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### **Import Control under Regionalism in Colonial Nigeria, 1954-1960**

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#### **Abstract**

The colonization of Nigeria by the British opened a new vista in the history of the country as various ethnic groups came under the British system of administration. Parts of the colonial administrative structures included, native courts, native authorities, native treasuries and protectorates. Historians, political scientists, sociologists, economists and scholars of various disciplines have through their works, interrogated Nigeria's colonial past. Indirect rule system, colonial infrastructure, the rise of nationalism, currency circulation, colonial system of banking, colonial system of education and exploitation of Nigeria's resources are typical examples of Nigeria's colonial experience. Similarly, scholars have made attempts at interrogating various aspects of the country's colonial history. These include, colonial agricultural policies, colonial export control policies, marketing boards, trade restrictions, politics of decolonization, politics of transfer of power, constitutional developments, regionalism, nationalist movements, colonial tariff system and issues that deal with Nigeria's economic development in the colonial period. These intellectual efforts have not beamed their searchlight on how import control in an era of regionalism was used as one of the strategies of decolonization before the country's independence. Thus, the interrogation of a history of import control as an integral part of decolonization seems to have been neglected. It is against this backdrop that this paper interrogated import control as colonial economic policy which aided the entrenchment of regionalism in Nigeria. The paper in its conclusion argued that import control under regionalism was one of the strategies used by the colonial government in the devolution of some of its economic powers to the regions through constitutional framework.

**Key Words:** Nigeria, Colonialism, Regionalism, Import Control

### Introduction

Import control could be defined as tariff and non-tariff barriers imposed on goods entering a country from another. (Business Dictionary 2016). These tariff barriers include import duties or taxes, while non-tariff barriers include import quotas that determine the total quantity of imported goods, currency restrictions that limit the amount of foreign exchange available for payment of imported goods and prohibition that prevents the entry of illegal or harmful items into a country. (Business Dictionary 2016). It is a policy that sustains revenue generation, safety, security and consumers' protection as enshrined in the trade policy of a nation (Grainger, 2009, p. 18) It constitutes important barriers to free flow of goods or commodities as well as services from one country to another. It can be described as a policy instrument that engenders trade rivalry between or among nations.

Between eleventh and twelfth century in Ghana Empire for instance, the king charged a tax of one dinar of gold for each load of Saharan salt imported into the empire and further two dinars on each load of salt re-exported outside the empire (Shillington 1989, p. 84). It is worthy of note that the emergence of Britain as an industrial power in the eighteenth century opened a new vista in the history of international economy as she began the campaign for free trade globally but subsequently abandoned it for international capitalist competitions in the 19th century (Muojama 2007, Dessai 2002, Crowder, 1968).

These capitalist competitions laid the foundation of eventual occupation of Africa. The advent of colonialism in Nigeria in 1900 up 1954 led to the formulation of various import control policies that were rigid and flexible on the importing activities of both indigenous and foreign importers. These rigid and flexible import control policies as important instruments of colonial economic adventure in Nigeria make scholars like Akeredolu-Ale to postulate that domestic economic constraints such as lack of capital in both short and long terms affected financial position of a potential importer. (Akeredolu-Ale, 1977)

Thus, literature abounds on Nigeria's post-war economy in terms of politics of economic favouritism (Lawal 1994, p.5) protection of indigenous economic interests, (Hopkins 1974, pp.270-271) development plan as the post-war economic policy of the colonial state,(Muojama 2013, p.565) increase in Nigeria's import profile, (Ekundare 1973, p. 335) as well as unfriendly economic environment.( Schatz 1977, p. 36) The paper focused on a history of import control in Nigeria in an era of regionalism, starting from 1954 when the three regions created by the colonial regime were granted greater regional autonomy to 1960 when Nigeria attained her independence. The study notes that discussions on the history of Nigeria's post-war economy have been centred around expansion of industries and British economic interests. In this way, scholars have paid adequate attention to the quest of the British to protect their post-war economic interests in an era of decolonization in Nigeria to the exclusion of how control on imports was used to protect British economic interests as well as a potent tool of empowering the colonial government and the regions in the demonstration of their constitutional powers in the formulation and implementation of economic policies. The conventional wisdom on the subject matter of Nigeria's post-war economic history vis-à-vis the decolonization process places emphases on rigid tariff wall against imports, political developments, transfer of both political and economic power, the erection of effective regional governments through constitutional provisions for effective administration and acceleration of the production of agricultural produce for exports after the Second World War (Oyejide 1975, Okoro 2014, Oyeweso 2014, Lawal 2001, Olusanyan 1980, Shokpeka & Nwaokocha, 2009).

However, Peter Kilby drawing on the strength of Nigeria's import structure after the Second World War challenged the conventional wisdom by maintaining that the advantages in local manufacture arose not from any difference in the cost of production, but from the preferential tax treatment the colonial government granted to a project which promised agricultural as well as industrial development (Kilby 1969). Ekundare (1973) corroborated this evidence by arguing that Nigeria depended on imported machinery and equipment for her development projects as the importation of these items increased the country's capacity for local production. In a similar vein, Usoro (1977) noted tangentially that the powers granted by the 1954 constitution to the regions for industrial development created an element of rivalry in the establishment of industries as this led to wasteful duplication in the establishment of industrial enterprises at a time when capital was acknowledged as one of the major constraints to the country's economic development (p. 67).

Apart from Kilby, Ekundare and Usoro's analyses that examined the flexible import policy of the colonial government as well as regional rivalry in terms of expansion of industries by the regions, extant studies have not paid comprehensive intellectual attention to how import control was used by the colonial government as an important tool of decolonization through the devolution of economic powers to the regions under the policy rubric of regionalism. This neglect reduces our comprehensive understanding of the dynamics of regionalism before the country's independence. The main thesis is to demonstrate that import control policies as formulated by the colonial government intertwined with regionalism. This is because greater regional autonomy as espoused by the 1954 constitution was one of the strategies adopted by the federal government of Nigeria to empower the regions in terms of the capacity to take economic initiative concerning expansion of industries against imports. It is a contribution to the study of colonial rule in Nigeria and it moves discussion on Nigeria's post-war economic history and decolonization in new directions.

This study relies essentially on primary sources for its analysis. The primary archival documents include those generated by the Department of Commerce and Industries during the colonial period. Documents deposited in National Archives Ibadan (NAI), National Archives Enugu (NAE) and National Archives Kaduna (NAK) in Nigeria were utilized. Such relevant sources such as the Handbook on Commerce of her Majesty's Excise and Customs, Nigerian Gazette on Parliamentary Debates and colonial economic policies provided data for the historical reconstruction. The study is divided into four sections. The first deals with introduction, from limited to greater regional autonomy: The journey of Nigeria's Import Control under regionalism, 1951-1954, the colonial government and its supervisory roles in the implementation of import control policies and the conclusion.

### **From Limited to Greater Regional Autonomy: The Journey of Nigeria's Import Control under Regionalism, 1951-1954**

The concept of regionalism was introduced to the system of administration in Nigeria through the Richard constitution of 1946 which was sustained through the 1951 Macpherson constitution. (Olusanya 1980, Fwatshak & Ayuba, 2014, and Okoro, 2014). By 1952, Nigeria had generated huge revenue from exports but needed to re-invest revenue generated through the establishment of industries with equal opportunities for both local and foreign investors with the possibility of curbing the inflow of manufactured goods that were draining the proceeds from exports. (National Archives Enugu/D26/A6/X5, p.40). The erection of pillars of opportunities exposed Nigerian investors to overseas suppliers of raw materials.

(NAE/D26/A6/X5, p.40). The country's trade record of 1951 revealed the imbalance inherent in import opportunities enjoyed by foreign importers and Nigerian importers. While the import duties generated by the country in 1951 stood at 14, 595, 400 pounds, the country export duties generated stood at 8, 500,000 pounds (Awolowo 1981, p.36).

The above figures reveal the economic empowerment of foreign importers to the disadvantage of Nigerian importers as this necessitated the need for equal opportunities in the Nigerian market by investors of different races. The erection of pillars investment opportunities in the Nigerian economy intensified competition among investors of different races in the country (Kilby 1969, p. 65) The foreign importing firms did not see the competition with the Nigerian importers from the angle of imports alone as they transformed themselves from general trading companies handling the full range of merchandize imports into smaller semi-autonomous specialized marketing and manufacturing. (Kilby 1969, p.65). The foreign importing firms exploited to the fullest their accumulated experience, operating methods, local contacts and knowledge of the market especially in the regions (Kilby 1969, p.65, Ekundare 1973, p. 231)

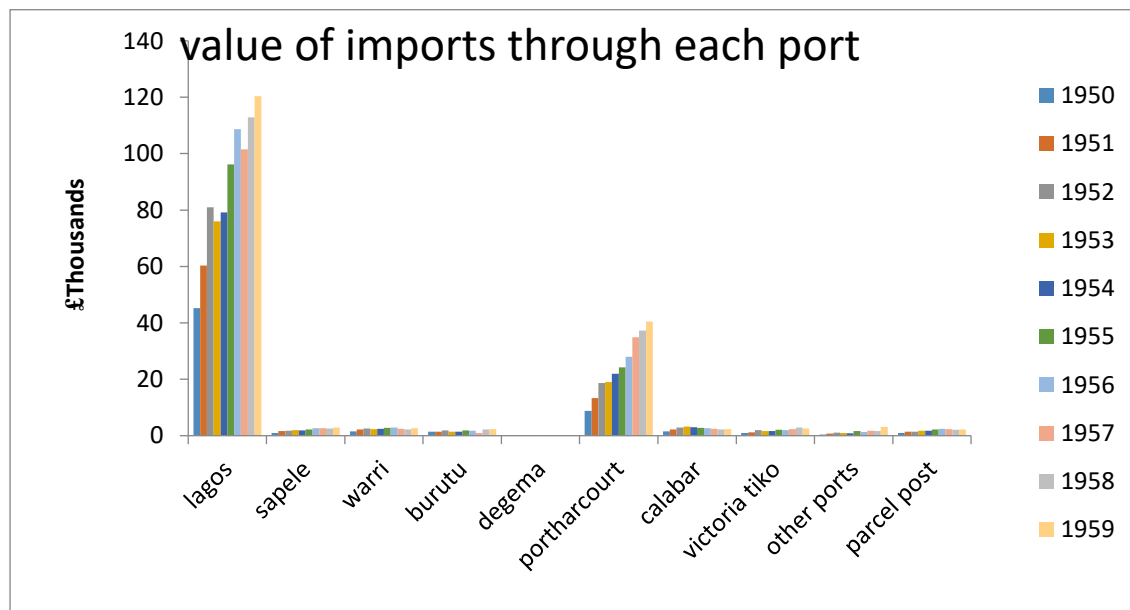
The granting of limited regional autonomy through the 1951 Macpherson Constitution never obliterated the exclusive right of the federal government over import restriction. It seems reasonably that the delegation of power by the federal government to the regions by 1952 concerning restrictions on imports through the establishment of industries as domiciled in the Pioneer Industry Ordinance was unconventional. One may argue that such a move was strategic because the federal government never allowed the implementation of the Ordinance by the region through the instrumentality of complete devolution of power. This strategy was to retain control over import restrictions despite limited regional autonomy as this paid off when smuggling of imported goods through the secluded creeks and tracks across land boundaries in the country without the payment of duties got to its peak in 1952. (NAE/AR/FG/A525).

The offenders who violated import regulations were severely punished through the Technical Branch Unit of Customs and Excise Department in collaboration with Water Guard Branch of the Customs that manned major creeks in the country. (NAE/AR/FG/A525). Similar structure was put in place in the North by the federal government in the frontier's stations of Santa and Kumba in 1952 as this curbed smuggling substantially in the North. (NAE/AR/FG/A525).

**Table 1 Value of Imports through Each Port**

| Period | Lagos   | Sapele | Warri | Burutu | Degema | Port Harcourt | Calabar | Victoria Tiko | Other Ports | Parcel Post | Total     |
|--------|---------|--------|-------|--------|--------|---------------|---------|---------------|-------------|-------------|-----------|
| 1950   | 45,215  | 1,012  | 1,554 | 1,370  | 126    | 8,850         | 1,499   | 913           | 409         | 916         | 61,866    |
| 1951   | 60,273  | 1,663  | 2,257 | 1,462  | 98     | 13,388        | 2,185   | 1,157         | 706         | 1,365       | 84,554    |
| 1952   | 81,028  | 1,810  | 2,604 | 1,826  | 147    | 18,707        | 2,890   | 1,955         | 1,120       | 1,381       | 113268888 |
| 1953   | 75,951  | 1,984  | 2,295 | 1,377  | 71     | 19,000        | 3,228   | 1,609         | 1,017       | 1,758       | 108290    |
| 1954   | 79,143  | 1,863  | 2,384 | 1,403  | 115    | 21,926        | 2,985   | 1,665         | 856         | 1,729       | 114069    |
| 1955   | 96,217  | 2,266  | 2,751 | 1,851  | 160    | 24,238        | 2,747   | 2,091         | 1,588       | 2,208       | 136117    |
| 1956   | 108,691 | 2,663  | 2,942 | 1,803  | 84     | 28,020        | 2,680   | 2,009         | 1,330       | 2,491       | 152713    |
| 1957   | 101,611 | 2,680  | 2,461 | 1,015  | 153    | 34,922        | 2,439   | 2,355         | 1,748       | 2,284       | 152468    |
| 1958   | 112,926 | 2,558  | 2,247 | 2,239  | 84     | 37,259        | 2,260   | 2,926         | 1,655       | 2,120       | 166274    |
| 1959   | 120,857 | 2,838  | 2,660 | 2,315  | 73     | 40,463        | 2,273   | 2,503         | 3,170       | 2,206       | 179360    |

**Source: Nigerian Social and Economic Research (NISER) Annual Abstract of Statistics, 1960**



**Fig 1: Value of Imports through Each Port**

**Source: Bar Chart drawn by the author through the table above. See table 1**

Table 1 and fig. 2 show that the flow of imports into Nigeria was comprehensively channelled towards Lagos and Port Harcourt ports. This flow was not only channelled to the two ports for

the purpose of revenue generation alone, but the erection of restrictive measures on imports as well as close monitoring of the implementation of import regulations.

### **The Colonial Government and Its Supervisory Roles in the Implementation of Import Control Policies**

The 1954 constitution compelled the federal government to erect import regulation structures through the Customs Tariff while the proceeds which emanated from import duties were shared between the federal government and regional governments in accordance with the law. (NAE/BX/47). Both the federal and regional governments realized that sharing of proceeds from imports could not offer effective restrictions on imports without strategic establishment of industries that can produce chunks of goods imported into the country locally. This economic consideration was further enhanced by the legal framework of the 1954 constitution which empowered the regions to establish industries with individual regions having the power to decide which industries to establish with the power to negotiate terms with prospective investors (Usoro 1977, p.67).

This duplication has been described by Usoro as inter-regional political rivalry which had adverse effects on strategies of the establishment of industries (Usoro 1977) designed to curb importation. This duplication was further compounded by the readiness of the regions to accommodate foreign investors with minimal scrutiny through generous incentives that were provided without considering an independent industrial base that would curb and compete with metropolitan manufactures (Odey, 1988, pp. 344-345). Sensing the need for the expansion of local production, the House of Representative in Lagos in 1955 realized that the erection of independent industrial production was not only dependent on the country's quest to compete with metropolitan manufacture but effective import restrictions on goods coming into the country within Africa.

This motion of import restriction against goods from other parts of Africa, especially South Africa was moved by Hon. R.A. Fani-Kayode who argued that import regulation of goods from other economic giants like South Africa within **the continent**. This according to him would complement restrictions efforts against imported goods from the metropolitan economy and that imports reduction from 562,000 pounds in 1953 to 428,000 pounds in 1954 as far as South African imports were concerned will encourage local production (NAE/1955 Gazette of Federal Government and Debates in the Federal House of Representatives First Session, 1955). The House through the country's trade summary argued that 78,000 pounds realized on goods coming from South Africa and other parts of the globe through Customs Duty was not good enough for the country's revenue profile (NAE/1955 Gazette of Federal Government and Debates in the Federal House of Representatives First Session, 1955).

Sensing the position of the Nigerian government on the import restriction of metropolitan goods, the British government through the United Kingdom Acting Trade Commissioner in Lagos, C.A. Preece in a letter dated 22nd of November, 1955 to the Department of Commerce and Industries prevailed on the Nigerian government to encourage Nigerian businessmen to attend the British Industries Fair slated for February, 1956 in order to have a broader view of how to collaborate with metropolitan manufacturers who were willing to establish electrical equipment and chemical industries in Nigeria (NAI, DCI 1/1/ 3002/S: 18). In order to encourage interested Nigerian businessmen who were willing to collaborate with the British manufacturers, the Office of the British Trade Commissioner in Lagos collaborated with the West African Airways Corporation, a travelling agency responsible for advertising the services

of airlines such as K.L.M, Hunting-Clan/Airwork and other international airlines in the country (NAI, DCI 1/1/ 3002/S: 18). The decision of the British government and that of manufacturers was very strategic. The strategy was hinged upon the investment of British manufacturers who invested in Nigeria as this provided the opportunities of giving imported British goods preferential treatment into the Nigerian market in the face of import restriction.

While the metropolitan government was strategizing in order to ensure considerable inflow of British goods into the Nigerian market, the colonial government on the other hand prevented the granting of privileges to other countries that had the objectives of penetrating the Nigerian market. This was demonstrated when the Japanese Consul to Nigeria, Yasuharu Aoki wrote to notify the Department of Commerce and Industries and the Nigeria's Ministry of Trade in August, 1955 on the Japanese Trade Fair slated for April, 1956. (NAI, DCI 1/1/3008/S: 17). The request of the Japanese government on the possibility of Nigeria's participation almost divided the country's bureaucracy. The position of the Department of Commerce and Industries on the invitation was that Nigerian traders should be prevented from attending the fair as this was capable of preventing the influx of Japanese imports into the country. The Japanese Industries Fair was not unconnected with the rapid industrial expansion of that country in the 1950s as this was assisted by the production of high technology goods destined for export (Lowe, N.: 1982, p.339). Similarly, this rigid position against Japanese import of goods and services into Nigeria was demonstrated towards Somalia, Italy and Australia by the Nigerian government as it turned down the requests of these countries on the need to boost their exports into the Nigerian markets through Trade Fair. (NAI, DCI 1/1/ 3002/S: 18).

The national debate on comprehensive import restriction in an era of regionalism as initiated by the Federal House of Representatives in Lagos compelled the federal government to set an Advisory Committee on the Stimulation of Industrial Development and Affording Relief from Import Duties and Protection of Nigerian Industry in 1955 with R.A. Clarke as the Chairman while J.E.B. Hall, D.W. Miller, E.C. Ealey, H.A.G. Acton, and Chief T.A. Oduola, a Nigerian importer and industrialist as members.( NAE/BX/47). The Advisory committee was mandated to look at two critical aspects of import restriction. First, measures for the stimulation of local industries with relief from custom duties on imported raw materials. Second, the imposition of protective duties on equivalent finished goods within Nigeria similar to that of the ones manufactured abroad. (NAI, PR/C8). Through the recommendation of the committee which was released in 1956, the federal government granted relief from import duties on materials essential to industries whose production reduced the country's dependence on imports as well as economic advantage to the country. However, the Nigerian government was careful in granting such concession in order to guide against reduction in country's import duties which served as a veritable source of the country's revenue shared among all governments of the federation (National Archives Ibadan/PR/C9).

The federal government however, rejected the idea of refunding duties on imported raw materials that can be produced locally by industries while it ensured that minimal restrictive measures against imported goods were put in place as these enabled industries in Nigeria to compete with imported goods (NAI, /PR/C9). The platform for competition with imported goods was provided through the directives of the federal government that mandated all purchasing Departments to place orders with local manufacturers whose goods in terms of quality matched imported products (NAI, PR/C8). Goods whose quality matched that of imported ones were, canvass, shoes with rubber soles, cement flooring tiles, wooden furniture,

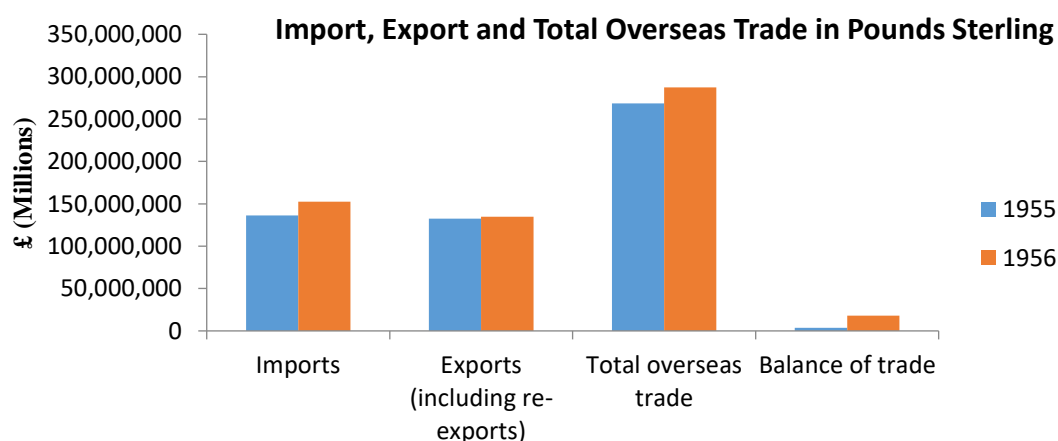
plastic water pipes, hand woven cotton piece goods, insecticidal spray and powder and cement (NAI, PR/C8).

In order to guide against the abuse of concession granted to imported materials for expansion of industries, the federal government mandated the Department of Customs and Excise Duties, Department of Commerce and Industries as well Tariff Advisory Committee set up by the government to consider the extent to which relief or protection was granted to industries importing materials for local production (NAE/BX/47). Despite the effective structures put in place against the abuse of concession, the federal government ensured that investors who were interested in investing in industries as well as importers who were eligible for concession were not discouraged. They were mandated to provide the details of their proposed imported materials before the Tariff Advisory Committee in person or to the Secretary to the Committee with the understanding that their demand would be scrutinized by members of the committee (NAE/BX/47).

**Table 2: Imports, Exports through Overseas Trade**

|                                | 1955        | 1956        | Decrease/Increase | %<br>Decrease/Increase |
|--------------------------------|-------------|-------------|-------------------|------------------------|
| Imports                        | 136,116,832 | 152,577,224 | 16,460,392        | 12.09284               |
| Exports (including re-exports) | 132,463,961 | 134,613,392 | 2,149,431         | 1.622653               |
| Total overseas trade           | 268,580,793 | 287,190,616 | 18,609,823        | 6.928948               |
| Balance of trade               | 3,652,871   | 17,963,832  | 14,310,961        | 391.773                |

**Source: NAE, AR/FG/A317 Annual Report of the Federal Department of Commerce and Industries for the Year 1956-1957**



**Fig 2: Imports, Exports through Overseas Trade in Pound Sterling**

**Source:** Bar chart as Drawn by the author showing the comparison of 1955 – 1956 import, exports, total overseas trade and balance of payments to Nigeria



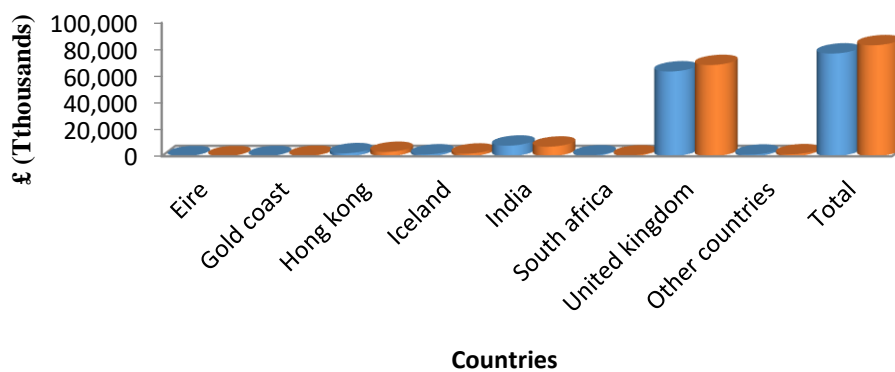
The graph shows that there was significant increase in Import, Export and Total overseas trade between 1955 and 1956. Imports experienced a significant 12% increase compared to 1.6% observed in Export while the Total overseas trade increased by 6.91%. Balance of trade of the country through this chart between 1955 and 1956 was unfavourable due to increase in the country's imports that were above exports. This unfavourable balance of trade in the face of local production against imports was not unconnected with the dominance of foreign capital that dictated the pattern of local production which by implication sustained the country's reliance on imports.

**Table 3: Imports (Sterling Areas) in Hundreds and Thousands of Pounds**

|                 | 1955   | 1956   | Decrease/Increase | %<br>Decrease/Increase |
|-----------------|--------|--------|-------------------|------------------------|
| Eire            | 68     | 97     | 29                | 42.64706               |
| Gold coast      | 117    | 328    | 211               | 180.3419               |
| Hong kong       | 2,225  | 3,226  | 1,001             | 44.98876               |
| Iceland         | 1,340  | 1,939  | 599               | 44.70149               |
| India           | 7,907  | 7,167  | -740              | -9.3588                |
| South Africa    | 616    | 614    | -2                | -0.32468               |
| United Kingdom  | 63,530 | 68,342 | 4,812             | 7.574374               |
| Other countries | 1,175  | 1,448  | 273               | 23.23404               |
| Total           | 76,978 | 83,161 | 6,183             | 8.032165               |

Source: NAE, AR/FG/A317 Annual Report of the Federal Department of Commerce and Industries for the Year 1956-1957

### Imports (Sterling Areas) 1955 – 1956



**Fig 3: Source: Bar chart drawn by the author showing the comparison of 1955 – 1956 Import and Exports, from commonwealth countries to Nigeria**

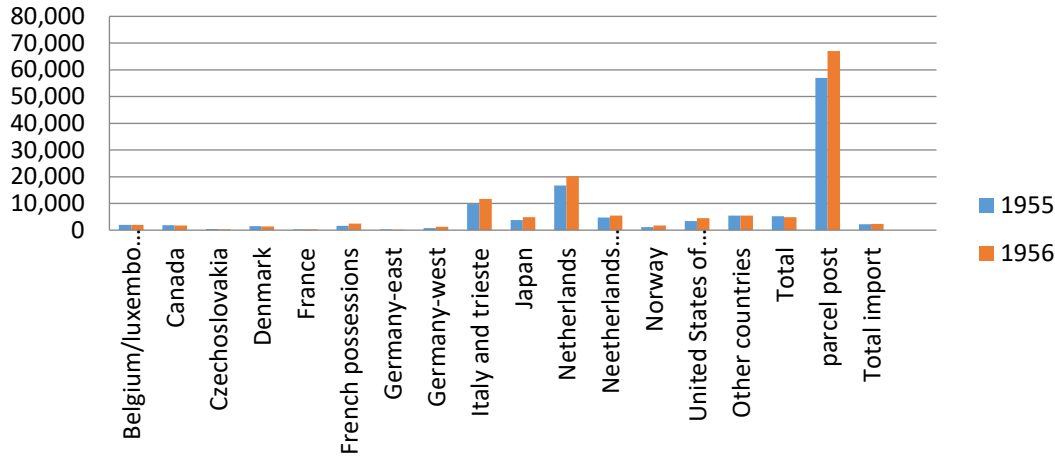
The above table and bar chart reveal the pattern of the country's imports from the Sterling area. The pattern shows that bulk of the country's imports came from the developed countries of the Sterling zone. This reveals the level of the country's dependence on essential goods from these countries despite import restrictions. Low level of importation from the underdeveloped economies like Eire, Gold Coast, South Africa and other countries depicts the level of restrictions against imports from other countries. The chart shows the country's capacity to produce goods, especially consumable goods that these less developed countries of the Sterling Area produced during this period. By implication, foreign capitals used in boosting domestic production against imports dictated the pattern of such production that made Nigeria to import goods from the advanced economies of the Sterling Area.

**Table 4: Imports (Non-Sterling Countries in Hundreds and Thousands of Pound**

|                          | 1955    | 1956    | Decrease/Increase | %<br>Decrease/Increase |
|--------------------------|---------|---------|-------------------|------------------------|
| Belgium/Luxembourg       | 1,885   | 1,753   | 1                 | 0.051151               |
| Canada                   | 390     | 342     | -132              | -7.00265               |
| Czechoslovakia           | 1,526   | 1828    | -48               | -12.3077               |
| Denmark                  | 287     | 355     | -203              | -13.3028               |
| France                   | 1,627   | 2,427   | 68                | 23.69338               |
| French possessions       | 275     | 204     | 800               | 49.17025               |
| Germany-East             | 745     | 1,272   | -71               | -25.8182               |
| Germany-West             | 9,726   | 11,732  | 527               | 70.73826               |
| Italy and Trieste        | 3,816   | 4,845   | 2,006             | 20.62513               |
| Japan                    | 16,653  | 20,220  | 1,029             | 26.96541               |
| Netherlands              | 4,703   | 5,549   | 3,567             | 21.41956               |
| Netherlands possessions  | 1,103   | 1,792   | 756               | 16.07485               |
| Norway                   | 3,467   | 4,518   | 689               | 62.466                 |
| United States of America | 5,481   | 5,390   | 1,051             | 30.31439               |
| Other countries          | 5,247   | 4,833   | -91               | -1.66028               |
| Total                    | 56,931  | 67,060  | -414              | -7.89022               |
| Parcel post              | 2,208   | 2,356   | 10,129            | 17.79171               |
| Total import             | 136,117 | 152,577 | 148               | 6.702899               |

**Source: AR/FG/A317 Annual Report of the Federal Department of Commerce and Industries for the Year 1956-1957**

### Imports (Non-Sterling Countries)



**Fig 4: Imports (Non-Sterling Countries in Hundreds and Thousands of Pound**

**Source: Bar Chart as drawn by the author through table 4 and Fig: 4**

Table 4 and the Fig 4 reveal similar pattern in terms of the country’s low imports from less developed countries of non-Sterling Area while importation from the developed countries of the area was higher. Since the tables and bar charts of the Sterling and Non-Sterling Area reveal that Nigeria’s import value from Non-Sterling was higher than Sterling, it therefore follows that the country depended on essential imports from non-Sterling either for consumption or as essential materials for domestic production against imports. It is plausible to state that the country was able to maintain its restriction against countries of non-Sterling, especially less developed ones. Lack of Nigeria’s capacity to restrict imports from the economically advanced countries of both areas reveals the comprehensive protection of metropolitan economies, Sterling and non-Sterling by foreign capital used to boost domestic production in Nigeria against imports.

It is important to state that concession on imports to industries located outside federal territory was determined largely by the views of regional governments on the prospects of the industry to the overall economic development of their regions. The regions thereafter sought the approval of Governor General in Council who in turn directed the Comptroller of Customs and Excise and other relevant government agencies before such concessions on imported materials were granted (NAE/BX/47).The power of directive by the Governor-General in Council emanated from the Legislation of the House of Representatives that empowered him to weld such powers with the capacity to extend the period of concession on import duties of materials destined for production for a period of years (NAI/PR/C9). Though this concession was designed to restrict imports, both the federal and regional governments realized the importance of both local and overseas capital in the expansion of industries in federal and regional territories as this was contained in a joint statement issued in September 1956 (NAI, PR/C8).

The realization of the importance of overseas capital by both the federal and regional governments did not prevent the governments from regulating the influx of immigrant firms who had the intention of engaging in the distributive trade rather than using their capital for the

purchase of machinery for domestic production against imports. (NAK, CEI1/1). This distributive objective in the estimation of the governments appeared as antithesis of economic progress of the country. The ubiquitous presence of foreign capital in the country's economy necessitated the pressure on the federal government to be flexible on the granting of import licences of goods that were in high demand in the Nigerian economy to Nigerian importers as this reduced the commercial advantage of the foreign investors over indigenous importers (National Archives Kaduna, CEI1/1).

While both governments were clamouring for the expansion of industries through the initiative of local and foreign capital, they equally clamoured for the regulation of expatriate services in industries established as this enhanced the employment and advancement of Africans, especially Nigerians in such industries. (NAI, PR/C8). This regulation, however, did not obliterate completely the importation of managerial and technological skills (NAK, CEI1/1) that assisted in the expansion of domestic production. It is important to state that the readiness of the colonial government to allow foreign expatriate in the area of managerial and technological skills came under scrutiny. Consequently, the restrictive measure aimed at regulating imports through the expansion of local industries was further given a boost through the enactment of the Industrial Development Import Duties Relief Ordinance of March 1957 but effectively became a law in June of that year after it was passed into law by the Federal House of Representatives (NAI, PR/C8). According to the Ordinance:

Where an article is manufactured in Nigeria wholly or partly with imported materials, and the same articles are being imported into Nigeria as finished articles, if it is shown to the satisfaction of Minister that the amount of import duty paid on the materials used in the manufacture is a greater proportion of the landed value of such materials in Nigeria than the proportion borne by the amount of import duty payable on one of the finished articles being imported into Nigeria to the landed cost of such finished article, a repayment in accordance with section 3 of the Ordinance may be made equal to the excess of such import duty paid over that which would be paid were import duty levied on such materials in the proportion at which it is payable on such finished article. (NAI, PR/C8).

From the above, the ordinance authorized the repayment of duties paid on imported raw, semi-processed or processed materials, including components used in the manufacturing of goods in Nigeria to investors who were able to demonstrate that imported materials or components attracted duty at a rate higher than imported finished article manufactured from such materials or components (NAI, PR/C8). In order to accelerate the importation of raw materials for local production and reduction on imports, the federal government through the Federal Loans Board, a body that transmuted from Colony Development Board to Federal Loan Board in 1956 granted over 80,000 pounds to over hundred investors who were mostly Nigerians by 1958 (NAI, PR/C8). Some of these beneficiaries who invested in the establishment of industries were further encouraged by the Income Tax Relief Act of 1958 that stated:

The tax relief period of a pioneer company shall commence on the date of the production day of such company and, subject to anything prescribed. The tax holiday shall continue for two years and thereafter for such further period or periods as may be authorized under the subsequent provisions. Where the tax relief period of a pioneer company has been extended by one year and the

Commissioner certifies that the pioneer company has incurred, by the end of that one-year, qualifying capital expenditure of not less than £50,000, or of not less than £100,000, its tax relief period shall *ipso facto* be further extended by one year from the end of those two years. (National Archives Enugu, PR/X16).

The Ordinance further provided a tax holiday of up to five years to companies whose capital expenditure from their production date stood at five thousand pounds with reasonable percentage of net profits after tax being reinvested in the same or other enterprise in Nigeria (NAI, PR/C13). This reinvestment directive as shaped by government policy was equally enhanced by special consideration that was given to companies that made maximum use of Nigerian materials and resources (NAI, PR/C13) on the eve of the country's independence. This special consideration appeared unfulfilling to some importers, especially African importers who expressed their displeasure on high rate of import duties and wharf charges by the Ports Authority as this was perceived as a form of punitive measure against African importers (NAK, CEI1/1). This perception was however repudiated by the Federal Department of Customs and Excise Duties (NAK, CEI1/1).

It is reasonable to argue that effective control over imports on the eve of the country's independence was comprehensive. This comprehensive control was not unconnected to the 1954 constitution which made industrial development against imports a concurrent subject between the federal and regional governments. By implication, incentives such as Industrial Development Import Duties Relief Ordinance and Income Tax Relief Ordinance promulgated by the federal government provided an appropriate platform for the regions to determine their own incentives that attracted both local and foreign investors. This attraction was necessitated by the need to explore the Nigerian market by the indigenous and foreign investors who were hitherto importers but whose importing business was thwarted by the restrictive policy of the Nigerian government.

These restrictions on imports which heralded new strategies of commercial enterprise have been described by Lawal (1994) as the origin of organized pressure mounted by the conservative elements in the British Parliament on the colonial government to facilitate the collaboration of expatriate investors and Nigerians politicians who held the economic destiny of Nigeria on the eve of its independence (p.14). The underpinning dilemma which precipitated this scenario could be viewed from the realities of an end to colonial rule. Local production dominated by foreign investors despite the restrictive measures introduced positioned these foreign investors to mop up capital than indigenous investors of the country's economy while importation of essential goods needed for the production was dominated by foreign importers. (Interview granted by Edwin Osigwe, an importer. Age, 64 on the 15th of June, 2017 at Dugbe Market, Ibadan. The interviewee shared his experience concerning import control as an apprentice in the importing trade in the late 1950s).

Sensing the capacity of local production against imports that had the capacity of dwindling British economic interests in Nigeria, the British rode on the back of Commonwealth solidarity by prevailing on member states at the Commonwealth Trade and Economic Conference of 1958 that excessive adoption of policies of protectionism either tariff or non-tariff measures among member states could jeopardize the objective of the Commonwealth (NAK, *Commonwealth Trade and Economic Conference of 1958*). In reality, the potency of the comprehensive nature of import control under regionalism in colonial Nigeria was whittled down by capital needed

for the erection of self-sustaining economy like that of Nigeria as a colonized entity as chunks of this capital emanated from foreign business interests in the country up to the country's independence in 1960. Apart from this, machineries needed for the expansion of industries with the aim of curtailing importation were imported from the metropolitan capitals with lack of capacity to produce them. This reveals the stifling of economic progress of colonized territories by the imperial powers in Africa.

### Conclusion

It is apposite to state that the powers granted to the regions in terms of establishment of industries vis-à-vis the right to negotiate with investors created regional rivalry and unnecessary duplication of industries among the region as this political action of the regions affected the overall strategy of the country's economic development (Usoro 1977, p.67) through local production against imports. This lack of coordination among the regions according to Osita Obasi, who was under apprenticeship in late 1950s affected the potency of import control in the face of regionalism that carried with greater autonomy. (Interview granted by Osita Obasi, an importer. Age, 74 3rd of May, 2017 at Oguta Imo State, Nigeria).

This in a way sustained the influx of foreign capital and services that further put indigenous importers and investors in a disadvantage position up to the country's independence in 1960. (Interview granted by Osita Obasi, an importer. Age, 74 3rd of May, 2017 at Oguta Imo State, Nigeria). This unpleasant commercial scenario further stifled the capacity of indigenous importers to compete with foreign importing firms in terms of influence within the colonial bureaucracy as well as the clearance of imported goods. (Interview granted by Christopher Ekwu, an importer. Age. 65, 15th of May, 2017 at Ekwere, Port Harcourt, Rivers State, Nigeria.). Despite these shortcomings inherent in country's import control policies, the control on imports from 1954 up Nigeria's independence in 1960 bestowed on the regions an appreciable amount of autonomy in terms of political and economic decisions that served as tools of decolonization as initiated by the colonial government at the centre.

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