

*The Responsibility
Budget*

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THE
RESPONSIBILITY
BUDGET

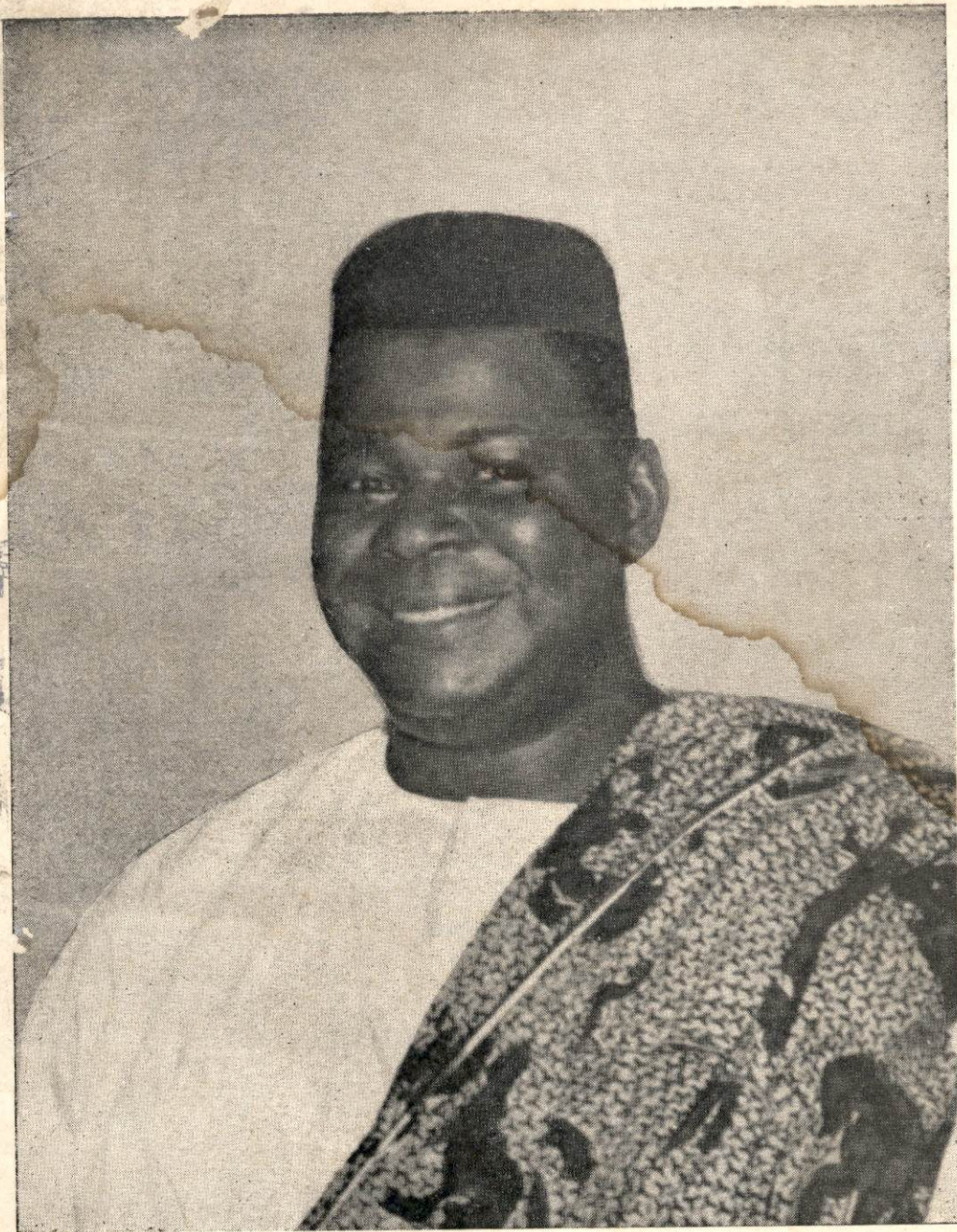
A reprint of the Budget Speech of the Federal Minister of Finance, the Hon. Chief Festus S. Okotie Eboh, M.H.R., to the Federal House of Representatives, Lagos, on Tuesday, February 9, 1959

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RESPONSIBILITY BUDGET

HOW EACH £ IS EARNED & SPENT

REVENUE		EXPENDITURE	
	IMPORT, EXPORT AND EXCISE DUTIES 14/7½ ^d OR 73.12%		STATUTORY APPROPRIA- TIONS TO REGIONS AND SOUTHERN CAMEROONS 8/5½ ^d OR 44.4%
	COMPANY AND INCOME TAX 1/3½ ^d OR 6.6%		CONTRIBUTIONS TOWARDS CAPITAL EXPENDITURE 1/2 ^d OR 8.60%
	POSTS AND TELEGRAPHS 9½ ^d OR 3.95%		DEFENCE POLICE & PRISONS 1/11 ^d OR 9.62%
	INTEREST & REPAYMENTS 1/- OR 5.06%		TRANSPORT & COMMUNI- CATIONS 1/5½ ^d OR 7.38
	EARNINGS AND SALES 4½ ^d OR 1.93%		PUBLIC WORKS INCLUDING ROADS AND SURVEYS 1/3½ ^d OR 6.54%
	MINING ROYALTIES, LICENCES, FEES, ETC., 5½ ^d OR 2.28%		EDUCATION & HEALTH 1/2 ^d OR 5.81%
	MILITARY 1½ ^d OR 0.66%		NATURAL RESOURCES, TRADE AND INDUSTRY 5½ ^d OR 2.26%
	OTHERS, INCLUDING FEES, LICENCES, RENTS, REIMBURSEMENTS, ETC. 1/3½ ^d OR 6.35%		PENSIONS AND GRATUITIES 9 ^d OR 3.78%
			PUBLIC DEBT 7 ^d OR 2.97%
			ADMINISTRATION 1/2 ^d OR 5.84%
			OTHERS, INCLUDING INFORMATION, BROADCASTING, LEGISLATURE, JUDICIAL, PRINTING, ETC. 6 ^d OR 2.5%
20/- = 100%		20/- = 100%	



Chief F. S. Okotie-Eboh, M.H.R., Federal Minister of Finance

1959

THE RESPONSIBILITY BUDGET SPEECH

THE
RESPONSIBILITY
BUDGET
SPEECH

BY CHIEF THE HON. FESTUS SAM
OKOTIE-EBOH, M.H.R.
Minister of Finance



Mr Speaker : Sir Frederick Metcalfe, K.C.B.

Foreword

THE RESPONSIBILITY BUDGET

On Monday, 9th February, 1959, Chief the Honourable Festus Sam. Okotie-Eboh, M.H.R. presented his second Budget to the House of Representatives in Lagos. He called it the "Responsibility Budget" because, he said it was designed to demonstrate to the world that the peoples of Nigeria are prepared, and indeed eager, to accept the responsibilities which will go with our newly won status.

This Budget Speech was acclaimed by all, including the Press, for setting out in simple language the economic and financial problems now facing Nigeria and for explaining the sound policies which the Federal Government has devised to solve them. In order to meet the numerous requests for copies of this memorable Speech this special "popular edition" has been prepared for circulation both in Nigeria and Overseas.

Many Honourable Members and Mr Speaker paid compliments to the Minister for his speech. Space does not permit the publication here of all the messages of congratulation the Minister received, but the following extract from a letter written by the Speaker, Sir Frederic Metcalfe, K.C.B. is particularly inspiring.

"You are a veritable tower of strength. I have heard nearly 50 Budget speeches in my Parliamentary life, and am to that extent entitled to express my unqualified admiration of the qualities you possess and all of which you give to the service of this great and beloved country."

THE SPEECH

THE

RESPONSIBILITY BUDGET . 1959

MR SPEAKER, SIR,

I beg to move that—

A Bill entitled "A Bill for an Ordinance to appropriate the sum of thirty-seven million, five hundred and thirty-nine thousand, five hundred and sixty pounds to the service of the year ending on the thirty-first day of March, one thousand nine hundred and sixty" be read a second time.

This is the second occasion on which I have had the privilege of presenting to this Honourable House the annual Budget of the Federation. I must again express my gratitude for the courteous reception which Honourable Members gave to me on that historic day last February when the Federal Budget was presented for the first time by a Nigerian Minister. I wish also to express once again my thanks to our Honourable Prime Minister, Alhaji Abubakar Tafawa Balewa, for reposing in me his confidence and making it possible for me to continue to serve as the Housekeeper for our great nation.

My first Budget very quickly came to be known as "THE PEOPLE'S BUDGET". This has put me in something of a quandary for I feel that the Budget which I have the honour of presenting to-day is, if it were possible, even more of a people's budget than was my last. However, great events have occurred since then, for the coming year is the one in which we intend to demonstrate to the world that the peoples of Nigeria are prepared, and indeed eager, to accept the responsibilities which will go with our newly won status. That great playwright George Bernard Shaw once said "Liberty means responsibility—that is why most dread it". That, Sir,

might have been the mood of a bygone age but it does NOT represent the temper of our people to-day. As a symbol before the whole world of our determination I propose that this Budget be known and called "THE RESPONSIBILITY BUDGET".

Sir, the signal events of the past year have indeed been momentous for the destiny of our great country. Paramount in all our thoughts must be that immortal moment when the Secretary of State for the Colonies announced the 1st of October, 1960 to be the day when Nigeria, by the grace of God, shall become independent and shall remain for ever free. Eternity was in that moment.

ECONOMIC FREEDOM

Political freedom is indeed the inalienable right of every nation, but of itself it is worth little unless accompanied by economic freedom and a respect for individual liberties. The liberty to which I aspire is a liberty inextricably bound with respect for law and order. I hope I may be pardoned if I quote from a speech which I made in a previous role some two years ago : "The declared policy of the United Kingdom Government is to work in partnership with the people of her dependent territories to build up new nations capable of standing on their own feet politically and economically ; nations endowed with an honest and effective administration, the rule of law, freedom of the individual and the final safeguard provided by a system of Government based on parliamentary democracy". Those words still constitute the basis of my philosophy for a new Nigeria, united and independent in the full meaning of the word.

Now that the political independence of Nigeria has been assured, the vital concern of my colleagues and myself has been to secure the rapid development of the machinery necessary to enable us to assume our responsibilities to safeguard our economic freedom and to lay a solid foundation for our further economic growth. We know that in this world of to-day no country, however great, can stand alone—"interdependence" is a popular word these days—but we are determined that in all our contacts with other countries, whether political, social or economic, our relations shall be those of equals as of one sovereign state to another. Our heritage and the great future which lies before us demand no less. We shall continue to strive to ensure that the goal of self-government will be accompanied by the growth of an independent economy capable of sustaining the development of our resources, the welfare of our people and the defence of our country as a full member of the Commonwealth and the comity of free nations.

Our fundamental objective is to achieve and maintain the maximum possible rate of increase in the standard of living of all our peoples. We cannot be indifferent to the poverty and want we see all around us. It has been said that Government is a continuance of human wisdom to provide for human wants. Men have a right that these wants should be provided for by this wisdom. But Government cannot achieve any startling developments unaided, we require the willing co-operation and active help of all the people of Nigeria in our gigantic task, for we do not intend to rely upon that regimentation which is a feature of totalitarian Governments. Old habits and ideas must be put aside ; we can no longer tolerate corruption, that spring of all

extravagance and disorder which takes away vigour from our bodies and wisdom from our councils ; we can no longer tolerate sloth and indolence in any field of activity, coins long since hoarded and buried in compounds must be dug out and put to profitable use. John Stuart Mill once said that no great improvements in the lot of mankind are possible until a great change takes place in the fundamental constitution of their modes of thought. That is still true to-day. Economic freedom and prosperity can only be won with the currency of hard work and integrity.

NIGERIA'S CREDIT-WORTHINESS

Now, Sir, I would like to turn for a few minutes to the highlights in the economic field of the year which has just ended. On the 2nd of May, 1958, as Honourable Members know, our long negotiations with the International Bank for Reconstruction and Development came to a successful conclusion with the announcement that the Bank would immediately lend Nigeria ten million pounds to finance a part of the Railway Corporation's capital development programme, including the Bornu Extension. This was important, not only because of the intrinsic value of the loan, but also because of the proof which it gave to the eyes of the world of Nigeria's credit-worthiness. It represented the first substantial loan Nigeria has ever been able to raise anywhere except in London and the Railway Corporation has not been slow to take advantage of it. It is estimated that about three and a half million pounds of this loan will have been drawn down by the end of this financial year and the whole of it will be spent by the middle of 1960.

Probably the most important event in the economic field during 1958 was the Commonwealth Trade and Economic Conference which was held in Canada last September. Copies of the Report of this Conference are already in the hands of Honourable Members but the rather prosaic language in which the Report is couched does little to reveal what for me was the most significant feature of the entire Conference—the quite genuine and spontaneous feeling which I had from the very outset that all of us gathered around the Conference Table belonged to one great family. The Conference included, at one extreme, Ministers from the fully industrialised and prosperous societies of the United Kingdom and Canada, and, at the other Ministers representing millions of people existing at very low levels of income. Yet, despite the very diversity of the problems facing the various countries, discussions took place and solutions were proposed in a spirit of complete mutual sympathy, understanding and friendship. Although I have been privileged to attend several other international Conferences, I have never before attended one where such a feeling permeated all our deliberations. I can assure Honourable Members that if I had needed any convincing before, I now more than ever hold the firm belief that in our great Commonwealth lies the only effective answer to the problems facing the world to-day and with it the hopes of many hundreds of millions of people all over the world that it may long continue as a unique instrument for the continued peace, welfare and prosperity of mankind.

SHORT-TERM FLUCTUATIONS

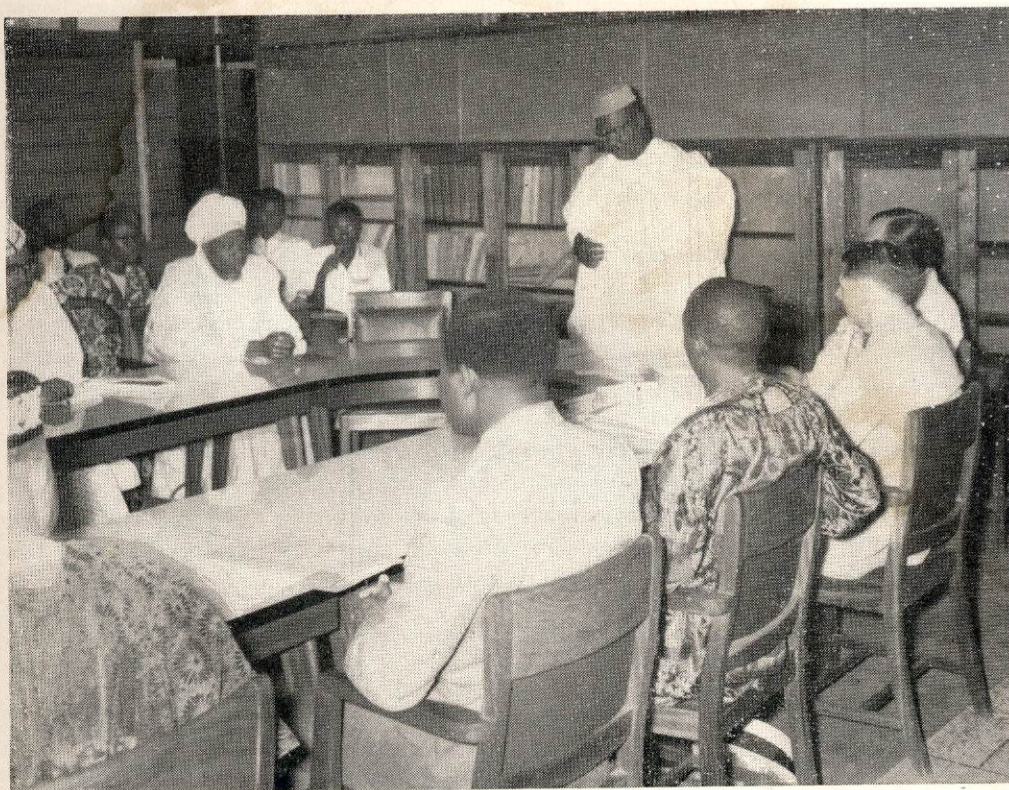
Great stress was laid upon the problems created for countries, such as Nigeria, whose export earnings depend almost entirely upon agricultural and mineral commodities, by excessive short-term fluctuations in the prices of many commodities and by the impact of protectionism, especially where this leads to the build-up of large surplus stocks. Some of these problems would in fact be eased to a great extent by the maintenance of a high and ever growing demand in the industrialised countries of the free world which would in turn promote the economic development of countries primarily dependent upon exports of raw materials. I welcome the remarkable recovery from the recent depression which is now being made by the United States economy and the measures taken in recent months by the United Kingdom and other Western European countries to stimulate industrial production. Welcome though these developments are in increasing the demand for our primary commodities, they can have only a long-term effect and there still remain many problems for us all to solve.

It is perhaps difficult for us in Nigeria to envisage in full measure the problems experienced by other less fortunate countries, due to excessive fluctuations in primary commodity prices. In our case, the effect is borne almost entirely by Government revenues and the resources of the Marketing Boards. Were it not for these Marketing Boards which have for some time now protected our farmers from the direct impact of these sudden changes in world prices, our economy would have been thrown into chaos. We can all appreciate how difficult it is, if not impossible once local prices have gone up, to bring about a reduction in the cost of living or of local prices, without setting up undue social and economic stresses and strains throughout the country. Without the insulating effect of the Marketing Boards, the recent falls in prices for our principal exports would have spelt ruin for our farmers and would have brought to an abrupt and untimely end the hopes which our peoples have reposed in the development programme of all our Governments.

TIMELY LEAD BY UNITED KINGDOM

One particular recommendation of the Conference I regard as most significant, and indeed as a symbol of the changing patterns in world relationships to-day. Hitherto the more advanced countries have looked to such countries as Nigeria for the supply of raw materials to keep the wheels of their giant industrial machines turning. Now the emphasis is changing and they are in many cases prepared to open their markets to exports of manufactured goods from those countries, even though this might cause severe damage to their own old established industries. True, this is not based entirely upon altruistic or humanitarian motives but also upon sound economic sense—the greater the export earnings of an under-developed country the higher the standard of living of its people with all the possibilities for a further mutual expansion of trade opened up thereby. We have witnessed a concrete example of this in recent months when,

despite intense pressure from the Lancashire cotton industry, the United Kingdom Government has consistently refused to restrict imports of textiles from India, Pakistan and Hong Kong. In practice the industries of the countries concerned are working out together a realistic pattern to secure the orderly evolution of the trade in the changing circumstances. I can only hope that this is a symbol of things to come and that others of the more advanced countries will follow this timely lead given by the United Kingdom.



The Federal Minister of Finance addressing the inaugural meeting of the Appeals Commissioners.

We gave long and earnest consideration to the problems created by the world wide shortage of capital. It is of the utmost importance that the development programmes of the less developed countries of the Commonwealth should be successful and that the hopes and aspirations which they have aroused should not be frustrated. Despite the great efforts they are already making, the more highly developed countries readily accepted that they must do all in their power even to the extent of further sacrifice to assist in the solution of these vital problems. This was dictated partly by common humanity, it is true, but also partly by the knowledge that the economic development of any Commonwealth country is of material benefit to its partners. The shortage of capital is not confined to the less developed parts of

the world but is universal. The more advanced countries require capital in massive amount to satisfy the almost insatiable demands of technological advance in their own countries. We considered whether it would be in the interest of us all to set up a new institution, such as a Commonwealth Bank, to provide development capital, but we came to the conclusion that such a proposal was premature at this juncture. It is unlikely that the mere creation of a new institution would of itself increase the amount of capital available. Moreover, a purely Commonwealth institution would inevitably be in competition with the International bodies in this field. We therefore welcome at Montreal the announcement of President Eisenhower that the American Government would look with favour upon an expansion of the resources of the International Monetary Fund and the International Bank to go some way to meet these problems. Subsequently, Commonwealth Members took a leading part in the detailed negotiations which have resulted in a very substantial increase in the resources available to these two bodies—a step which, I feel certain, will be of incalculable benefit to the prosperity and progress of the whole free world.

Nevertheless, these bodies can even now only meet a part of the desperate need and advantage must be taken of every possible source of capital if economic development is to proceed at an acceptable pace—and let us not forget that if development does not go on at a level which our peoples hold to be reasonable, then the very existence of our democratic institutions and our free way of life will be in danger. The Government of Canada announced that it would take the lead in developing a Colombo Plan type of organisation, particularly for the benefit of Commonwealth areas in Africa, and has already made available the sum of half a million dollars to cover technical assistance for those countries. We have already put forward our first request for technical assistance from this new source and I have endeavoured in my own way to express to the Canadian Ministers how warmly our peoples greet this increasing awareness of the newly emerging territories of Africa on the part of that great Dominion.

DIRECT LOANS FOR CORPORATIONS

The United Kingdom also announced measures designed to make more easy the flow of capital to the less developed countries of the Commonwealth. Quite apart from public funds and particularly the Exchequer loans which the United Kingdom has agreed to make available to Commonwealth countries if they are unable to borrow on reasonable terms from the London Market, every effort is now being made to stimulate investment in economic development through private channels. The Commonwealth Development Finance Company is to be provided with additional capital, and, as a part of this general move, statutory corporations and subordinate authorities will themselves have direct access to the London Market: hitherto, of course, they have been able to borrow only through the medium of their parent Government. Two of our major Corporations are already seeking direct loans from this newly opened source.

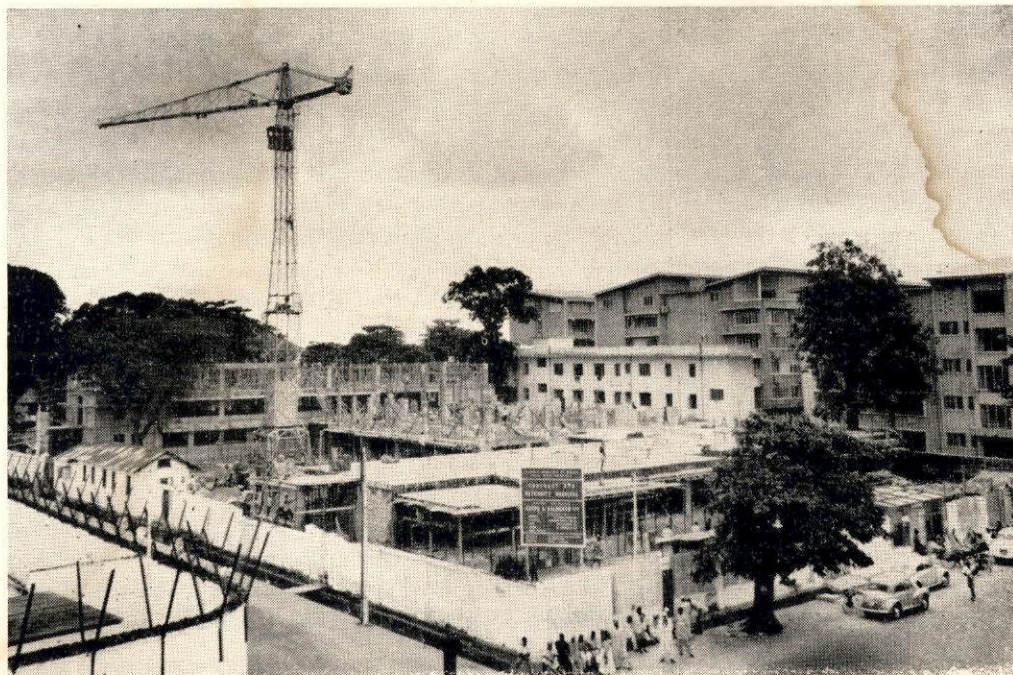
Development capital alone will not suffice to meet all our needs. Allied to the question of money is the great importance of improving education and training facilities throughout the Commonwealth and at all levels. A new and ambitious scheme of fellowships and scholarships is now being drawn up with a view not only to raising educational standards, but also to increasing mutual understanding among members of the diverse countries of this great Commonwealth. A Commonwealth Education Conference is to be convened later this year to work out the details of this scheme and to consider ways and means of improving teacher training facilities and the supply of trained teachers.

The hopes, not only of Nigeria, but of the whole Commonwealth and indeed of the free world have been raised by the decision reached at Montreal. We hope and intend to play our full part in working them out in the association of free nations, but we must never forget that Nigeria also belongs to this great Continent of Africa. In fact in terms of population and potential it is by far the greatest country of this vast Continent. Many of our development plans have implications far beyond our own borders—I hasten to stress that I am talking of development plans in the economic field—and these plans must be formulated and carried to fruition in the closest consultation with our neighbours. For this reason we welcomed the initiative of the United Nations Economic and Social Council in setting up an Economic Commission for Africa. I was privileged to represent Nigeria at the first session of this Commission held in Addis Ababa in the closing days of 1958. Many delegates stressed the vital importance of the work which this Economic Commission could undertake, but were anxious that it should not be yet another organisation duplicating the work of those already in the field. The main task of the Commission in the early stages will be the carrying out of an Annual Economic Survey and studies of the many problems of economic development in Africa, particularly those which affect more than one territory. It will supplement rather than duplicate the activities of such organisations as the Commission for Technical Co-operation in Africa, South of the Sahara, and its associates C.S.A., and F.A.M.A., who are already fulfilling a most useful purpose in the field of scientific technical co-operation.

Both in Montreal and Addis Ababa I found that our many friends throughout the Commonwealth and Africa were eagerly awaiting the day when we shall take our place as a full sovereign nation. The many references to the role which Nigeria can and indeed must play were heartening to me.

On the first day of 1959, the European Common Market came formally into being. By this the Six countries consisting of France, Western Germany, Italy, Holland, Luxembourg and Belgium, together with their associated dependent territories, have bound themselves to a gradual reduction of their tariffs against each other, so that by 1973 all trade between these countries will be free of duty, but they will raise a common customs tariff against imports from countries outside the community. We have said on many occasions in the international forums of GATT and elsewhere, and in our own contacts with representatives of these six countries, that we welcome any proposal designed to increase trade and prosperity throughout the world. But we remain unalterably opposed to the creation of a protectionist bloc which would cover such a wide field of world trade. In company with Ghana we have stressed one of our main fears that our exports to the Common Market, and particularly exports of cocoa, will be at a grave disadvantage compared with similar exports from our neighbouring territories in West Africa whose products will be allowed into the common market free of duty. We

have already achieved some success in that, on the very day when the Common Market came into being, the West German Government announced a relaxation in favour of imports of cocoa from all sources and not merely from the dependent territories of the Six. We intend to keep up our pressure by all available means and if in the event, our exports to these Six countries prove to be adversely affected to any material degree, we reserve to ourselves the right to take suitable measures to protect our own economic interests.



Work in progress on the new Maternity Hospital between Campbell Street and Broad Street.

DANGERS OF COMMON MARKET

The dangers inherent in the Common Market arrangements are especially important now that the negotiations for a Free Trade Area have fallen through. We supported the concept of a Free Trade Area, partly because we hoped it would lead to a genuine increase in world trade and therefore to an increase in demand for our products, but more particularly because we hoped that the influence of the United Kingdom and other countries would be used to minimise what appears to us to be the unfortunate protectionist features of the arrangements for the Common Market. It is no exaggeration to say that the future outlook is uncertain in the extreme, but our stand is clear—we welcome any arrangements which will lead to a general expansion of trade but we remain unalterably opposed to the creation of any protectionist bloc or to a mere diversion of existing trade.

In common with many other countries, we hope for and are working towards an early end to discrimination in trade and payments. The target is a complete multilateral system of trade and payments whereby all currencies are freely convertible and there is no discrimination in trade: very significant steps in this direction have been taken during the past year. On the 29th December, the U.K. Government announced the lifting of all restrictions on the free transfer and convertibility of sterling held by people living outside the sterling area. Henceforth there is only one form of externally held current account sterling and this will be freely convertible into any other currency at the official rate of exchange. Ten other Members of the Organisation for European Economic Co-operation have also announced similar measures. As a result the European Payments Union, which hitherto has been the clearing house for payments among members of the organisation, was wound up and its place taken by the European Monetary Agreement which was negotiated in 1955. The credit facilities under the new agreement are less generous than those obtained under the former European Payments Union, but I regard this as a small price to pay for the considerable advantages under the convertibility now granted to holders of all the important European currencies.

ENDING TRADE DISCRIMINATION

The continued strength of sterling has also made possible considerable relaxations in controls of dollar imports. On the 1st January, 1959, we removed the import controls over a wide range of goods from the dollar area—the main items remaining under control are now foodstuffs, motor cars, and petroleum products. These two measures are further steps on the road towards full convertibility of the pound sterling and represent very significant moves towards the ending of trade discrimination.

Sterling is the currency in which by far the greater part of our trade is conducted and it is the medium by which we pay for imports from one country with our exports to another country. The Nigerian pound is tied by statute to sterling and it is essential to us, just as much as to the U.K. and the other countries of the sterling area, to ensure the continued and growing strength of this vital currency. I think it would not be out of place to touch briefly upon the workings of the sterling area system, concerning which there is so much misunderstanding. The basic features of the system, which incidentally includes several countries that are not members of the Commonwealth, are that each member maintains at least a proportion of its reserves in sterling—the well-known sterling balances; financial settlements between member-countries are made in sterling and there is a central pool into which receipts of foreign currency by any member-country may be credited. This pool is managed by the U.K.—hence the expression that the U.K. is the Banker for the Sterling Area—but independent member-countries may use their sterling balances to purchase, without any restriction or control whatsoever, foreign currency from this pool. In fact, the only qualification is that the country concerned must have holdings of sterling adequate to exchange for the foreign currency it needs. There is no direct connection between the amount of foreign currency earned by

one member and the amount which it may draw from the pool. On the other hand, it is vital to the economy of every member to maintain the strength of sterling. No member-country draws from the pool more foreign currency than it reasonably needs, for this would serve merely to reduce the level of the pool upon which the continued strength of sterling so largely depends.

BALANCE OF PAYMENTS

The balance of payments worries facing member-countries of the sterling area are problems of an overall balance of payments with all other countries, including other sterling area countries, taken together. Because of the central pool to which I have just referred there is no need on these grounds to be concerned with the balance of payments with any country or group of countries taken by itself. This is indeed one of the major advantages of the system. To cite a concrete instance, although we in Nigeria import very considerable amounts of goods from Japan, our exports to that country are negligible. On the other hand, other sterling area countries find themselves in exactly the opposite position, but the sterling area as a whole is not affected. Thus we can sell our products in the best market and buy our requirements where it suits us to do so, apart from the few remaining controls on dollar imports, without worrying as to where we shall find the particular foreign currency required to pay for them.

Now, Sir, let us take a look at the balance of payments position of Nigeria. Figures of imports and exports for the whole of 1958 are not yet available but we have figures for the first eleven months of that year. During the period January to November 1958, exports were valued at approximately 122 million pounds and imports totalled about 150 million pounds. The deficit in visible trade therefore amounts to 28 million pounds as against 22 million pounds for a similar period in 1957. It would be a reasonable assumption that the deficit on the visible trading account for the whole of 1958 would amount to something over 30 million pounds. When receipts and payments for invisibles, such as transport, gifts and investments, are included the total deficit might increase to approximately 42 million pounds in 1958 as against rather less than 38 million pounds in 1957.

This is a substantial passive balance and it might appear to the layman that our sterling reserves in London would be reduced by that amount. If that were the case there would be cause for alarm, but the real position is entirely different from that which a superficial reading of the figures would suggest. For as any economist will tell you, a country like Nigeria undergoing a period of rapid economic development has a great propensity to import and more often than not the value of her exports will not match the value of her imports for a while. With your permission, I will let the economist expatiate on this point. The increase in development effort will require the importation of machinery, building and other materials. Secondly, the increased activities will also mean that more people are in employment and they will spend part of their income on imported goods, which may include clothes, food and

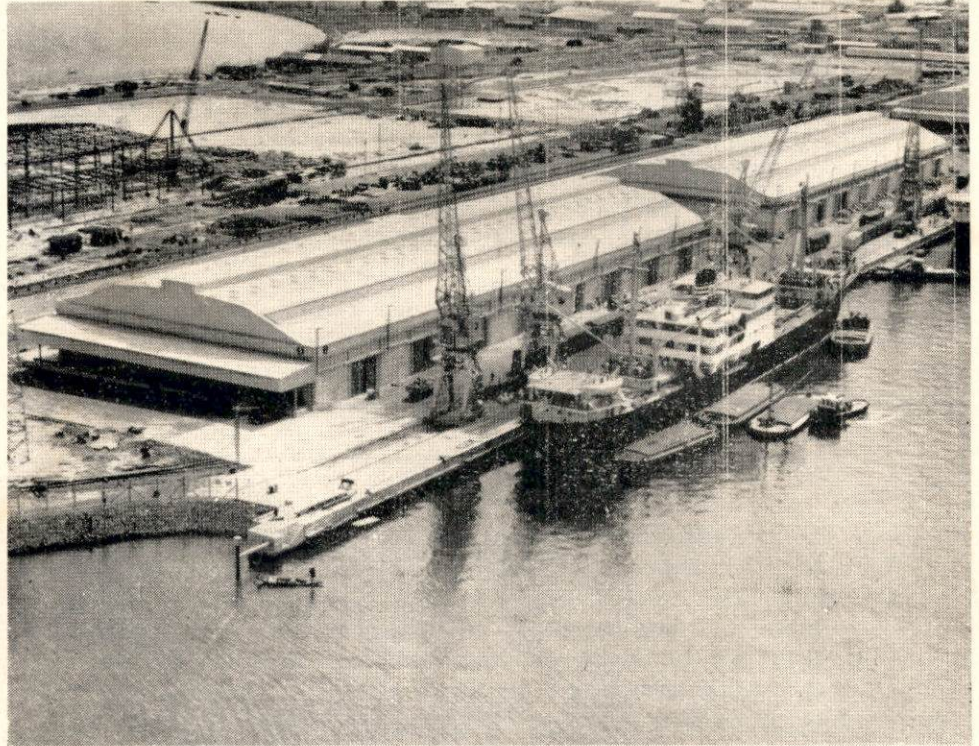
durable goods like bicycles, motor cars, and sewing machines. The Chancellor of the Exchequer of Her Majesty's Government, Mr Heathcote Amory, for whom I have the highest regard, once said that statistics are to a Minister what a lamp-post is to a drunkard, since they are for his support rather than for illumination. I entirely agree but nevertheless these academic observations are borne out by statistical evidence of what has in fact been happening.

An analysis of the pattern of Nigeria's import trade over the past five years shows an appreciable shift from consumer goods to capital equipment, building materials, and materials required by local industries. A substantial part of the deficit in our visible trade is due to the fact that the figures include imports of capital goods as well as imports on current account. In 1957, for instance, when the deficit on visible trade amounted to 28.3 million pounds, the value of capital goods imported was approximately 28.7 million pounds. In 1958, we already know that imports of capital goods by the Railway Corporation alone will be two and a half million pounds more than in 1957; imports of telecommunications equipment are almost one and a half million pounds higher than in the previous year. Capital goods by Companies prospecting for oil in Nigeria show an even greater increase, and almost every major item of capital goods shows a similar trend. This, of course, is a reflection of the increasing tempo of our development, both public and private.

INVESTMENT OF OVERSEAS CAPITAL

The fact that our visible trade figures include very substantial amounts in respect of imports of capital goods is one aspect of our balance of payments position but the picture is not complete without taking into account movements of capital itself. We estimate that overseas private capital newly invested in Nigeria during 1958 may have amounted to as much as 20 million pounds, against 17 million pounds in 1957, and 13½ million pounds in 1956, but even this is not the full story. During the year, Nigeria will have drawn down substantial sums from the International Bank loan, as will the Northern Regional Marketing Board from its own reserves in order to support groundnut producer prices. If these provisional figures are confirmed it is likely that the overall reduction in Nigeria's sterling assets will prove to have been of the order of 15 million pounds. The figures for 1957, with a deficit on the visible trade account of over 28 million pounds, show a reduction in our sterling reserves of 6½ million pounds only. I feel sure no one would suggest that it is imprudent, let alone dangerous, to withdraw even as much as 15 million pounds out of our sterling reserves at a time of intensive development effort, when imports of capital goods are valued at well over twice this amount and when Nigerian owned reserves still exceed 200 million pounds. I should, perhaps, make it clear at this point that these external reserves are not all at the disposal of the Federal Government; they include the backing for our present currency, the reserves of the Marketing Boards, of Regional Governments and subordinate authorities and of private funds held by the Banks. They represent in total the sum of all Nigerian owned external reserves, many of which are being deliberately drawn upon to finance development or to stabilise producer prices.

I think Honourable Members will have gathered from what I have just said that I do not regard the present balance of payments position as unduly critical. Nevertheless, I must confess at once that the continued fall in the prices for many of our exports is a continuing source of worry. I do not propose to go into details of the prospects for our various crops in the coming year—my colleague, the Minister of Commerce and Industry, is far better fitted to do this than I—but the overall picture reinforces the urgency of concerted action, such as was envisaged by the Montreal Conference, on the international plane to build up and maintain a rising demand for our commodities in the industrial countries of the West.



View of the development work at Apapa Quays

HIGH IMPORTS OF TEXTILES

It is imperative if we are to continue, let alone accelerate, our development programmes both in the public and private sectors that imports of capital goods should continue unimpeded even though this may entail some sacrifice in other directions. The most disturbing feature of the trade figures for 1958 so far is the very substantial increase—approximately 10 per cent over 1957—in the value of imports of textiles, the total cost of which may well have amounted to almost 30 million pounds by the end of the year. There were also substantial increases in

the total imports of metal and enamelled household utensils and of beer, although their effect on our balance of payments position is nothing like so great as in the case of textiles. We have thought it wise to damp down somewhat the demand for these consumer goods so that the increasing burden on our balance of payments which they occasion shall not prejudice the continued import of capital goods. A reduction in imports can normally be achieved by one of three means. The first involving the control of credit in the economy, can only be effective where there is a highly developed financial and monetary mechanism and is hardly appropriate for Nigeria at this stage. The second, involving quota restrictions on imports—for reasons which I have already mentioned any such restrictions could not be discriminatory against imports from selected countries but must apply to all imports of the commodities in question—would result in a great and unproductive increase in our administrative machine and would open innumerable avenues for fraud and evasion, to say nothing of illicit markets. The third method is by the imposition of additional import duties and, as Honourable Members will have gathered from the additional taxation measures announced a few days ago, this is the course we have decided upon. As I shall explain in some detail later, these measures were designed both to raise additional revenue to finance our capital development programme and at the same time to damp down the demand for these doubtless highly desirable but none the less unproductive consumer goods.

I cannot close my brief review of the highlights of 1958 without reference to yet another event of supreme importance for the entire economy of Nigeria. After years of intensive effort at a cost to date of some 40 million pounds, the first commercial shipment of Nigerian oil left our shores on the 17th day of February, 1958. My colleagues and I have been anxiously watching the progress of oil exploration in Nigeria, and we are determined to leave no stone unturned in our efforts to stimulate further exploration and the development of already proven oil fields. Although the huge sum of almost 40 million pounds has already been invested in the search for oil in Nigeria by one company alone, this is but a small fraction of what is required fully to develop our potential resources. Investments of this magnitude clearly demand special consideration and I hope to present to this House a Bill to provide for the taxation of companies engaged in Mineral oil production on the 50 : 50 basis which is a feature of such arrangements in many other countries, including Ghana. I shall have more to say on this when I introduce the Bill, but I would like at this stage to assure Honourable Members that my colleagues and I have been vigilant to safeguard Nigeria's interests at every stage of the detailed negotiations leading up to the preparation of this Bill. The final arrangements proposed include several novel features of immediate benefit to Nigeria without detracting too far from the stimulus to further massive capital investment which is their principal aim.

ACCEPTING OUR RESPONSIBILITIES

Mr Speaker, I have dwelt at some length on events of the past year and it is now time to look to the future. The Budget which I now present to this Honourable House reflects Government's plans for 1959-60, a year which I regard as a year of preparation—a year in which we

must gird our loins for the tasks ahead and prepare to accept in full our great responsibilities. My colleagues and I have been concerned not merely with plans for the celebration of independence—important though that may be—but also with laying far-sighted plans to ensure that our independence will prove to be real, vital and prosperous. I will touch briefly upon some of those plans for which I have an especial responsibility.

Probably the most important feature of the year ahead is the role of increasing importance which the Central Bank of Nigeria will come to play in our financial and monetary affairs. At the last Budget Meeting you passed an Ordinance to provide for the establishment of a Central Bank which would be charged with the responsibility for the issue of a new Nigerian currency and which would act as Banker to the Federal Government. Active steps have been taken to bring the Bank into being as rapidly as possible. Those sections of the Ordinance necessary for carrying out the initial functions of the Bank were brought into force on the 15th day of September, 1958; other sections will be made operative as and when appropriate. The Governor of the Bank and his Deputy have been appointed, as have the five Nigerian members of the Board of Directors. The Board held its first meeting on the 30th of July and has since met regularly at approximately monthly intervals.

Honourable Members will I am sure realise that the establishment of any institution from scratch is a considerable undertaking and this is particularly the case with the Central Bank where the functions are highly specialised and where there is no nucleus of trained staff upon which to draw. The Governor took up his appointment towards the end of July and in the months immediately following the emphasis was necessarily on planning and organisation. The more essential administrative arrangements have now been completed. Staff have been recruited and have for some time been undergoing intensive training. The Bank of England has fulfilled its generous promise of active help and co-operation—a senior Nigerian member of the Staff of the Central Bank is about to proceed to London to undergo a thorough grounding in the principles and application of central banking practice. A further course, more advanced in nature and better suited to his position, has been arranged for the Secretary to the Bank, who is also a Nigerian. He will go as soon as the initial volume of work in connection with the currency conversion and the taking over of the Federal Government's banking accounts has been completed. The foundation stone of the imposing new Bank building was laid in November by our respected Prime Minister and I have every confidence that the building will be ready for formal opening by July of this year.

CURRENCY CONVERSION

The task of currency conversion is the first priority of the Central Bank. It has been my aim from the outset that the new Nigerian currency should be issued during 1959. If the operation is to be successful it is imperative that the issue should commence when the amount of notes and coin in circulation is at its lowest point. That time comes at the end of June in each year. For this reason the 1st of July 1959 has been selected as the date when the Central Bank will assume its functions as the bank of issue and the issue of Nigerian currency will commence.

The aim of the currency conversion operation will be to exchange as rapidly as possible all West African Currency Board notes in circulation in Nigeria—on present estimates they amount to between 30 and 35 million pounds—to exchange immediately as many shilling coins as possible and subsequently to redeem the remainder of the coinage. Currency notes of five pounds, one pound, ten shillings and five shillings will be available for issue on the 1st of July. The minting of coins is now proceeding apace but because of the astronomical number required, well over one thousand million pieces, this cannot be completed by July. Some two hundred million shillings will then be available and these will be put into circulation along with the new notes. The remainder of the coins will arrive in Nigeria during the subsequent twelve to eighteen months and will be put into circulation as soon as they are available. In addition, a number of specimen sets of coins of all denominations in display cases will be on sale to the public.

OLD AND NEW TOGETHER

It is inevitable that for some time after the 1st of July, West African Currency Board notes and coins will continue to circulate in Nigeria, although in gradually diminishing quantities. During this period both the Nigerian and the Currency Board notes and coins will be legal tender, that is they will both be acceptable in Nigeria for current payments. When the Central Bank considers this to be no longer necessary the legal tender status will be withdrawn from Currency Board notes and coins. At that time the Currency Board notes and coins will cease to be acceptable for current payments although, of course, holders will continue to be able to present them for redemption to agents of the Currency Board. The legal tender status of the old currency will not be withdrawn until there are enough of the new currency notes and coin in circulation and even then advance notice of the withdrawal will be given in the Press and on the Radio. Currency conversion is a fairly long term operation and no one need fear to hold the old notes and coins just because it has been announced that the new ones have been issued. It is obvious that the huge number of notes and coins in circulation in this big country of ours can not all be replaced in one day, nor even in one year. I trust that Honourable Members will therefore join the Government and the Central Bank in bringing this simple fact to the notice of the public.

Until the Central Bank has established its own branches in all the main centres it will employ the services of other banks as agents in order to make facilities for the issue of the new Nigerian notes and coins available at suitable locations throughout the country. Negotiations with the banks to this end are now in progress. A vigorous publicity campaign will be mounted to ensure that the public are fully cognisant of all particulars relating to the change-over and are in a position to take full advantage of the exchange facilities offered. These points will be explained in broadcasts on the radio, official notices in the Press at intervals and in posters which will be widely distributed. The campaign will begin next month and will reach a climax immediately before the new currency begins to be issued.

From the 1st of July the Central Bank of Nigeria will be responsible for the management of Nigeria's currency. The Bank will be charged with the duty of carrying out this task in such a way as to maintain the maximum confidence in the soundness of our currency both at home and overseas. In this essential task the Bank will have the full backing of the Government. Finance is, as it should be, the handmaiden and not the master of our policies. Handmaidens, however, can be troublesome if not properly treated. Finance, as you know if abused, can destroy as well as create. But the pursuit of sound and stable financial and economic policies, as I have repeatedly said, ranks very high on our list of priorities. Indeed, it is the only basis on which the prosperity and progress of this great country can be maintained and strengthened.

The new Nigerian currency will be linked by statute to sterling and the Central Bank is required to issue or redeem its notes and coins at a fixed price in terms of sterling. The improvement in the strength of sterling, which was reflected in the decision of the United Kingdom Treasury, to which I have already referred, whereby all sterling held or acquired by non-residents of the sterling area is now freely transferable throughout the world, will, of course, be reflected in the strength of our own currency. In a world in which no country can isolate itself against external events this is of major importance to the future trade and prosperity of Nigeria.

BANKER TO THE GOVERNMENT

But the introduction of our new currency is only one aspect of the role which the Central Bank is destined to play in our affairs in the coming year. It will work in close co-operation with the commercial banking system and will generally seek to guide its future development on sound and stable lines. It will begin to act as banker to the Federal Government. It will seek, within the broad monetary policy decided upon by Government, to influence internal credit and to create the conditions most favourable to the carrying out of the wider economic policy of Government. As I am only too well aware, there is at present no organised capital or money market in Nigeria : both are becoming more and more necessary to enable Nigerian capital to be employed in the expansion of our own industries and in the development programmes of our Governments. The Bank will actively help in fostering the growth of these markets. Arrangements are far advanced for the flotation of an internal loan of two million pounds on behalf of the Federal Government in May and these arrangements will take full account of the need to develop a local market in Federal Government securities. There is also a need for short-term securities and here, if this Honourable House passes the Bill which is before it at this very meeting, a start will be made with the issue of Federal Treasury Bills within the next twelve months.

The banking habit in Nigeria has grown rapidly in recent years but the banks and other financial institutions which encourage savings, such as the co-operative societies, insurance companies and the Post Office Savings Bank, all have an important part to play in the further stimulation of savings. Our need for capital is indeed formidable in every field. While I am

sure that our many friends abroad will continue to help us in this urgent task, we shall have to continue to carry the major burden ourselves. We need, therefore, to encourage the thrifty habits which will provide savings and through these savings the capital which is so urgently required. It will be the duty of the Central Bank to encourage this habit of thrift but I am also actively considering whether the time would not be opportune to mount a savings drive on a national scale to coincide with Independence. This is a task for everybody no matter how small his income may be. The old saying is still true to-day "take care of the pence and the pounds will take care of themselves". The practice of putting aside regularly a part of one's income for the rainy day, besides being of help to the saver, is of benefit to the nation.



The Central Bank of Nigeria will be ready for occupation in July

I am afraid that I have spent a great deal of time in explaining our plans for equipping Nigeria with a modern financial and monetary system in preparation for independence, but I am sure Honourable Members will agree with me that this is an extremely important matter which deserves our closest attention : it is the basis upon which our very prosperity and progress as a nation is even now being built.

In keeping with our aim of becoming a full and respected member of the comity of free nations we intend during the course of the year to make application to become full members of the International Monetary Fund and the International Bank. The Monetary Fund exists to promote international monetary co-operation, to facilitate multi-lateral trade and to give confidence to member countries by making available short-term credit facilities to enable them to correct maladjustments in their national balance of payments without recourse to measures destructive of national or international prosperity. As its full title implies, the Bank serves to make capital available to member governments on a long term basis to finance reconstruction

programmes and development projects. Member countries are required to subscribe each their own due share to the resources of these Institutions and provision has accordingly been made in the Estimates in your hands.

NATIONAL ECONOMIC COUNCIL

Further, Sir, in consultation with the Regional Governments two steps have been taken which are designed to enable the National Economic Council to play a more effective part in the formulation of our economic policies. This Council was established in 1955 with the aim of giving the maximum encouragement to the development of truly national economic policies and to further the closest co-operation in the economic field between all the Governments of the Federation. In the first place, the Council has invited the Governor of the Central Bank to become a permanent member of the Council, where his impartial advice on economic problems will certainly be of the greatest value. Secondly, a Committee of the Council has been established, under the Chairmanship of the Governor and including representatives of all the Governments of the Federation together with certain co-opted members such as the Director of the Nigerian Institute of Social and Economic Research. This Committee has been charged with the duty of advising the National Economic Council on all matters referred to it and, in particular, of preparing a statement of fundamental objectives, together with the detailed targets in every sector if these objectives are to be attained, for the guidance of the planning committees of all the Governments in the formulation of their future development plans. The aim is that, without in any way interfering with the rights of individual Governments, all development plans will form one coherent and logical whole, each being drawn up to fulfil its proper role in the attainment of our overall objective—the greatest possible increase in the standard of living of our peoples.

As an essential background to its principal task, the Committee has also been charged with the duty of preparing studies and surveys on a variety of subjects, and the collation of statistical information in the economic field. Arrangements are already far advanced for the preparation of a comprehensive Economic Survey of the Federation which will embrace all the principal constituents of Nigeria's wealth. I can assure Honourable Members that this Committee has already more than earned its keep. In the short time of its existence it has prepared invaluable reports on a wide variety of subjects, ranging from the sources of external aid available to the Federation to an appraisal of the considerations which should govern our tariff protection policy.

STATISTICAL INFORMATION REQUIRED

Despite the many figures which are published in the monthly trade summaries and in the quarterly digests of statistics, there is still a great dearth of detailed statistical information covering many essential aspects of our economy. Little is known, for instance, of the exact

extent of our agricultural production, except in the case of export crops, despite its pre-eminent place in our economic life, and Retail Price Indices are only available for eight of our cities. Such information forms the essential basis and pre-requisite for all sound economic planning. We are taking urgent steps to improve the present woeful inadequacy of our information on such vital subjects. As I foreshadowed in my Speech introducing the Supplementary Estimates in August last, the team of three highly qualified Economists, including among their number two Nigerian graduates, has started work on a comprehensive National Income Survey of Nigeria. Consultations have already been taking place with the Regional Governments, regarding the preliminary arrangements for the next population census of Nigeria, which will fall due in 1961. In connection with the 1960 World Census of Agriculture, the five-year sample survey which we are undertaking is now at the end of its fourth year and work is proceeding according to schedule. We hope shortly to be able, with technical assistance from overseas, greatly to expand this aspect of our statistical work and to fill this important gap in our knowledge. At the same time, the Federal Office of Statistics is pressing on with Consumer Surveys to provide the basis for Retail Price Indices in all our major cities. Such surveys have been completed in 12 cities, the field work for the latest one in Kano having been completed within the last few weeks.

I would like now to turn for a moment to deal with the progress we are making in re-organising our revenue collecting machinery on lines more suited to the middle of the 20th Century. This Honourable House last year enacted a Bill to permit the complete re-organisation of the Inland Revenue Department. This Ordinance was brought into force on the 1st January of this year and on that date the Federal Board of Inland Revenue took over the responsibilities which had formerly been entrusted to the Commissioner of Income Tax. Scrutineer Committees have already been established for all the Regions of the Federation and it is my intention that they should progressively take over the responsibility for scrutinising all assessments raised by the officials of the Board. As a first step, all assessments raised after the 29th January of this year in respect of individuals engaged in a trade or profession are being referred to the appropriate Scrutineer Committee before being finalised. Appeal Commissioners for the whole of the Federation have been appointed and are ready to commence their work. From the 1st January this year all Appeals against assessments raised in accordance with the Federal Income Tax Law must be heard by these Appeal Commissioners in the first instance.

BOARD OF CUSTOMS AND EXCISE

Another far reaching measure designed to bring our fiscal machinery more into line with modern thought and practice came with the enactment of the Customs and Excise legislation at the November meeting of this House. This Ordinance also provides for the establishment of a Board of Customs and Excise to assume the responsibilities hitherto borne by the Comptroller alone. Detailed arrangements for the revised procedures which will be necessary are far advanced and I hope that this Ordinance will be brought into force on the 1st April of this year. Meanwhile, as I foreshadowed in my Budget Speech last year, we have already tightened

up procedures under the provisions of the existing law in various ways where there was a danger that our revenues were being defrauded. From the 1st October last, suppliers' invoices have been required in support of Customs entries except where the necessary documents have already been certified by an approved Bank or Chamber of Commerce. It is too early as yet to say whether this has been adequate to prevent fraud, but I can assure the House that I shall continue to watch the position with the utmost vigilance and, if further measures are necessary, I shall not hesitate to take them.

These progressive measures which I have just outlined can but have a favourable effect on the revenues of Government. The honest citizen has nothing to fear from them; but the tax evaders, and the smugglers who try in one way or another to evade the payment of their legitimate dues must realise that this Government is determined once and for all to put a stop to their nefarious activities. They may get away with it once, or even twice, but we are putting teeth into the investigation branches of our Customs and Inland Revenue Departments and Nemesis will surely overtake these evil-doers. I appeal to my fellow country-men and to the strangers in our midst to give us their wholehearted support in stamping out this deep-rooted fraud and these venal practices. Those who seek to defraud our revenues are striking a blow at the entire fabric of our economy. They are not defrauding some remote person or organisation. They are defrauding the vast majority of their fellow citizens who rightly choose to maintain an honest and upright mode of life.

And now let us turn, Sir, to the Budget itself. The Estimates for the current financial year as presented to this House at this time last year envisaged a surplus of £724,610. Since then two sets of Supplementary Estimates have been presented but there has inevitably been a certain amount of under-expenditure and various other off-setting factors have arisen, with the result that the revised surplus for the year is now estimated at £1½ million. The main components of this favourable out-turn are explained in detail at paragraph 1 of the Memorandum on the Estimates. Honourable Members will appreciate that some, at least, of the increased revenues which have given rise to this favourable result are not likely to recur.

The main Report of the Fiscal Commission which was published in July 1958 was considered at the last Resumed Constitutional Conference. As Honourable Members are aware, the Conference accepted all the recommendations of this Commission. Full details are readily available in the various reports which have been laid on the Table of this House and I need not weary you with a detailed catalogue. But with your permission, Sir, I would like to refer briefly to a few of the recommendations which I feel will lead to a better understanding of the Estimates of our revenue for the coming year.

REVENUE ALLOCATION

The new revenue allocation system devised by the Commission is a package deal. That is to say, all the recommendations are closely inter-related and it would be invidious and unrealistic to seek to comment on each recommendation separately. The over-all effect of

the Commission's recommendations is to reduce the annual revenue retained by the Federal Government by about £1.4 million and now we have that much less than we had allowed for each year to devote to financing our capital expenditure. But the allocation of the whole of the proceeds of export duties to the Regional Governments, whereas previously these had been shared equally between the Federal and Regional Governments, will inevitably mean that the Regions will be more heavily dependent upon unstable revenues. The proceeds of export duties are liable to fluctuate not only in sympathy with world prices, but also with the size of the crops and, as we all know, it is virtually impossible to forecast the vagaries of bountiful nature. Thus, although the immediate position of the Federal Government will be less favourable than under the revenue allocation system at present in force, the sources upon which we depend for the bulk of our revenue will, in general, be the more stable. However, not everybody can be fully satisfied with any scheme of revenue allocation in a Federal state and I think perhaps it would be appropriate if I were to quote from paragraph 142 of the Fiscal Commission's Report when they said :—

“Extravagant hopes have been expressed about what could be done in Nigeria by a re-allocation of revenue, and there may well be a disappointment at what may appear to be the limited effect of the changes which we are recommending. But the task we were given in our terms of reference was not an easy one. The total revenue resources available to Nigeria at any given time are limited. The total of all revenue estimates for 1958-59 is only some £84 million. Any revenue allocation system that could be devised must be framed within these limits. Given the existing budgets of the five Governments and the need to preserve continuity, the room for manoeuvre is small.”

For my part, I welcome the recommendations of the Raisman Commission and particularly their insistence upon the complete freedom of internal trade throughout Nigeria. I am certain that those who come after us will look back with gratitude upon the foresight and wisdom of this Commission.

As Honourable Members will see from the Estimates in their hands, arrangements have been made for the new revenue allocation system to take effect from the 1st of April next. There is but one exception to this. The Commission recommended that the Regions should retain jurisdiction over personal income tax on Africans but that this should be extended to include non-Africans. There is no question of our going back on this recommendation, but there are many and formidable problems which must be overcome before the change can be made. The Commission itself noted that it might not be possible to implement this recommendation at the same time as the others would be brought into force and this has in fact proved to be the case. Detailed consultations have already taken place between the income tax officials of the various Governments, and, if all goes well, I hope we shall be able to carry out the necessary changes and put the new income tax arrangements into force by the 1st of April, 1960. In the meantime, however, income tax collected by the Federal Government from individuals resident outside Lagos will continue to be allocated in full to the Regions, as it is at present under our existing revenue allocation arrangements.

The Fiscal Commission wisely drew attention to the paramount need for the closest consultation on taxation matters between all the Governments of the Federation. This recommendation was warmly endorsed by the resumed Constitutional Conference and a

special Committee of the National Economic Council has already been set up to deal exclusively with these matters. It is my fervent hope that through this machinery all the Governments of the Federation will work together in that spirit of mutual sympathy and understanding so desperately needed if we are to solve our manifold problems in this field and to avoid anomalies which benefit none save the wrong-doer.

There is one further point to which I wish to make special reference. The Conference recommended, quite apart from the recommendations of the Fiscal Commission, that the sum of £300,000 advanced by the Federal Government to the Southern Cameroons as working capital in October 1954, should be converted into a grant and that the Federal Government should waive any interest due on this capital. I am glad to say that the Federal Government has accepted this recommendation and the result will be seen reflected in the draft Estimates.

43 PER CENT TO REGIONS

The Estimates for the coming year envisage a total revenue of £76,515,190 of which £32,788,450 will automatically pass to the Regions, leaving the Federal Government with £43,726,740. The Statutory allocations to the Regions thus amount to a fraction under 43 per cent of the total revenues we hope to collect next year, as compared with 39 per cent of our revised Estimates of revenue for the current year. Of the total amount at the disposal of the Federal Government, £4 million will be transferred to the Development Fund to finance capital expenditure and £38,876,510 will be spent under the recurrent Estimates, leaving an estimated surplus for the year of £850,230.

If the sum of £1 million which we estimate to be the Nigerian share on the dissolution of the West African Cocoa Research Institute, is disregarded—as it must be, since it will be transferred direct to the Development Fund—the total revenue which we shall retain for our own use is expected to be less than the amount at our disposal in the 1958-59 Estimates by no less than £988,550. This drop is due in part to the immediate effects of the new revenue allocation system—if the old system had continued in force, we could reasonably expect to have had almost £1½ million more than we shall now have. But it is also due to substantial decreases in our Estimates of revenue, particularly from Income Tax, Mining Royalties and Posts and Telegraphs. And, of course, to a drop of £1 million in the contribution from the United Kingdom in respect of the defence of Nigeria.

All of this is explained in detail in the memorandum on the Estimates. I would, however, like to draw especial attention to the effect upon our revenues of the present position of the tin mining industry. Nigeria is a party to the International Tin Agreement whose principal object is to stabilise the price of tin at levels economic to both producer and consumer alike. For the past year this has necessitated restricting our exports of tin to 50 per cent of the level prevailing in 1957 with most serious consequences for our mining industry, consequences which are reflected in the sharp drop in our estimated receipts both from mining royalties and from company tax. And yet we remain convinced that this was a wise decision to take—the Inter-

national Tin Agreement represents a real endeavour on an international scale to solve the problem of widely fluctuating prices for one major commodity. Quite apart from the eventual benefits which we trust will accrue to our mining industry, Nigeria has proved to the world her readiness to play her full part, even at considerable immediate sacrifice, in the establishment of international price stabilisation machinery for primary commodities. Our attempts to establish similar machinery for other commodities—cocoa springs at once to mind—have so far proved unavailing but, heartened by the decisions taken at Montreal, we intend to persevere.

Turning now to the expenditure side of our Budget. Members will already have noticed that the recurrent expenditure estimates contain twenty-one fewer Heads than in the current Approved Estimates. The missing Heads have disappeared from the Estimates as a result of the integration of Departments with their respective Ministries. The exact pattern of integration varies from one Ministry to another in order best to suit their differing circumstances. But the general aim of integration remains the same throughout: it is to harness in one team the various technical, professional and administrative officers of a Ministry so that, on the one hand, all factors bearing upon a particular problem, whether human, material, technical or financial, can be presented to the responsible Minister as a composite whole in the shortest possible time and, on the other, so that there is an effective and efficient organisation capable of executing the policy laid down by the Minister. Full details are contained in the Report of the Committee on integration which is already in your hands and in the appropriate paragraphs of the Memorandum in the Estimates.

RECURRENT EXPENDITURE INCREASE

Recurrent expenditure in the coming year is estimated to rise by approximately £3 million, as compared with the Approved Estimates for the current year. Since before taking into account the additional taxation measures announced a few days ago the Federal Government's revenue was expected to fall by almost £1 million, the only way in which the increase in recurrent expenditure could be met was by reflecting in the Draft Estimates a reduction in the contribution made to the Development Fund to finance capital expenditure. This reduction will, I hope, have been more than made good by the additional taxation.

The House will wish to have some idea of how this increase of just under £3 million in recurrent expenditure is made up and I would refer Honourable Members to paragraph 5 of the Memorandum on the Estimates where the main components are set out. But I think that I should point out that the Public Debt Charges Head includes amounts totalling £523,000 which are offset by corresponding revenue under the Revenue Heads. These reimbursable items include the interest on the International Bank loan which we shall receive in the first instance from the Railway Corporation and the interest on the 1959 local loan which we shall receive from the Governments of the Northern and Eastern Regions to whom the proceeds of the loan will be re-lent. Another major rise in expenditure amounting to £447,330 occurs under the Ministry of Works and Surveys Head. This reflects the reorganisation of

the former Public Works Department which you approved last August and represents the greater part of the cost of improving the capacity of that Ministry to enable it to cope with the increasing demands of the Economic Programme and to maintain the works already completed. My Honourable colleague, the Minister of Works and Surveys will report fully on the progress made in expanding executive capacity during the course of the debate.

EXPANSION OF CAPITAL ASSETS

Honourable Members may be wondering what is being done about the rising level of recurrent expenditure and I can assure you that this problem is receiving the closest attention of the Government. I should, however, point out that some of the increases are unavoidable—the cost of the expansion of our overseas representation being only one instance of our determination to accept our responsibilities. Moreover, the Economic Programme is designed to expand our capital assets and to provide new and better services to meet the urgent needs of the public and as these become available we have to provide money under the recurrent estimates to cover the running costs of the new services. In the provision of these additional services we try to ensure that where two people could perform the job in hand only those two are provided for. We have also under continual scrutiny the provision for existing facilities. It would be unrealistic to suggest that there is no room for improvement here and we shall continue our endeavours to cut out waste and extravagance wherever they occur in the public service.

All too often, the impression is given by some people that this important task of ensuring economy in the conduct of Government business is the job of the Minister of Finance and his staff alone and is none of their business. To plagiarise the words of a former very Senior Civil Servant, it is none of the business of the Minister of Finance to act as a single-handed champion of solvency against the expansive demands of Departments of State. In our system of parliamentary democracy, policy and finance are inseparable and the one flows from the other. It does not require any profound insight to see that this drive for economy is part of the job of all Ministers, Legislators, and all ranks of the Civil Service as well as that of the people we serve. We are all interested in the expansion of social services and other benefits of science; if we use our available resources wisely the money will go further, if not, we will be poorer by the extent of our waste and extravagance. I would commend to the House the precept of a great British statesman of the nineteenth century, Benjamin Disraeli, who said that there can be no economy where there is no efficiency.

In spite of repeated explanations to the contrary one still frequently comes across another unfortunate attitude to Government expenditure, namely, that the funds at the disposal of the Government are unlimited and when more money is required it is only necessary to turn the wheels of the minting machines a little faster. Compared with that of an individual the revenue of the government is simply fantastic and should, on the face of it, be able to cater for everything that may be required. But when the revenue is in fact compared with the multifarious demands on the Government it is invariably found in all countries to be inadequate

and ruthless pruning has to be carried out every time before a budget is presented. It behoves all of us to remember this at all times. If we happen to say some project or expense cannot be accepted those concerned should not think we are philistines or obscurantists who do not know. We are dedicated to the raising of the living standards of our people. To make the available resources go further we must all adopt the right attitudes to taxation, expenditure, thrift, and work and, with the help of God and our friends overseas, we shall make of our nation a land flowing with milk and honey.

Finally, Sir, I must dwell a little upon our Capital Budget for the coming year. I do not propose to touch on the detailed progress of the multifarious variety of projects which go to make up our Economic Programme. Details are readily available in the Third Progress Report, copies of which have already been laid on the Table of this Honourable House, and my colleagues will doubtless be referring to projects for which they have an especial responsibility during the debate which follows. Rather I will endeavour to paint an overall picture.

THE ECONOMIC PROGRAMME

Within the past weeks my colleagues and I have completed a most thorough review of our entire Economic Programme. We have not removed any item from the Programme for we believe that it forms a coherent whole and we are determined that it shall be carried through to fruition in the shortest possible time. We have in fact increased the allocation for some of the projects which we regard as of the highest importance for the social welfare of our peoples and the economic development of our resources. I need only mention the Escravos Bar, the Central Bank, the Lagos Slum Clearance Scheme, and the expansion of the Postal and Telegraph facilities. In addition we have made provision for expenditure on new items, some of which represent true development, some of which stem from the recommendations of the Resumed Constitutional Conference, and some of which form milestones along our indomitable march to freedom. We have for instance ear-marked monies for the investigation into the technical and economic potentialities of the Jebba Dam project, which could transform the very lives of many millions of our people. We have set aside one-quarter of a million pounds as a first instalment of our contributions to the Niger Delta Development Board, and we have made provision for our subscriptions to the International Monetary Fund and the World Bank, and for the independence celebrations, to say nothing of the cost of the forthcoming Federal elections which are of such intimate concern to us all here to-day.

As a result of this review, the total capital expenditure programme of the Federal Government for the years 1955-62 will reach the staggering total of £148,201,000. This is made up of almost £121 million under the Economic Programme proper, almost £12 million required to complete former programmes and more than £15 million for other capital expenditure which does not represent development in the sense of Economic Programme projects. It will be asked immediately whether it is realistic to expect that the Federal Government will in fact be able to spend this vast sum. My answer to that question, Sir, is an unequivocal,

"yes". Actual expenditure during the three years to the 31st March, 1958 was rather more than £36 million, leaving £112 million to complete the programme during the remaining four years of the period. The latest estimates of expenditure for the current financial year show that out of a total provision of approximately £43 million, some £29 million will in fact have been spent by the end of the year. This represents a very considerable increase over the previous year. The capital estimates for next year, which you have before you, envisage a total expenditure of approximately £37 million. These are realistic figures—the rate of our capital expenditure has been increasing *very* rapidly indeed: £6.3 million in 1955-56; £17.1 million in 1957-58; £36.9 million in 1959-60. There are many reasons for this, partly the very heavy expenditure which is only now beginning to be incurred on projects which tap new executive capacity such as the Bornu Extension of the Railway Corporation or the Escravos Bar, partly the bringing to fruition of major capital works which have long been in the planning stages and, probably most important of all, the very substantial improvement in the recruitment of professional staff for the Ministry of Works as a result of the reorganisation which this House approved last year.

And now to meeting the cost of this ambitious capital expenditure programme. I will try to present the facts rather differently from the manner in which they are set out in the Third Progress Report but the conclusions reached will, unfortunately, be the same. We are clearly moving for the first time since the war into a period when the pace of our social and economic development will be limited by money rather than by executive capacity. But we are determined to see that no further delay occurs in implementing our far-reaching programme whether through finance or any other cause.

CLOSING THE GAP

During the four-year period from April 1958 to March 1962 we shall spend no less than £112,007,000. And what are our resources to meet this? First of all, of course, we have the balance in the Development Fund on the 1st of April last—that amounted to rather more than £34 million. Next we have our annual contributions from revenue, including the Budget surpluses each year, and these are likely to produce just over £20 and a half million during the period. This figure is less than the amount I had earlier hoped would be available but is a necessary consequence of the anticipated falls in our revenue to which I have already referred. Then we have the ten million pounds from the World Bank loan, the balance of our generous allocation from the United Kingdom Government under the Colonial Development and Welfare Acts and various other relatively small amounts. In view of the overriding need to mobilise our resources to the greatest extent possible I have scrutinised most carefully all the various Funds which we possess. As a result I have decided that we can safely reduce our requirements for working capital by more than one million pounds—this will be reflected in the Resolution which I shall in due course invite you to make authorising the transfer of this year's Budget surplus to the Development Fund. I have decided to dis-

pense with the Marine and Water Supplies Renewals Funds so that we can use the money standing to their credit at once. As a consequence of this, expenditure which would otherwise have been met from these Funds will fall to be met from our Capital Estimates, but the sums involved are not likely to be significant during the present planning period. Finally, I propose, subject to the approval of this House, to transfer the sum of £5 million from our Reserve Fund to the Development Fund. This will reduce the balance in our Reserve Fund to approximately £5 million. The sum total of all this is that the resources which we can be reasonably certain will be available to meet our very large anticipated expenditure will amount to £78,166,000. There is thus a gap between our planned expenditure and our resources of £33,841,000.



Chief F. S. Okotie-Eboh with the Premier of Northern Nigeria, Sir Ahmadu Bello, the Sardauna of Sokoto

At this stage I think it will be as well to look at the position of the other Governments of the Federation. Within the last few days my colleagues in the Regions and the Southern Cameroons and I have completed an assessment of our overall requirements for additional finance to meet the cost of our development programmes. The total cost of all these programmes taken together exceeds the available resources by no less than £58.1 million. This very large gap can only be filled if we are to utilise to the full all the possibilities open to us.

In the first place we are concerned to raise as much as we possibly can by floating internal loans within Nigeria. This is not quite a new departure, for some years ago a loan of £300,000 was successfully floated, but we are now thinking in very much bigger terms. One essential pre-requisite to the success of our attempts in this field will be the orderly development of a market within Nigeria for Federal Government securities. Until our securities are readily marketable we cannot expect that those organisations which hold large sterling investments in London will be prepared to switch them to Nigerian Government securities. Before this can be achieved the Institutions must be satisfied that their holdings of our securities can be readily disposed of at will in time of need. All our planning of the detailed arrangements for the raising of local loans is geared to this consideration.

We have attempted to assess the total amounts which are likely to be forthcoming for subscription to internal loans during the current planning period. Subscriptions from private individuals seem unlikely to be significant in total for some time to come, although it is difficult to assess the psychological appeal of a Nigerian issue handled and issued on behalf of the Federal Government by the Central Bank. At present it is only the institutional investors who are likely to respond to any significant extent and this response will naturally be influenced by a number of considerations, quite apart from the question of marketability to which I have already referred. It is our intention in this connection to introduce a fiduciary element into the backing for our new currency. The present West African Currency Board is backed as to one hundred per cent by sterling investments. The Central Bank is required during the first five years of the issue of our new currency to maintain external assets as a backing for this currency amounting to at least sixty per cent of the total circulation. We can thus introduce a fiduciary element of forty per cent into the backing of our new currency. But I am quite convinced that for the next two or three years at any rate the fiduciary element should not exceed twenty per cent. Paramount in my thoughts is the vital importance of maintaining confidence in our new currency both internally and overseas, bearing in mind that this is a new currency and that its issue will coincide closely with important political developments in Nigeria. I am quite certain that the greatest care must be taken in this new departure.

INVESTMENTS WILL BE SAFE

We shall look particularly to the Commercial Banks, the Post Office Savings Bank, the Co-operative Societies, the Insurance Companies and the Trustees of Provident Funds for subscriptions to our loans. At present virtually the whole of the amounts standing to the credit of the Pensions and Provident Funds of Statutory Corporations and our commercial firms are invested in sterling securities in London. Quite apart from the moral issue of lending support to Nigeria's development, there are very strong arguments of principle involved which should prevail with the Trustees of these various Funds, to invest in Nigerian securities at least that part of their Funds which represents liabilities which will eventually fall due within Nigeria.

Contributions paid to these Funds in respect of Nigerian employees should increasingly be invested in this way. Similarly I would like to address a word to the Insurance Companies and similar financial institutions operating in our country. I most sincerely trust that they will feel able willingly and promptly to invest at least a portion of their income from Nigeria in our own securities. I am sure that all Members will agree with me that it is only reasonable to expect those who live and work among us to play their full part in our progress to economic nationhood. At the same time I am deeply conscious that those who invest in Federal Government securities have every right to seek an assurance that their money will be safe—that assurance I can freely give. It is the positive determination of my colleagues and I to maintain those sound financial and economic policies which have contributed such a great part in accelerating the progress of our great country.

It is my intention that the first loan, amounting in total to £2 million, should be raised in May of this year. In accordance with the arrangements agreed at the Budget Meeting last year, the proceeds of this loan will be re-lent by the Federal Government to the Governments of the Northern and Eastern Regions. I cannot at this stage inform the House when the next issue will take place. Much will, of course, depend upon the success which attends our first issue and I can assure Members that we shall not lose any time in following up an initial success. Over the current planning period I think it is reasonable to anticipate that we shall be able to raise internal loans, including the introduction of a fiduciary element in the backing of our new currency, to produce a total of approximately £19 million. This will serve to reduce the gap of £58.1 million to which I have already referred, to something like £39 million.

The next source to which we must turn is external borrowing. During the past year I have been trying to stimulate interest overseas in the opportunities for investment in Nigeria, both in the private sector, especially in the field of industrial development, and in the public sector. I have had constantly in mind not only the gap between our expenditure and resources, but also the paramount importance of establishing Nigeria's name in the main capital markets of the world, particularly in North America, and to convince these markets of our inherent credit-worthiness.

SOUND ECONOMIC POLICIES

Although non-Commonwealth Governments have not been permitted to raise loans in London since the war, the London capital market would not be able to meet the many demands which would be made upon it if access were not controlled. Each application by a Commonwealth Government, whether Independent or not, to raise a loan in London is most carefully scrutinised to ensure that the maximum possible contributions towards meeting its needs have already been made from its own resources, but that there remains an urgent and pressing need for overseas borrowing. Hitherto we have been unable to satisfy the United Kingdom authorities that we should in fact be able to spend all that we had envisaged and in their view our existing resources together with the World Bank loan, Colonial Development and Welfare

grants, etc., would be adequate to meet all the expenditure which we should incur. To-day the position is very different and I have no doubt whatsoever that we could amply satisfy this criterion of need. To secure approval to approach the market is one thing, the successful raising of a loan is another. The present conditions of the London market is not favourable to the raising of loans by overseas Governments, and in the case of Nigeria in particular potential investors will inevitably be hesitant until we have been able to prove in the eyes of the world that an Independent Nigeria is, in fact, continuing to follow sound economic policies. But the time has come to emphasise the dangers for Nigeria in running down our resources too far. With the switching of the various Funds, of which I have already made mention, and the other measures which we have taken, I feel that we have come dangerously close to that point. Thus it was that I so warmly welcomed the announcement made at Montreal by the Chancellor of the Exchequer that the United Kingdom Government would be prepared to consider making Exchequer Loans to Commonwealth countries in cases where they cannot raise a loan on reasonable conditions from the London market. I do not think I need tell you that I intend to pursue this possibility to the full.

However, the considerations which affect potential investors in London apply equally in other parts of the world. I have had discussions on this subject with Government officials, banks, finance houses and investment corporations in the United Kingdom, the United States of America, Canada, and on the Continent of Europe, particularly in West Germany and in Italy from which I have recently returned. On all sides I have received advice that it would be very difficult indeed in present circumstances for the Federal Government successfully to raise a loan for general development purposes, but that there might be some possibility of success if a loan were to be sought by a public utility undertaking, or similar body, which can itself provide the means to service the loan. The possibility of raising money in this way was increased by another of the announcements which the Chancellor of the Exchequer made at Montreal. In future, Statutory Corporations and other subordinate authorities will be permitted direct access to the London market, whereas hitherto only the Federal Government had that right. Our Economic Programme envisages lending very large sums to our three major Statutory Corporations and if these bodies could themselves raise loans overseas that will reduce their dependence upon the Federal Government and will at the same time make a significant contribution towards reducing the gap between our expenditure and resources. Detailed negotiations are at present in progress for the floating of a loan by the Ports Authority in New York. This I regard as of the utmost importance, not only because the Ports Authority requires the money but also because at the same time it will place the name of Nigeria firmly before investors in that part of the world. It would be improper of me at this stage to disclose the progress of the negotiations but I think I can safely say that the outlook is very promising. At the same time we are exploring similar possibilities in London and elsewhere on behalf of our other Statutory Corporations.

Throughout the past year I have been in touch with the United States Government regarding the possibility of capital by way of loans from the Development Loan Funds which President Eisenhower established as an additional means of providing development capital. We have had several applications outstanding for some time and it is with regret that I have to inform this House that I have so far been unable to obtain a decision one way or the other.

We appreciate to the full the great and warm-hearted generosity which the United States Government has shown in the post-war world, but I sometimes wonder whether the authorities in Washington can realise how important these matters can be to the fiscal planning of countries such as Nigeria. The sums requested may be small by American standards, but they are very large by ours, and the delay in reaching a decision continues to make my task of forward planning very difficult indeed.

BRIDGING THE NIGER

I cannot leave this question of external borrowing without mention of a matter which I am sure will be received with acclamation on all sides of the House. Within the past few weeks the Federal Government has agreed to award the contract for the construction of the Niger Bridge to a firm of contractors of international repute. This Niger Bridge, which will run directly from Asaba Town to Onitsha Town will be a toll bridge. Soil tests and work on the detailed plans of the bridge design will commence immediately. It is expected that the actual contract will be signed as soon as the designs have been completed. The novel feature of the arrangements is that payment for the work will be spread over a period of ten years. This form of finance is a new development for Nigeria, although it is extensively used in several other parts of the world. Already four firms of contractors have shown interest in carrying out other large works on a similar basis. My colleagues and I are at present considering specific proposal of this nature in connection with the second Lagos Bridge and I hope we shall be able to arrange for its construction in the very near future.

Nevertheless, despite all our efforts to raise external finance in one form or another, it would be futile of me to hold out any hope that within the next three years we can raise a sum of the magnitude required to close the gap between our expenditure and our resources. If our development programmes are to be carried through—and my colleagues both in Lagos and in the Regions are determined that this shall be the case—it is essential that we mobilise even further resources within Nigeria. This then is the background to those measures of additional taxation which were announced a few days ago. These measures were intended to make additional revenues available to pay for our far reaching development plans and at the same time to protect our balance of payments position. I do not propose at this stage to go into the details of these proposals, for that opportunity will come when I seek to move the Resolutions confirming the various Orders which have already been made. I must, however, say a word or two about the increased duty on petrol and diesel fuel. A few weeks ago the Government of the Western Region advised me of their intention to impose a sales tax on these commodities in the Western Region, and asked if I would be prepared to impose a similar tax in respect of Lagos, for the Western Region tax would have been manifestly unworkable if a similar tax were not imposed in Lagos. Delegates at the Resumed Constitutional Conference impressed upon us all the need for consultation in matters of this nature and the other Governments of the Federation were brought into the picture at once. The Government of the Northern Region then expressed its intention of imposing a sales tax, as did the Government of the Southern Cameroons.

The Government of the Eastern Region on the other hand which already has experience of the operation of a sales tax on these two commodities has encountered difficulties in its operation. Quite apart from the possibilities of evasion which must be present in any sales tax arrangements it is much cheaper and more effective to impose indirect taxation of this nature by means of import duties from which there can be but little hope of escape. This then was the course which the Federal Government decided upon with the full support of all the other Governments.



Carter Bridge seen from the Lagos end

ACCEPTING THE BURDEN

A famous statesman, Edmund Burke, is once reputed to have said "to tax and to please, no more than to love and to be wise, is not given to men". These measures are not designed to court popularity, they are designed to demonstrate before the eyes of the world the readiness of our people to shoulder the responsibilities which our newly won status is already bringing in its train, and which will inevitably call for further sacrifice. Freedom does not mean an end to taxation, or the need to work, but rather freedom gives to us all the opportunity resolutely to face up to our responsibilities, to decide for ourselves the course which we wish to follow, and the

right ourselves to meet the cost. We have always accepted that the main burden of our economic development must be borne upon our own shoulders. Now we have given further and convincing proof of our resolute determination. It is true that some of the additional revenues brought about by these measures may be required to meet the growing demands of recurrent expenditure facing some of our Governments, but by far the greater amount will be devoted to capital expenditure. In the case of the Federal Government, I hope that these measures will result in additional revenue of something like £3,160,000 in a full year. It is my intention that the whole of this shall be utilised to finance our capital expenditure programme. During the remainder of our present planning period, it is reasonable to assume that these measures will give us an additional £10 million. This will reduce the gap between our expenditure in the Federal Government and our resources to £24 million. As I have already explained, we shall raise substantial sums by means of internal loans and although the proceeds will have to be shared with the Governments of the Regions, this should result in an even further substantial reduction in the gap. As for the balance I do not think we can be expected to do more ourselves at this stage. I am sure that these bold decisions which we have just taken have not gone unnoticed in the countries of the free world and I am hopeful that we shall shortly see the proof of the old adage that "God helps those who help themselves".

Now, Sir, I am at last getting to the end of my speech on this 'Budget of Responsibility' for the year of preparation for our Independence. I should thank Honourable Members for the courtesy and consideration which they have so long shown to me and for the patience with which they have borne the inevitable mass of figures which, alas, no art can eliminate from a speech of this nature. My thanks also go to the backroom boys and girls, that is to say, all the officials in the various Ministries and Departments, and particularly those in my own Ministry who have contributed to the preparation of this historic budget. I would like to make especial mention of the Federal Government Printer and his staff who have performed their Herculean task with quiet efficiency.

FIT AND WORTHY

As I left the First Session of the United Nations Commission for Africa in Addis Asaba last month, I told the delegates there assembled that I had a vision of the new Nigeria, which we have all striven so long to create, prepared as a bride adorned for her husband. During the coming year we shall be preparing her house making it fit and worthy of the splendours of the young bride.

In conclusion, Sir, I must congratulate Honourable Members in this House not merely for surviving throughout my lengthy Budget Speech but rather for surviving through to the fifth year of the life of this Legislature. It is true that several of our colleagues and friends have been taken from us by death and we mourn their loss. The contribution which this Government and this House has been able to make for the progress of Nigeria is plain for all to see. And here I must pay a tribute to you, Mr Speaker, for we in this House owe you an undoubted debt

for the calm and quiet manner in which you have guided our deliberations, and the impartiality with which you have presided over our business. You have indeed set a very high standard of impartiality and it is my earnest hope that those who may follow you in your onerous office will profit from your example and will not be found wanting.

We must not forget that this House and this Government as well as other parties and people have played a full part in winning for our country Independence and have set in train great and far-reaching developments. But it was to this Honourable House that fell the great good fortune to pass on behalf of all the people of Nigeria that historic resolution calling for our independence. The son of Sir Christopher Wren, when asked what his father had achieved, said "If you would see his monument, look around". To all those who may ask what this House and this Government have achieved, like Sir Christopher's son, I would say "Gentlemen, look around the Federation of Nigeria and its Capital City—Lagos".

Finally, Sir, I hope and pray that the many friends and colleagues with whom I have worked in this House will appear again with me in our next incarnation early in 1960.

Mr Speaker, Sir, I beg to move.

MESSAGES OF CONGRATULATION

M. HASSAN RAFIN DADI (KATSINA SOUTH) :

Mr Speaker, Sir, this is indeed a highly memorable occasion when for the second time the Nigerian Minister has presented the Budget, the Budget which he wished to be called a "Responsibility Budget". This, Sir, is a signification of our determination to take over responsibility when the signal hour comes—1st October, 1960, by the grace of God.

The Speech, Sir, is a masterpiece of brilliant exposition by a Mr Know-how in this business, a practical businessman, financier and economist. It has been very illuminating, instructive and informative, and delivered in a language understandable not only to the people of this country but to the world at large. Ever since assuming office a year ago, the Federal Minister of Finance has made known the name of Nigeria in the business world through his active interest in the duties entrusted upon him by the people. We have nothing but gratitude for him, and his contribution to the material progress of this country will for ever remain on permanent record.

M. ABUBAKAR GARBA (NORTH BAUCHI) :

Mr Speaker, Sir, I rise to express my heartiest congratulations to the Minister of Finance, Chief the Honourable Festus Okotie-Eboh, the present housekeeper of our great nation, and the Chancellor of the Exchequer after independence for the able way he presented to this Honourable House what he termed, "The Responsibility Budget".

There is a sharp difference between this year's Budget Speech and that of the last year. Hon. Members should observe that last year, the Minister of Finance was on the defensive using all the forces he had at his disposal to defend himself from tax evaders and the dishonest businessmen. Now, the Minister is on the offensive, he intends to launch his long campaign, first internally and afterwards externally.

MR J. M. UDOCHI (AFENMAI) :

Mr Speaker, Sir, in rising to speak on the second reading of this Bill, I wish to take this opportunity to pay a well-deserved tribute to the Minister of Finance for a really very remarkable performance. In the speech delivered on the Floor of this House a few days ago, the Minister has set a standard both in quantity and in quality of content which will be hard to equal. The House is really indebted to him for a very lucid exposition of some of the economic and financial concepts which the layman often finds very confusing.

MR E. C. W. HOWARD (SPECIAL MEMBER) :

Mr Speaker, Sir, first, I should like to join other honourable Members who have congratulated the Minister on his Budget Speech. It is not always appreciated that the preparation of such a speech involves many hours of laborious effort and perhaps many sleepless nights for the Minister and his staff, because the Budget Speeches of the Federal Minister of Finance of the Federation of Nigeria are studied with interest and respect all over the world, and therefore require very great diligence in preparation.

CHIEF T. T. SOLARU (IJEBU EAST) :

Sir, I would say that this year's Budget, when you come to read it, but not only once and put it away, I think it can rightly be said that all the nations of the world are studying this Budget to see what Nigeria is going to do ; and if this is what we are going to do, I think we can face the future with some amount of confidence.

MR F. E. NGALE (VICTORIA) :

Mr Speaker, Sir, I rise to support the second reading of the Appropriation Bill, and in doing so I will pay similar tribute to the Minister of Finance as those already paid by the previous speakers for the able manner in which he has discharged his duties.

CHIEF S. J. MARIERE (URHOBO EAST) :

From the accounts of his visits to the U.K., the U.S.A., Canada, Western Germany, Italy and other countries on the Continent of Europe and Addis Ababa, the Minister of Finance, has broadened his outlook on how economic freedom is to march side by side with political freedom. The rich experience gained by him during the worldwide tour has been reflected immensely in the preamble of a great Budget Speech comprehensive in character, realistic in approach and remarkable in oration.

MR L. J. DOSUNMU (LAGOS EAST)

Mr Speaker, Sir, I am very happy to be able to join many Members of the House in congratulating the Minister of Finance for his annual Budget Speech. There is no doubt, Sir, that as a much-travelled Minister he has been able to bring to bear his practical mind on all the problems, financial and economic, however difficult they may be