £27,822,582, and the annual debt charges will be reduced by £26,400 for interest on the loan and £5,280 for the Sinking Fund, making an annual reduction of £31,680 in our expenditure.

His Excellency —

Will the Honourable Banking Member second the motion?

The Hon. the Banking Member (Mr. L. M. Herapath):—

I should like to be allowed to do so, Sir, and I think that it would be to the benefit of the people at large if the Honourable Treasurer were to explain that at the present time the five per

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cent loan is standing at a very substantial premium, and it might look as though Government is paying £112 for every £100 worth of stock, and the country in consequence losing twelve per cent on it. I think it would be as well if the explanation of what is happening came from the Honourable the Treasurer instead of from me.

**The Hon. the Third Lagos Member (Mr. T. A. Doherty):—**

I was surprised when I read in the Gazette, Your Excellency, that it was proposed to cancel this loan, or in other words, to cancel the idea of the sewerage scheme, and I would like to take this opportunity of explaining to Your Excellency our views about this sewerage scheme. We think it would be one of the greatest benefits the Government could give to this Island of Lagos, and to cancel it would be a catastrophe. If Your Excellency would only walk around the native town of Lagos after 10 o'clock at night, you would change your views immediately. Before Your Excellency consents to suspend or withdraw this loan I would beg you to go about the town of Lagos, or appoint one of your representatives to go round and see the condition of the drains there. Your Excellency would be very impressed and would realise that this scheme is an absolute necessity for the benefit of this town. It is as vital to the health of the people of this island as it is to maintain their existence. Supposing that on account of financial stringency we cancel this loan. The scheme has got to come sooner or later, therefore why not proceed with it now? The town is prepared to pay an increased tax to have this particular sewerage system, rather than not have it at all.

I beg to say, Sir, that there are some measures that are absolutely necessary no matter how stringent the situation may be, and I am of opinion that this drainage scheme is one of those measures, and I would ask Your Excellency carefully to reconsider the matter before cancelling this stock.

**The Hon. the Member for the Colony Division (Sir Kitoyi Ajasa, Kt., O.B.E.):—**

Your Excellency, it was not my intention to say anything this morning, but I feel certain that we have just listened to an invitation to the Government to tax the people of Lagos for this sewerage scheme. Speaking for myself, I have enjoyed the fresh air of Lagos for sixty-seven years when there has been no sewerage system, and I hope to enjoy it a little longer. I am sure Your Excellency will consider what has been said this morning by the Treasurer, rather than introduce any new taxation.

**His Excellency:—**

Will the Honourable First Lagos Member get up and support the suggestion that there should be increased taxation to raise this sum of £550,000?

**The Hon. the First Lagos Member (Dr. C. C. Adeniyi-Jones):—**

Your Excellency, I understand the feeling in which the Honourable Third Lagos Member has addressed the Council, and perhaps from the point of view of the profession from which I earn my livelihood I should strongly oppose any measure that would make for any deterioration in the health of the community, but in this particular instance I think the question of expediency must be carefully considered. I would most certainly like to see a sewerage scheme introduced into Lagos. I believe that on previous occasions I have raised the question in this Council, even if I am not actually responsible for the question being considered by Government, but at this particular time, Sir, when money is so difficult to get and when existing taxation is telling so very heavily on everybody, I would rather support a measure that would relieve in some measure those house owners who have to keep empty houses for a whole year and pay a full municipal rate, than ask Government to add to the already existing rates, even if the object be to give Lagos a sewerage scheme. I admit that it is a very desirable scheme, Sir, but I am sure that the Honourable Director of Medical and Sanitary Service would be able to inform Government that if anything the health conditions of the people in Lagos have improved in the last few years even without such a system. From my point of view, Sir, I think the question should be left in abeyance at the moment.

The Hon. the Treasurer:—

I should say first, Sir, that I should like to dispel the illusion that this Bill is designed to decrease in any way the existing sanitary amenities of the town. They are improving and will continue to improve in the measure in which, as the Honourable First Lagos Member said, they have improved since 1929.

With regard to the point of the Honourable Banking Member, Sir, when this loan was floated a sum of money was made available to be spent on this valuable work. With a foresight that can be commended Government purchased a considerable amount of stock of that particular loan, and I have here figures which will prove that Government has lost nothing whatsoever in the cancellation of this stock. The first transaction was £462,252, which was bought in at the price of £99. There was a further parcel of £31,600 bought at 99 1/16th per cent, and if you take the amount of £528,000, and calculate it on the principle that all the stock was bought in from the money available from the flotation of that loan, it will be seen that the country has not lost a single penny. The stock has been written up from time to time, and the amount written up has been credited to revenue.

His Excellency:—

I would remind the Honourable Third Member for Lagos that the fact that this block of five per cent stock originally ear-marked for this purpose is cancelled, does not prevent the scheme being revived and carried out at some future time, and the great benefit that the scheme and the tax-payer would derive from that course would be that instead of paying five per cent interest on the money as they do now, they would probably only pay 3½ per cent if the money were raised anew some two or three years hence. The future is not in any way prejudiced therefore by this measure.

The question is that the Bill be read a second time.

*Bill read a second time.*

The Hon. the Treasurer:—

Sir, I beg to move that Council go into Committee to consider the Bill clause by clause.

*Council in Committee.*

*Clause 2.*

The Hon. the Treasurer:—

Sir, I beg to move to insert against clause 2 the following marginal note:

“Power vested in Governor to purchase and cancel £28,000 of Nigeria five per cent stock 1950/1960.”

His Excellency:—

That will be done.

The Bill having passed through Committee without amendment, the Council resumed, and on the motion of the Honourable the Treasurer seconded by the Honourable the Deputy Chief Secretary, the Bill was read a third time and passed.

His Excellency:—

That, Honourable Members, completes the business, and this Session of the Council will be prorogued by proclamation in the usual way. The Budget Session will assemble here on the 6th of March.

#### ADJOURNMENT.

*Council adjourned at 11.20 a.m., sine die.*