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BUDGET SPEECH

by

His Excellency, Ukpabi Asika, Esquire
The Administrator, East Central State of Nigeria



Budget Speech





Fellow countrymen and women,

It is just over four months since the guns of war were silenced but already we can truly say that peace has returned to our land and the nation is truly one. Our people have once again resumed the normal patterns of their life, freed from the insecurity and the instability hitherto engendered by the war. Today as we toil, in our various ways to repair and rebuild the damages done by war we do so with the certainty born of peace and the assurance of hope. And we do so as Nigerians, as citizens who have already in the short space since the end of the war recovered our rights as full and equal citizens. The Federal Military Government has already fulfilled most of her promises and undertakings made to our hitherto embattled brethren. The ordinary Nigerian citizen has welcomed with open arms and open mind our returned population to his town, to his village and indeed to his home. The processes of reconciliation have occurred with such speed and such uniform enthusiasm, completely beyond the expectations of even the most optimistic among us and to the confusion and perplexity of those who set themselves in judgment over us. I believe that our present experience is unique in the history of man and represents a tangible progress in the human condition. If those who set themselves in judgment over us, the governments and peoples of Europe and America, will learn and understand the lessons of post-war Nigeria, the seeming miracle of our reconciliation, then perhaps they might acquire the humanism to liberate us all from the nightmare of cataclysmic destruction with which they even now threaten our world and their world.

It should also be said that even as the ordinary people of this State have verified and confirmed the meaning and the essence of Nigerian brotherhood and the value and verity of the Federal Military Government's assurances it should also be said that our long suffering people have borne with great patience good grace and even humour the many inevitable dislocations and frustrations which form part of the heritage of war. While the end of the war has brought peace and with it hope it has not abolished the

sufferings of the people. One is greatly cheered by the spirit of acceptance and dedication with which our people have faced our many problems. Both the spirit and the performance have been truly inspirational and I am confirmed in my belief that we shall quickly overcome most of our present problems.

However, I would be less than candid if I do not also state that the behaviour of too many among those who claim to be our leaders, too many among those who misled our people into tragedy, has been less than admirable. Too many among these misleaders of the people carry on as if the Federal Government and the Nation owe them a prize for their recent performance. Too many still believe that they are, in spite of their recent tragic and unspeakable performance, or is it because of it, entitled to continue ruling and misruling the people. Too many have so far refused to face the full moral and ethical burdens of their misrule and instead delude themselves, and even seek to delude the people, with rationalizations for their failures. Because they are vain, venial, amoral, opportunistic and selfish too many among these self-appointed leaders have with unnatural but earnest self abasement sought to persuade the world that they too were misled, and on the bed of their own cowardice and venial ambitions for office and continued status they are willing to prostitute and desecrate the moral honour of the Ibos as a community. Within days, nay even hours, of the formal declaration of the end of the war and even as the masses of the people whom they had betrayed into poverty and tragedy were straggling from their displacement to their homes, these leaders were already struggling for office, for preferment, for quarters, for privileges. Not only has it been necessary to have to remind these leaders to return Government vehicles which they had apparently converted to their private use but some of them have indeed insisted on their preference that only a Mercedes Benz car is good enough for them. Thus it is that these misleaders of our people even today are yet to admit their error and the crime which they committed against the nation and against our people in the name of our people. Thus it is that they do not yet accept that they have to make some restitution at least to the poor men and women whom they abused and misused. Yet it cannot be that most of those who were hitherto the leaders

of our people are no better than charlatans, cowards or fools. It cannot be that our Ibo people deserved such a leadership. If they continue to refuse to accept responsibility then our people must make their own reckonings if only to preserve the honour of the community and protect public morality. Unless our people fully understand what went wrong in the past we will remain open to a future attack of the same disease. It was never intended that the generous grant by the Federal Military Government of a general amnesty should lead to a general amnesia.

Fellow countrymen and women, the good people of the East Central State, it is my unique pleasure and privilege today to present the 1970-71 Budget for this State. This is the first Budget to be presented since the creation of the East Central State almost three years ago today on the 27th of May, 1967. For nearly thirty months after the creation of this State, the Federal Military Government and my Government were seriously engaged in bringing to an end a war which has taken toll of thousands of lives and brought so much hardship and suffering to the masses of this country. Our preoccupation with the war, therefore, precluded the preparation of a formal Budget.

The civil war has now ended; and my Government has embarked on the major task of rehabilitation, reconstruction and reconciliation. We will now succour the sick and maimed, comfort the broken-hearted, create employment opportunities for the unemployed and repair the damage done to our economy by thirty months of relentless war. The 1970-71 Budget is geared towards achieving these objectives, the realization of which will enable our people to regain those standards of living and comfort which the civil war has so ruthlessly destroyed.

All is not lost. From the ruins of the war we will, united and dedicated to the cause of one Nigeria pick up the threads of development and progress once again. The future is indeed full of hope and promise and this is our hour of destiny. We must take giant strides forward in order to recover lost grounds. Let none of us make any mistakes; the journey is fraught with difficulties, but if we persevere, we will triumph and reach our goal.

At this point I will now comment briefly on the financial position in the period 1967-68 to 1969-70. Although no formal Budget was published during that period, the East Central State continued to collect some State revenues and received its statutory share of the revenues of the Federal Government. In the circumstances of the time, this was not considerable and whatever was earned was employed in the maintenance of my Government and in the resettlement of the thousands of destitute persons living in the liberated areas of the State. Immediately after my End-of-War Broadcast on the 16th of January, 1970, it became imperative to offer massive assistance in the form of transportation, food, clothing and cash to hundreds of thousands of our people—business men, farmers, labourers and public servants—who for endless months were denied the bare necessities of life. They thronged the towns and cities in their bid for relief and rehabilitation and, in those early days the extreme pauperization which I had envisaged was everywhere evident. Public servants were therefore granted salary advances in order to alleviate their hardship and facilitate resettlement. Large quantities of drugs, various items of food and clothing materials were also distributed to areas where they were urgently needed. In all, my Government spent no less than £3.5 million in its effort to effect an early resettlement of our people.

On the 1st of April, 1970 therefore, the balance standing to the credit of the Consolidated Revenue Fund was about £1.5 million. This represents the balance at that date out of the revenue collected in the financial years 1967-68 to 1969-70 after taking into account expenditure incurred by my Government on its recurrent charges as well as relief and resettlement operations.

Economic activity was practically at a standstill in most areas of the State at the end of the war. Since then the pace of activity has begun to improve. Even so, the vast majority of our people remain seriously impoverished. In these circumstances it is difficult to assess the amount of revenue which can be raised from domestic sources. In addition, as this is the first year of our working experience as a State, data upon which Estimates should be based are either not available, or where they exist, are not

entirely reliable. It is, however, estimated that in the financial year 1970-71 a total revenue of £14,014,420 will be raised. Of this amount £5,295,970 will be collected from State sources while £8,718,450 represents our share of Federal Government Revenue which is slightly over sixty-two per cent. of the total estimate.

The levels of taxation in respect of Pay-As-You-Earn and Direct Assessment will be those in force on the 31st of March, 1966. Development rates will continue to be collected at the rates at which they were first introduced on the 1st of April, 1967. The rates of Purchase Tax imposed on our export crops will also remain at the existing level. Slight increases have, however, been permitted in respect of the purchase tax on petrol and diesel; purchase tax on kerosene has been introduced at a very low rate of threepence per gallon. On the whole revenue accruing from taxes will amount to £1,768,080.

One of the effects of the changes in Education policy is that school fees are now to be collected through Government Treasuries. School fees will be paid this school year. In primary schools the rates will be £1, £2, £3, £4, £5 and £6 for classes one, two, three, four, five and six respectively. In Secondary Schools rates are Tuition fees £24, Boarding fees £30, Other fees £6 per annum. My Government recognizes the extreme poverty of most of our people and on that account parents and guardians will be required to pay only fifty per cent. of school and tuition fees during this school year.

Let me now turn to our expenditure budget. We have estimated an expenditure of £29,440,730. This amount, set against our estimate of revenue, leaves us with a deficit of £15,426,310 on current account. This is indeed a gloomy picture. It is, of course, the inevitable outcome of the war and the events which preceded it.

As early as September 1966 large numbers of our people were, in consequence of the bad faith of the former rebel leader, forced to return to the then Eastern Nigeria. Civil servants in the employ of other Services were forced, by the machinations of Ojukwu, into transferring to the Service of the Eastern Region of Nigeria.

Then came the creation of States, secession and the civil war. Today, this State Government is saddled with an executive capacity far beyond its requirements and resources. Expenditure on Personal Emoluments alone now amount to nearly twelve million pounds per annum including labour charges. In addition, public buildings, roads and essential plant and equipment have either been damaged, looted or fallen into disrepair. Indeed our economic infrastructure has suffered severe damage and needs to be replaced.

In appreciation of the plight of this State, the Federal Military Government has made adequate arrangements for the reabsorption of staff transferred to the Service of the former Eastern Nigeria Government. In due course, therefore, there will be a drastic reduction in our Personal Emoluments bills. We will need, however, to grapple with the problem of replacement of essential equipment and meeting the normal recurrent charges of our operations.

Having spoken in general terms about our expenditure for the year, let me now deal briefly with some of the major changes and proposals reflected in the Budget. First, I will deal with the over-all administration of the State. Eleven Ministries have been created and each of these will, as I indicated on previous occasions, be headed by a Commissioner. I will in the course of this Speech name those so appointed and who will be members of my Cabinet. In consequence of this we have established a Cabinet Office to co-ordinate the activities of the various Ministries and attend to Executive Council matters.

At the local government level, a fundamental re-organization of the system is being introduced. It is intended that at the local level government will consist of Community Councils in rural areas and Urban Councils in urban areas. Meanwhile steps have been taken to create thirty-three Divisions including seven urban centres and Administrative Officers have been posted to take charge of these areas.

There has been extensive damage to houses in most of our towns and villages. We have therefore taken steps to establish a Housing Development Authority which will have responsibility

for the development of medium and low cost houses in urban and rural areas. In this way the operations of the Authority should go a long way towards solving our acute accommodation problems. Meanwhile my Government will shortly establish machinery to control rents in urban centres such as Enugu. It is also intended to enact special legislation, as a transitional instrument, to deal with the uniquely tragic situation of designated disaster areas to govern the use and rentage dwelling houses.

As usual, expenditure on Education is the largest single item and accounts for a total of £12,177,380. Provision for Education Grants-in-Aid accounts for a total of £10,593,320; that is about thirty-five per cent. of our total recurrent expenditure.

Let me state here and clearly that the present cost of our Educational services is not in any way connected with, or the consequence of, the recent decision to bring the management of all schools under Government. It has always been recognized that the cost of Education in the former Eastern Nigeria was usually high and represented about forty per cent. of the total recurrent expenditure.

This Government is most concerned that the school system of the State become again fully functional in the shortest possible time, and that an educational policy suited to the needs and other circumstances of the State is developed and implemented.

As in most other areas, this Government is having to plan and operate amidst great odds and difficulties many of them further complicated by the last war. The school population of the areas now the East Central State which has always been high has multiplied nearly fifty per cent. since 1967, as many pupils and students have returned from other States to schools and institutions in the East Central State. Today, preliminary figures indicate that this State will have to cater for approximately 1.02 million primary school children compared with 800,000 in 1966 and 74,000 post primary school children, as compared with 50,000 students in 1966. These numbers amount a substantial proportion of our present population and represent one of the highest student densities in the country today.

Before the war, there were some 3,720 primary and 228 secondary institutions located within this State. However, as is well-known, most of these schools and colleges were destroyed or seriously damaged in the war. Even where they have survived the war, all schools have to be equipped afresh, and immediately, if meaningful instruction is to go on in them. The total immediate reconstruction exercise, if taken literally, should involve a forbidding estimated capital expenditure of £16.5 million.

It should have been possible, in other circumstances, to call on the citizens and their local communities to carry a substantial part of this financial burden. Unfortunately, the population has been so miserably pauperized by the war that no significant share of the cost of reconstruction can be immediately expected to be raised by local contribution. It now falls on my Government to re-establish the educational system in the general interest.

This Government is fully aware of the attendant problems and of their magnitude and is therefore taking every necessary measure not only to solve them but to ensure that an efficient and organic system is established once and for all in this State. Accordingly, the Government has taken the first necessary step in this direction by declaring that it is taking over the control and management of all schools in the State, that are needed, from local council, voluntary agency or private proprietor alike, and consolidating them in a rational State school system.

In the event of government takeover of a school from a private proprietor there might be entailed some loss of material assets to the proprietor and in that event appropriate machinery will be set up to assess the value of such material assets and to recommend what compensation, if any that will be due. However, with regard to the schools hitherto operated by voluntary agencies it is the view of my Government that since these are institutions of public welfare originally financed by public, parochial and/or general, contributions rather than commercial undertakings financed by personal and private funds the takeover of such institutions by Government will not entail any compensations so long as the purpose of the takeover is to perpetrate them as institutions of public welfare.

Apart from the many other reasons why Government should take this step, it is clear that in our present post-war circumstances and in the light of experience in the last fifteen years the State Government would have to bear the total burden of restoring the educational system to the level, and with the speed, its importance requires. The war has left most voluntary agencies, private proprietors and local communities in no position to generate internally the finances necessary to meet both the capital costs of reconstruction and re-equipment and the equally heavy cost of running the schools at any appreciably good standard. The burden must rest with and be accepted, by the Government. This Government accepts this responsibility and pledges to take the opportunity of the option it now has to develop a planned and integrated educational system for this State. Nonetheless, Government will continue to welcome the assistance of private or public agencies by way of grants, in kind or cash, towards the cost of re-equipment and reconstruction of the schools. Such assistance is presently expected from both U.N.E.S.C.O. and U.N.I.C.E.F.

This year 1970 marks the centenary of the Public Education Law in Britain and one is therefore reminded of the historic, but in retrospect unnecessary controversies that marked the inception of public control of education, and of the progressive effort to ensure greater religious freedom and tolerance by the separation of Church and State. In this State, as indeed elsewhere, the contribution of voluntary agencies especially Christian Missionary Bodies to the implantation and advancement of modern education is too well known to invite comment. It could never be over stated or over praised. It is therefore obvious that the decision to takeover, under a State system, the control and management of education does not represent a rejection of this heritage but rather a conscious effort to realize yet more fully the essence of that heritage by establishing a planned and integrated educational system oriented to the production of good Nigerian citizens. It is not unusual however that the intent of Government policy may sometimes be misunderstood. Especially is this so when such policy is mediated by the sway and contest of partisan and political interests. In such situations of political turmoil it may even

be suggested by the ignorant or the deliberately mischievous that Government takeover of education is an attack on religion and a sin.

As has been said already it is the earnest intention of my Government to encourage local churches in the spiritual and moral education of their young adherents. And it is probable that when our churches loose their present relationship to schools that there might be a qualitative improvement in the nature of the religious commitments of our people. Religion will acquire a deeper and more affective quality rather than an adherence to religion merely as an instrumental and functional means to education. The need for deeper religious and moral commitments cannot be over emphasized in a post-war anomic society.

In order to implement fully our Education policy, arrangements are on hand for the establishment of an appropriate institutional framework for the running of all schools. State and Divisional School Boards will be created for our State Schools. My Government will sponsor Parent/Teacher Associations for all State Schools and adequate arrangement will be made for the federation of these Associations to be represented on State and Divisional School Boards.

On account of the magnitude of our budget deficit there is an urgent need to examine the possibility of raising more revenue internally. As an immediate action in this direction my Government has imposed, with effect from 1st June, 1970 a 25% (twenty-five per cent.) surcharge, as a compulsory loan for reconstruction, on all salaries and personal emoluments over £150 per annum which are paid from the public funds of this State. The loan, is interest-free and will be repayable as to be decided in future. This special surcharge is to be in force for twelve calendar months unless otherwise varied by me. Furthermore in view of our excessive executive capacity I have decided to retire compulsorily all officers in the public service who have attained the age of fifty years by 1st April, 1970 with the exception of only those officers specifically exempted by name. Meanwhile, we have taken steps to improve the machinery for tax administration. One such move is the creation of a Board of Internal Revenue which has responsibility for the assessment and collection of tax. In addition Tax

Offices and Sub-Treasuries will have to be set up in areas where they do not exist in order to facilitate collection and offer better services to the people.

My Government will continue to offer medical and health services and improve upon them. We will shortly be converting, by a gradual process, the Enugu General Hospital into a Specialist Hospital which will in due course include an Orthopaedic and Plastic Surgery Unit to be sited at the former State House. For increased out-patients service polyclinics in Enugu will have to be revived and expanded. Our people need all the medical services that can be offered and my Government hopes that Voluntary Agencies will find it possible to reopen their medical institutions which had ceased to operate for some time.

A reorganization of our Broadcasting and Information Services has been embarked upon and the changes envisaged will permit the organization to operate as more effective and as commercial ventures. It is my hope especially that these organs of publicity will help immeasurably in healing the wounds created by the vicious propaganda of the defunct secessionist regime. It is a fact that this effort is most pressing and most urgent in our relationship with our two sister States of the former Eastern Region. Because of the many crimes committed against the good people of the Rivers and South Eastern States, as against you, but in your name by the rebel leadership there is not at present the freedom of movement and residence as between us and these States as might otherwise have been given the essential unity of our interests, the cultural homogeneity of our peoples and the high level of inter-marriage between our peoples. Thus it is that today, in spite of well meaning protestations to the contrary, our people do not presently enjoy free and comfortable access to some areas of these States and presently have to endure some attenuation of their right of freedom of residence in places like Port Harcourt. I personally do not believe that anything is achieved by denying this obvious fact, one might thereby unwittingly add insult to what is to many people a grievous burden.

I am greatly encouraged that my good friend and colleague Lt. Commander Alfred Diete-Spiff, Military Governor of the

Rivers State has recently and often reiterated the view of his Government that all Nigerians are welcome to Port Harcourt and the Rivers State. This is as it should be. Nonetheless I do believe that all of us who presently lead and govern the people of our States have an unavoidable duty as a leadership of not only ensuring that freedom of residence is said to exist but that it is also seen to exist. It would for example be in negation of that freedom and not only a travesty of language but a trivialization of the sacred principles on which we waged our struggle for us to continue to describe and administer as abandoned property the homes of our co-citizens who come from a neighbouring State and who are able, anxious and desperate to resume ownership of their homes. I speak with an immense burden of pain on a difficult issue but with a sense of responsibility as a Nigerian, as a concerned citizen who once staked his all on the alter of our national struggle for unity. I truly believe that all of us called into public service as the leaders of our people must seek to rise above the sway of present tempers and emotions. No matter the circumstances, we can only lead our people when we show an awareness of both system and members without loss of clarity in either. It may be and is true that our people are bitter, angry and resentful. It is nonetheless our obligation as leaders to lead them away from anger, resentment and bitterness to accommodation, good neighbourliness and amity. A leadership must lead, even along unpopular but sane paths. I have spoken today because soon issues might begin to crowd around us and we lose initiative and merely begin to respond. I have spoken because I know that the moral, economic, political and structural imperatives of our national struggle require that we act with despatch and that a change cannot be left to the effluxion of time.

Orderly marketing of our produce is essential. To this end an East Central State Marketing Board has been established and appointments to the Board will shortly be made. Meanwhile, my Government has advanced funds to permit the organization commence operations. We have also established a Projects Development Agency, under the Ministry of Trade and Industry for purposes of placing our pilot projects research and development on a firm footing.

Repairs and maintenance of offices, plant, equipment and roads will be the major concern of the Ministry of Works and Transport this year. In view of our meagre financial resources we cannot hope to complete all our rehabilitation commitments this year. We will, however, tackle those needs which are urgent; and one of these is replacement of office furniture and provision of additional office accommodation. We will, however, have to be content this year with such temporary arrangements as are feasible.

In my opening statements today I stated that the Federal Military Government has already fulfilled most of her promises to our hitherto embattled people. On every level the speed of re-integration has been most encouraging and often astounding. In less than three to four months from the end of the war the physical re-integration of our State has been completed. The Niger Bridge has been opened; trunk telephone service to the rest of Nigeria restored; the Nigerian Railway resumed service to the State. In this short period also thousands of displaced public servants have been re-absorbed by the Federal Military Government; hundreds of police officers and men have been re-absorbed into the Nigeria Police Force and an indigene of this State appointed the Commissioner of Police, East Central State. Also in this period His Excellency Major General Yakubu Gowon the Head of State did me the singular and unique honour of appointing me a member of the Supreme Military Council to represent our State. I take this opportunity to thank publicly all the persons and organizations who have offered me their congratulations and good wishes on this most historic appointment. I am very much aware of the honour done to me and I hope to continue to try to deserve it. I am pleased to state, also, that I have been informed by the Head of State that he intends to make a public announcement this week of the name of the person, from this State, to serve in the Federal Executive Council.

By any standards the performance of the Federal Military Government is one of the highest and most honourable achievement. In that same spirit and marking the coming of our maturity as a State and as a Government it is my great pleasure to announce

the appointment of the following persons as the Commissioners in the Government of East Central State:—

1. Mr Z. O. Dibiaezue *Commissioner for Finance.*
2. Mr C. Abangwu *Commissioner for Establishments.*
3. Dr Ukwu I. Ukwu *Commissioner for Trade and Industry.*
4. Mr P. Nnaemeka Agu *Attorney-General and Commissioner for Justice.*
5. Mr Dan Ibekwe *Commissioner for Works and Transport.*
6. Dr L. Obibuaku *Commissioner for Agriculture and Natural Resources.*
7. Mr S. G. Ikoku *Commissioner for Economic Development and Reconstruction.*
8. Mr M. Elechi *Commissioner for Lands, Survey and Urban Development.*
9. Dr Magnus C. Adiele... .. *Commissioner for Education.*
10. Mrs Flora Nwakuche (nee Nwapa) *Commissioner for Health and Social Welfare.*

I will directly exercise the responsibilities of the *Commissioner for Information and Home Affairs.*

Finally, I should like to express my sincere gratitude to the Head of State, Major-General Yakubu Gowon, the Federal Military Government and organizations and individuals for the generous assistance offered to my people in their greatest hour of need.

Fellow countrymen and women. A budget has been presented. A government has been formed. Let us all re-dedicate ourselves to the service of our State and our Nation. Let us begin — afresh.