NIGERIA

Determinants of Projected Level of Demand, Supply, and Imports of Farm Products in 1965 and 1975

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SUMMARY

1. The General Situation

Nigeria is a parliamentary federation within the British Commonwealth of independent nations. The population is estimated to be currently (1962) approaching the 40 million level, making the country the single most populous country on the whole continent of Africa, with roughly 15 per cent of the African continental aggregate. The area of Nigeria is equivalent to Texas and New Mexico put together, so that population density is now some 100 persons to the square mile. This is a high figure by African standards, but not one that gives cause for any immediate general anxiety. Cultivable land, of variable fertility, remains more than sufficient, taking the country as a whole, to maintain the present population at its present level of consumption. There is scope for improvement in agricultural productivity and need for a better diet throughout most of the country. The main dietary deficiency relates to meat protein, especially in the Western and Eastern Regions. Much of the Northern Region is tsetse-free, and the meat supply could be expanded if the distributive costs could be reduced to bring the product within the limited purchasing power of areas particularly short of proteins.

2. Gross Domestic Product per Head

Nigeria's product, largely agricultural, has been rising during the 1950's. G.D.P. estimated at 1957 price - levels rose from £ 1,950 millions in 1950 to £ 2,500 millions in 1955, then levelled off for two years before resuming a gradual upward movement. By 1960 the probability is that G.D.P. (at 1957 prices) had passed the £3,000 million mark, providing an average income per Nigerian of between £75 and £80 apiece, compared with £55 ten years earlier.

3. Nigeria's External Economic Relations

The balance of payments between Nigeria and the rest of the free world (Nigeria does not trade with the Soviet bloc) remained favourable from 1945 to 1954. Since 1955, however, annual deficits averaging £60 millions have eaten deeply into the country's stock of overseas assets. These deficits have been financed partially by private capital flows into Nigeria but increasingly the need has arisen for public loans and even outright aid from international agencies and from countries whose individual ability to provide funds is widely recognised. Had it not been for the reversal in the "terms of trade" between Nigeria's export crops - oilseeds, cocoa, cotton, rubber and timber are the major commodities sold abroad - and the imports of manufactured goods after 1954, it is conceivable that Nigeria could finance capital programmes at the presently scheduled rates over the next five years without external assistance. The country's willingness to import not only manufactures but/

but foodstuffs, notably wheat, depends on income, local substitutes, prices and taste. The country's capacity to import consumer goods that are not absolutely essential to the growth of Nigeria's economy depends on the foreign exchange earned by exports or made available on capital account, or both together. At present, there are distinct signs that the Nigerian authorities are finding their programme of capital expenditure difficult to implement without having to cut back consumer spending on certain categories of imports, including foodstuffs.

4. Imports of Foodstuffs etc. into Nigeria

Total imports of foodstuffs, drink and tobacco items, valued at $90 millions in 1960, accounted for 15 per cent of the nation's imports of goods that year. This percentage has not altered very noticeably since 1954. Agricultural products in the importation of which the United States of America has a substantial share are WHEAT FLOUR and unmanufactured TOBACCO. Shipments of Wheat Flour from the U.S.A. to Nigeria have risen very considerably during the past decade, and have been 45,000 to 50,000 metric tons during the last two years. Imports of unmanufactured tobacco from the U. S .A. have been at the rate of 1,000 metric tons, but there has not been a tendency for imports of American leaf tobacco to rise, since Nigerian production has been expanding very rapidly.

5. Wheat Imports into Nigeria 1965 and 1975

Prospects for Wheat and/or Wheat Flour imports are favourable, provided the Nigerian Government is not compelled by balance of payments difficulties to place further restrictions e.g. import duties on supplies entering the country. By 1965 demand may reach levels 25 - 35 per cent in excess of the average 1957 - 60 rate. By 1975, present trends suggest a doubling of the 1960 level of imports. The United States' share of Wheat Flour imports has been consistently around four-fifths to 90 per cent.

6. Gross Domestic Product in 1965 and 1975

Based on a slowly expanding farm output, which should remain capable of affording at least minimal subsistence diet for many years to come, and a small but rapidly growing non-agricultural sector, Nigerian Gross Domestic Product can be expected to advance, but not by spectacular amounts. By 1965 the figure is likely to be $3,500 millions (at 1957 prices), affording an average income per Nigerian of $85, and by 1975 the tentative estimate is $4,500 - $5,000 millions, which would provide an average income, again valued in 1957 prices, of between $90 - $95 per head. It must be emphasised, however, that these estimates depend on a continuation of presently identifiable tendencies, and are inevitably subject to an error margin of ± 20 per cent.

Conversion Table of Weights and Measures/

Conversion Table of Weights and Measures

£1 Nigerian	=	£1 Sterling	=	$2.80 U.S.
240 pence	=	20 Shillings	=	£1 Nigerian.
2240 lbs.	=	1 Long Ton	=	1.0160 Metric tons.
1 Imperial Gallon	=	1.201 United States Gallon.		

NIGERIA : DETERMINANTS OF PROJECTED LEVEL OF DEMAND, SUPPLY AND IMPORTS OF FARM PRODUCTS IN 1965 and 1975

I N T R O D U C T I O N

The task is to attempt to estimate within certain limits how the demand for and supply of agricultural products may be expected to develop in Nigeria by 1965 and 1975. Let it be clearly stated from the outset that there is no scientifically respectable procedure for reaching a set of definitive, quantitative, answers to the question "What will the average Nigerian be consuming in the way of food, drink, tobacco, clothing, etc. in five or fifteen years 'time'? It is not our understanding of the task that we should do more than try to set rational boundaries within which the answer to such a question will probably be found to lie.

The approach we have adopted is a twofold one. First of all, to maintain a correct sense of economic proportion, we discuss the aggregative relationships that have obtained during recent years in Nigeria, the national product, capital and current spending, the shares of agriculture, industry and the service sectors in the total product. We proceed to consider the major determinants of Nigeria's aggregate production, consumption and investment, and then, in Chapter II extend this analysis to cover Nigeria's economic position vis-a-vis the rest of the world. Nigeria can subsist but cannot grow without imports; these are gained in exchange largely for exports to Europe and the U.S.A. of primary produce. Nigeria's capacity and willingness to import in 1965 or 1976 may be quite simply a function of European and American willingness - the capacity undoubtedly exists - to purchase from Nigeria. This over-all view of the way the Nigerian economy is moving and is influenced from inside and outside its own boundaries is one limb of our analysis. The other is to start from the particular, the details, the sample, and try to deduce something from the micro-economic or partial relationships which consumer expenditure surveys reveal. Chapter III sets forth the available material upon which a set of partial demand relationships can be based, while Chapter IV delves rather more deeply into the distribution of particular commodities. We leave until Chapter VI the difficult problems of reconciling the tendencies observed as a time-series from the aggregative relationships on the one hand and the functional connexions between household income and expenditures obtained from cross-section material. In Chapter V, we turn from a consideration of the demand side of Nigeria's economic equation back to the supply side to discover what tendencies there may be for agricultural output to meet the changing demands that may be laid upon it. This treatment, involving a look at the balance between domestically produced and imported agricultural products, brings us full-circle in our analysis back to the general problems of internal and external interdependence with which our Report begins.

CHAPTER I

THE NIGERIAN ECONOMY

I.1. We begin this study of the determinants of future demand for imported agricultural products by considering the macro-economic relationships to be discerned in Nigeria's federal economy. Without at least a preliminary general survey of production, consumption by the private and the public sectors, and capital formation, we shall lack that picture of the economic bounds within which our more detailed task must find its due perspective. National income estimation has not yet become a routine task in Nigeria. It is, therefore, necessary for us to start by reviewing such information as does exist on this vital subject. From a short discussion of basic concepts we proceed to examine, in turn, the output of the economy in broad aggregates over the period 1950-60; the public expenditure programmes, the consumer expenditures and the estimates of investment in fixed assets. The growth, or expansion of the economy can to some extent be deduced from information about these major economic variables, but before we can assert anything about real income changes we have to consider briefly movements in prices and changes in population over the decade in review.

I.2. It will thus be convenient to sub-divide our treatment into the following sections.

A. The concept of 'production' in Nigeria.
B. Estimates of Nigeria's Product, 1950-60.
C. Estimates of Nigeria's Expenditure, 1950-60.
D. Movements in Prices.
E. Population.
F. Changes in Real Output per Head, 1950-60.

A. The Concept of 'Production' in Nigeria

I.3. We may distinguish two important, sometimes conflicting strands of thought about the problem of defining what we want to measure as 'economic activity' or 'production'. One viewpoint has it as a fundamental that the basic concept to be employed shall render comparison between nations as feasible as can be.[1] The other school of thought attaches more importance to making the definition of 'production' fit the social, cultural, political, even religious circumstances of any individual country.[2]

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1. See United Nations Organisation "National Income Estimates, 1950".

2. Cf. S.H. Frankel. "Concepts of Income and Welfare in Advanced and Under-developed Societies". Income and Wealth Series III.

According to the exponents of the "tot gentes quot reguli" attitude, it is only possible to offer a limited answer to the question 'Is a particular country materially better-off now than it was say ten or twenty years ago?' Moreover, it is out of the question, if we follow this line of argument, to make international comparisons at all, since every estimate of a nation's output is, almost literally, a law unto itself and therefore unique.

I.4. While we have sympathy with the idea that economic change is not wholly amenable to measurement in simple quantitative units, we are on the whole convinced of the practical necessity of providing a methodical basis, if not a logical justification, for comparability. Without a consistent and comprehensive definition of product what appears to be an increase in economic activity as time passes is liable to remain the subject of argue-:ment instead of the focus of agreement between advocates of different economic policies. Although there is still no way of giving a satisfac-:tory or unambiguous answer to the question 'Have living standards really risen' in a country, yet conventions have accumulated and been consolid-:ated with usage to the stage at which it is certainly feasible to define 'production' for the purpose of measuring changes in its magnitude with the passage of time. The national output, conventionally defined so as to be identical with the national income, is nowadays taken to be the annual flow of goods and services produced for exchange, or for a con-:sideration.

I.5. In a sophisticated, or economically specialised society, where virtually the whole of production is exchanged for sums of money in a 'market', there may seem clear justification for setting the boundaries of 'output' by reference to the criterion provided by current money-flows. If services are rendered in exchange for a money income, then these services contribute to the national product; if not, they do not become part of what we want to measure as 'economic activity'. It may be possible to accept such a simple criterion in countries where farmers retain a minute percentage of their crops for domestic consumption and where barter-transactions on the one hand and 'imputed income receipts' (e.g., house rents 'received by owner-occupants) are the exception. When the economy under investigation is one where both goods and services are frequently produced and rendered 'domestically', that is without being exchanged for an explicit sum of money, it is necessary to re-consider the basis upon which the measurement of annual increments in output shall be agreed to rest. As Prest put it in his discussion of this problem in Nigeria, "Any definition of productive activity runs up against the enormous volume of activities performed inside the family. We are accus-:tomed to neglect most of these in the West. Is it reasonable to do so in Nigeria?"[1] He went on to argue the case in principle for including all productive/

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1. A.R. Prest and I.G. Stewart, "The National Income of Nigeria 1950-51", London: H.M.S.O., 1953. Colonial Research Studies No. 11.

productive activities, whether performed for oneself or for other persons inside or outside the family or household. Only by so doing can anomalous situations be entirely avoided, as for instance when parents become teachers, or tenants buy the houses they have previously rented.

I.6. Ultimately, the choice between definitions of output is an arbitrary decision backed up by whatever seems a persuasive set of reasons to the person making or accepting the decision. Provided that the temptation to invest the chosen method of indicating a change in output with a significance beyond its limitations is resisted, no harm is done. One of the difficulties to be faced in using measures of Nigeria's national product is that two different definitions have been in use during the last decade. In considering these two approaches to the estimation of production in a country of nearly forty million inhabitants, we must emphasise that great caution is necessary both as to the reliance to be placed on the interpretation of the year to year changes they purport to show. An increase in physical product, either of goods or of services may, by definition, imply economic growth, but we are not at liberty to infer from such an increment per se anything about an improvement in well-being or satisfaction or pleasure, until we have satisfied ourselves that the real costs of the change have been less than the real gains accruing to individuals and thereby to the economy.

B. Estimates of Nigeria's Product, 1950-1960

I.7. The first published estimates of Nigeria's annual output related to the fiscal year 1950-51 and became available early in 1953.[1] The latest available estimates relate to the years 1950-1957, and have only recently (1961) been presented to the Nigerian Government.[2] The second of these comprehensive inquiries into the national income come about after an interval of seven years during which no real effort had been made to revise or keep up-to-date the original set of estimates. Strictly speaking, one revised estimate based on the original series was made, at the request of the Mission sent to Nigeria by the International Bank for Reconstruction and Development.[3] This sought to show the nation's gross domestic product in 1952/53, but as agricultural data remained in much the same limbo of unreliability between the Agricultural Census for 1950-51 and/

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1. Prest and Stewart, "The National Income of Nigeria, 1950-51.

2. E.F. Jackson and P. Okigbo, "National Income of Nigeria, 1950-57", (as yet unpublished).

3. "The Economic Development of Nigeria", Report of a Mission Organised by The International Bank for Reconstruction and Development, Princeton, 1955.

and that for 1956-58, it is doubtful if the figures for 1952/53 can be regarded as more than a supplement to the 1950-51 estimates. The same can be said of the figures published for 1956/57 in the Nigerian Government's Economic Survey of Nigeria, 1959. Although this Survey contains much information of undoubted value, there are unhappily several ambiguities and unresolved difficulties attaching to the national output estimates that render them too uncertain for our purposes in this study.[1] The assertion by the Survey that the Nigerian National Income at constant (1950/51) prices increased at a rate of "not less than 4 per cent a year" during the interval 1950 to 1957 must be considered optimistic.

I.8. With those considerations in mind, it was important, even imperative, that the members of the second team appointed in 1958 to compile proper estimates of Nigeria's annual product should extend the coverage of their estimates back from 1957-58, their 'base-year' to link up with the earlier study in 1950-51. Whatever one's views on the methods adopted and the basic concept of product employed in this latter investigation, there can be no gainsaying the need to have a consistently defined series of annual estimates for a developing nation extending over as long a period of years as is practicable. That a series of annual estimates now exists, running from 1950 to 1957, is invaluable. Moreover, it is vital for the efficient conduct of Nigeria's economic policy, both federally and regionally, that information of this kind should in future be obtained, and published, at less infrequent intervals and on a more systematic foundation than has hitherto been the practice.

I.9. We shall be using the series of estimates complied by Messrs. Jackson and Okigbo. Nevertheless, it may first be useful to draw attention to one or two of the main differences between their approach to the problem of defining and valuing Nigeria's annual flow of goods and services and the earlier attempt to deal with the same questions. There is, as we have already mentioned, some latitude or choice open to economists and statisticians confronted with the difficult task of evaluating the production of goods and, more especially services which are not directly exchanged for a money sum but consumed at or near the place of production. One consequence of admitting two differing definitions can be, and in the case of Nigeria, is virtually sure to be an apparently differing rate of annual economic expansion of growth, depending on which alternative method is adopted. It may make for easier comprehension of this discussion if we assert straightaway that one important result of adopting the Prest/Stewart definition of product in Nigeria will be to enlarge the original or/

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1. Cf. Survey Chapter 3, Paragraph 2. in which the authors claim to know, without presenting documentary evidence, that the population of Nigeria rose by 11 per cent between 1950/51 and 1956/57 and that "when this is allowed for, the increase in the National Income over the six years was not less than £300 millions".

or 'base-year' estimate of what the country's national income is but to slow down the apparent rate of annual increase in subsequent years. The converse applies if the method adopted by Jackson and Okigbo is applied over the same period. How then does this come about?

I.10. The main reason, quite simply, is that Prest and Stewart considered that a case had to be made for excluding subsistence output and intra-family services from their idea of 'economic activity in Nigeria', whereas Jackson and Okigbo have elected to omit several quite important 'activities' from their definition. For example, Prest and Stewart included a value for the collecting of firewood (£20 millions for 1950/51) and for the household services of preparing and cooking foodstuffs grown 'on the compound', so to speak. These items seemed to the two later investigators to be in the nature of "free goods and services" in that no costs were incurred in their production. It is, of course, always difficult to harmonise a "cost of production" approach with an "economic welfare" approach since consumers may be deemed to gain some satisfaction, for which they might well be prepared to pay, from eating just enough to keep them fit and healthy and from warming themselves or cooking with the aid of firewood for which no price has in fact been paid. Prest and Stewart used the 'welfare' argument, which widens the concept of product, Jackson and Okigbo have tried to limit themselves to activities for which an opportunity-cost could, in theory at least, be applied.

I.11. An important consequence of taking a wide, rather than a narrow view of economic activity in this way is that the substitution of a monetary transaction for what had hitherto been an 'imputed' transaction is not regarded as an addition to total output. This point has considerable applicability in a country whose monetary economy may be expanding rapidly but whose material wellbeing is changing more gradually. An illustration may be taken from the tendency evident in Nigeria and for that matter in most countries for "factory-type production", to replace household or "domestic-type production". Let us suppose that in 1950/51 a given household grows, harvests, prepares and cooks all its own food requirements, but that no member of the household pays or is paid in monetary terms for these activities. On Prest and Stewart's definition, these activities are included in Nigeria's national product, whereas according to Jackson and Okigbo only the cost of growing and harvesting the food is to be regarded as part of the nation's output. Five years elapse, during which a factory buys some of this self-same household's crops to convert them with the aid of labour drawn from households such as the one we envisage. The total harvest remains as before, unchanged in volume, the household eats the same quantity of food as before, but instead of carrying out all the stages of obtaining that food within its own confines, it now sells some of its output of crops to be processed and instead of having the women pound the corn, they now work for a money-wage in the mill from which eventually the household buys back some of its food. So long as the 'quantities' remain unchanged in the two situations, the situation/

situation in 1950 and the situation in 1955, it might seem good common sense to conclude that no improvement in material standards had taken place. All that has occurred is that 'domestic work' has been trans-:planted into 'factory-work'. Provided that no economy brought about by this organisation of labour has in fact taken place, there would certainly be a very tenuous basis for asserting that people in our chosen household had become better-off. Yet this is one consequence of adopting a narrow definition of product in the way Jackson and Okigbo have done. The effect is to call an increase in output what is only a re-organisation of the way people produce the same amount of the goods and services they desire to consume.

I.12. Another interesting result that follows from a decision to restrict the definition of output in the household or subsistence sector by exclud-:ing certain kinds of useful activity is this. When we want to construct an indicator, or index number, of annual change in production, we require to assign 'weights' to the different component industries, - agriculture, transport, distribution, manufacturing and so on - in order to obtain a tolerably sensible measure of real economic progress. If the definition of agricultural output, which is by far the largest component in Nigeria's national output at the present time, is narrowed down by omitting certain kinds of activity connected with the farming 'way of life' then the weight to be assigned to agriculture in any index of production is reduced. If at the same time, there is a nation-wide acceptance of the desirability of industrialising parts of the economy, then a too optimistic picture may be given by an index of production in which manufacturing industry is "over-weighted" relative to agriculture. This tends to be so, since industrial productivity can be measured more readily than can the productivity of services, and because industry, once established tends to expand more rapidly than do older-established forms of economic activity such as peasant methods of cultivating the land. Hence Jackson and Okigbo exagger-:ate the relative importance of industry by understating the present coverage of agriculture.

I.13. We may now turn to look at the quantitative estimates themselves. Table I.1 below reveals that in respect of 1950 Prest and Stewart put the Gross Domestic Product of Nigeria equal to £596.7 millions, whereas Jackson and Okigbo have apparently considered £525.7 millions to be nearer the mark, retrospectively. It is neither practicable, nor in our view fruitful to attempt to construct a completely new ser of estimates using the Prest/ Stewart definition of 'product' to set alongside those now calculated by Jackson and Okigbo. We have said enough already to indicate the order of difference to be expected, and any attempt to spell this out would be otiose. Although we believe that the definition adopted in the 1950/51 study is better suited to describe the nature of economic life in Nigeria now and in the future, there is more to be gained by accepting the figures as they now stand, whilst remembering the basis on which they are built.

TABLE I.1/

TABLE I.1

NIGERIA : GROSS DOMESTIC PRODUCT 1950, ALTERNATIVE ESTIMATES

(£ millions)

Net Output	A. Prest and Stewart's Estimates	B. Jackson & Okigbo's Estimates
1. Agriculture, Forests and Fisheries.	407.6	337.4
2. Transport and Distribution.	88.0	78.4
3. Minerals.	7.8	5.5
4. Manufacturing and public utilities.	2.4	5.2
5. Building and Civil Engineering.	41.6	8.1 (a)
6. Crafts.	8.6	15.8
7. Banking, Insurance and Professions.	0.9	0.7
8. Missions.	2.2	3.4
9. Domestic Service.	2.9	2.6
10. Miscellaneous Services.	6.4 (c)	0.7
11. Government.	19.2	10.8
12. Marketing Boards.	-	35.5 (b)
13. Ownership of Buildings.	5.1	5.9
14. Land Development.	-	3.5
15. Intra-household services.	4.0 (c)	-
16. Indirect taxes Less Subsidies.	-	12.2
GROSS DOMESTIC PRODUCT at Market Prices	596.7	525.7

Notes: (a) This figure is too low, as it stands, on any basis. The method used did in fact omit any estimate of construction using 'traditional' African materials.

(b)/

(b) When this item is combined with either Agriculture or Distribution the combined result looks almost the same as that obtained by Prest and Stewart, £mn 489.3 as cf. £mn496.1.

(c) Jackson and Okigbo's concept of 'product omits several categories of 'services' that were included in the other method.

I.14. There is no advantage to be gained in dwelling upon the statistical difficulties that render any estimates of Nigeria's product subject to wide margins of error. What is more germane to our problem is now to look briefly at the series of annual estimates, taking Jackson and Okigbo's figures, running from 1950 to 1957. Anyone who visited Nigeria at the beginning and then at the end of that septennial period - and one of us did have the good fortune to have this experience - would have been struck by the increased tempo of urban development, of road, rail and other forms of transport activity, and of public services generally. He might, however, have found it more difficult to feel so certain that rural areas were res-:ponding so vigorously to the fashion for greater visible activity. Wells had been being sunk in remote districts to begin slowly the improvement of water supply; some districts and villages got their produce and bought their merchandise more quickly by means of a new or better-surfaced road to the nearest town or railhead; but without some detailed inquiry into the condition of Nigeria's mainstay, - the millions of five to ten acre peasant farm holdings - a visitor would have to confess himself unsure if the country was really expanding its economy or undergoing the beginning of a shift from rural to urban employment without necessarily any real gain in consumable output per head.

I.15. Table I.2 and Chart 1. provide such data as can be made available on this question of 'economic growth' during the 1950's in Nigeria. Appar-:ently, total national product rose quite rapidly from 1950 to 1954, but thereafter a 'change of gear' becomes evident and the next three years seem to have brought only the same rate of advance as did one year during the earlier four years. A discussion of the main reasons for this slowing down must await the introduction in Chapter II of our treatment of Nigeria's trading relations with the rest of the world.

TABLE I.2./

TABLE I.2

GROWTH OF PRODUCT 1950-1957

INDEX NUMBERS SHOWING GROSS DOMESTIC PRODUCT 1950-57
(a) at current prices, (b) at 1957 market prices, and
(c) at 1957 factor cost.

(1950 = 100)

	1950	1951	1952	1953	1954	1955	1956	1957
(a) Gross Domestic Product at current market prices.	100	112	120	130	151	161	171	179
(b) Gross Domestic Product at 1957 market prices.	100	108	115	118	127	131	129	134
(c) Gross Domestic Product at 1957 factor cost.	100	108	115	118	127	130	127	132

(SEE CHART 1, page 119)

I.16. Any long-term forecast of the magnitude of future increments in domestic product clearly has to recognise that a marked change of 'slope' did occur during the currency of this time-series. Treatment of this problem must await until Chapter VI, where we shall try to bring together both the macro-economic relationships outlined in the first two chapters and the partial relationships to be considered in Chapters III and IV.

I.17. Before we can offer any reasoned statement about Nigeria's capacity and willingness to expand the future consumption of certain imported and home-produced agricultural commodities, we need to look into the com-:ponents of national expenditure, both capital and current, public and private. It may sound strange not to examine first the income side of the nation's annual accounts, but the conceptual and practical obstacles in the way of dividing private incomes into the usual categories remain insurmountable. There is no sense, therefore, in elaborating upon a sub-:ject that defies definition.

I.18. It is fashionable, though not necessarily valid, to regard as oper-:ationally useful even in underdeveloped areas the concept of the 'capital-output' ratio. Be this as it may, there are good grounds for looking first at capital spending in Nigeria, and thereafter at current spending. One of these reasons is that a nation, particularly a newly independent nation, will aim to raise the rate of investment, notably by adopting an impressive programme of public works. In the next section, therefore, we focus attention on certain key questions that arise concerning the ratio between capital/

capital creation, output and the level of demand for goods and services that may continue to be required from overseas in order to fulfil capital programmes and current wants inside Nigeria.

C. Estimates of Nigeria's Expenditure, 1950-1960.

I.19. Gross fixed capital formation in Nigeria is thought to have risen from between £mn 30-40 in 1950 to around £mn 120 by 1958. The rate of capital expenditure proposed for the Federal and Regional Development Programme during 1962-67 is approximately £mn 100 per annum. During the 1950's, therefore, there has been a more than proportional increase in the ratio of investment to domestic product, both estimated gross of depreciation. In 1950, this ratio stood at roughly 6 per cent. By 1957-58 it had risen to between 12 and 15 per cent, and there is no reason to think it is any lower than 12 per cent at the present time. How much these figures need to be written down to allow for depreciation in order to arrive at estimates of net annual additions to fixed assets is largely guesswork under present conditions in Nigeria. So far as physical wear and tear is concerned, a strong case can be made out for rating depreciation of this kind much higher than in temperate countries. Moreover, it may be true to some extent to claim that machinery and moving parts have a shorter working life than in economies enjoying better standards and opportunities for technical maintenance. Against this, however, must be set the opposing tendency for the rate of obsolescence to be low, and for some use to be extracted from assets possessing what might loosely be called a "second-hand" appearance. It may not be unreasenable to guess that capital consumption may amount to roughly 30 per cent of the gross estimate during the past decade.

I.20. Whatever figure we settle upon to represent the difference between the gross and the net rate of annual investment, two important questions at once suggest themselves. The less important of the two questions that we must ask ourselves is "Can we ascertain any dependable connection for the Nigerian economy between the rate of capital formation and the rate of increase in income?" One of the mainstays in justification of the various public policies of compulsory saving, either directly through high rates of taxation or indirectly via the pricing policies of the Produce Marketing Boards, must be the idea that a high rate of planned investment will induce a rising level of real income.

I.21. The other, and for our purposes more vital question, concerns the relationship between the level of capital expenditure in Nigeria and the level of import demand for equipment needed if capital projects are to be constructed efficiently. The existence of a strong positive association between capital expenditure and imports during a period of less buoyant export receipts will have either, or both of two consequences. Either the country will have increasingly to resort to borrowing from abroad to maintain a given level of imports in excess of the level of exports; or else certain kinds of imports will have to be cut back. We shall find it easier to/

to consider these possibilities after we have set the external economic relations in juxtaposition to Nigeria's internal economy in the next Chapter.

I.22. Reverting to the other question, - the degree of association between increments in capital and increments in the gross domestic product - it would seem probable that much of the investment in the public sector has yielded benefits in a form that do not automatically enter into the measure of increased output. Not only are the real returns from the building of roads, hospitals, harbours, telephone exchanges and offices for civil servants spread over a fairly long time-span; they are also diffused in their impact, providing the environmental or 'external' economies which easily escape inclusion in a statistical 'net' designed to catch physical product rather than immaterial services.

I.23. There seems to be little doubt that, even allowing for a slowly rising depreciation, capital spending has trebled over a period during which the gross domestic product has less than doubled, taking both series at current prices. A price index of capital goods imported into Nigeria would have to show an increase markedly superior to that of any other index of retail prices before separate deflation of the estimates for capital formation and for gross domestic product would bring about an identical movement. So far as we are aware, no such contrary price movement took place, and we may conclude that the real rate of capital investment (net) has been ahead, sometimes far ahead of the annual flow of output given by the gross domestic product figures from 1950 to 1957.

I.24. It may be argued, however, that no under-developed country can reasonably expect to match the two trends, especially when they are indicated in this simple, even crude manner. For one thing, the rise in gross domestic product is calculated upon a much larger absolute base - £mn.520 at least for 1950 - in Nigeria, whereas the rise in capital expenditures begins from a mere annual trickle of £mn.30 to £mn.50 or so. Furthermore, initial capital endowment is small compared with that normally found in more elaborate economic systems, and the process of developing the economy ought in theory to bring about a substitution of capital inputs for some kinds of labour inputs. This may mean in practice periods of even ten or twenty-five years when capital is being built up at rates in excess of the annual flow of goods and services. In other words, at some stages of development, the marginal capital-output ratio may be rising. However, trying to translate conceptual issues of this type into Nigerian national product figures is a hazardous and on the whole rather doubtful exercise; What one tends to find is that the estimates have a high degree of interrelated-ness if only because the statistical data are so imperfect. We can only conclude that some fairly close kind of association is to be expected between future programmes of capital spending and the level of gross domestic product, but placing reliance on any quantitative representation of this relationship is inadvisable.

I.25./

I.25. Like capital expenditures, current spending by public authorities in Nigeria has been rising more rapidly during the 1950's than has current output. This is in part a reflection of the remarkably buoyant condition of tax revenues drawn from commodities whose prices rose very rapidly for the decade immediately following 1945. A more deep-seated cause has been the recognition that if Nigeria, or any other less-developed nation, is to enlarge its economy a great deal of the impetus has to come not only from increased capital spending but also increased current spending by public bodies.

I.26. Indeed, it can be held that raising the level of public capital spending carries with it the tendency for current spending to rise, since what has been constructed in Nigeria very quickly requires large sums to be spent on maintenance. It is not possible to specify with any accuracy what the quantitative relationship between an initial £1 million of public works and the 'induced' set of incremental maintenance costs may be for Nigerian government spending. All that we can say is that 'recurrent' expenditure on public works can only level off, let alone decline, if Nigeria decides or in the very last resort is compelled to reduce sharply the rate of future capital formation. At present, there is little sign that such an outcome is remotely probable. Hence we may take it that an important segment of government's current expenditure - amounting to over ten per cent in 1959-60 - will be committed to maintenance, and impart a strong upward pressure on recurrent expenditures during the coming decade or so.

TABLE I. 3

GROSS FIXED INVESTMENT AND CURRENT PUBLIC SPENDING AS PERCENTAGE OF GROSS DOMESTIC PRODUCT 1950-57

	1950	1951	1952	1953	1954	1955	1956	1957
1. Gross Fixed Capital Formation (£mn.)	30.8	37.8	54.0	58.8	71.2	85.7	101.2	113.0
2. Item 1. as Percentage of G.D.P.	5.8	6.5	8.6	8.6	9.0	10.3	11.5	12.0
3. Public Authorities Current Expenditure on Goods & Services (£mn.)	17.3	19.3	23.9	27.0	28.2	38.8	43.8	47.3
4. Item 3 as Percentage of G.D.P.	3.3	3.3	3.7	4.0	3.6	4.6	4.4	5.0

I.27./

I.27. Private Consumption Expenditure in 1950/51 was put at £516.7 millions by Prest and Stewart, whilst Jackson and Okigbo's retrospective estimate for 1950 was £457 millions and for 1951, £515 millions. By 1957 the latter investigators considered £815.5 millions to be the value of consumers' expenditures, so that in terms of current prices the increase was of the order of 80 per cent. Allowing for changes in retail prices brings this figure down sharply to around 30 per cent, so that in very broad general terms, the degree of association between consumer expenditures and G.D.P. is pretty close.

I.28. If we may assume a continuance of this state of affairs, with marginal propensity to consume constant at or about 0.85, then we may expect a steadily rising general level of consumer expenditure, that is provided incomes go on expanding in the same manner as during the previous decade.

I.29. We have to consider not only changes by 1965 and 1975 in the aggregate level of consumer spending but changes in the composition of consumption, and we turn now to examine estimates of different categories of consumer spending, particularly food, drink and tobacco. Table I.4. indicates the main changes that have occurred in the pattern of Nigerian consumption between 1950 and 1957. Clearly the dominant item throughout is the great bulk of home-produced food - cassava (manioc), yams, guinea-corn, millet, beans, meat and vegetable oils - about whose supply we have something to say later, in Chapter V. What is interesting, however, is the relatively greater rise between 1950 and 1956-57 of imported foods than has been the case for home-produced food or for drink and tobacco, whether made in Nigeria or imported. We should note, however, that while imports of alcoholic beverages have trebled over the seven or eight years given above, Nigerian production of cigarettes has been replacing importable substitutes, so that in current retail prices total imports of cigarettes and manufactured tobacco have actually fallen slightly. We shall be looking into this matter more closely when we come to the analyses of individual commodities in Chapter IV. Another noteworthy feature has been the rapid upsurge in expenditure on travel and, more especially, education, whereas expenditure on housing, included with miscellaneous services has shown a smaller rise than might have been expected.

TABLE I. 4/

TABLE I. 4.

CONSUMERS EXPENDITURE BY MAIN CATEGORIES, AT CURRENT RETAIL MARKET PRICES 1950 - 1957.

(£mn.)

	1950	1951	1952	1953	1954	1955	1956	1957
1. Foodstuffs (a) Home Produced	338.8	357.2	367.8	403.5	473.3	512.1	527.7	541.1
(b) Imported	8.0	11.9	12.2	17.0	19.7	22.0	27.4	27.2
2. Drink and Tobacco (a) Nigerian	10.2	13.2	15.7	16.2	18.4	20.5	22.2	23.1
(b) Imported	6.8	7.2	6.5	7.7	9.0	9.9	9.7	10.5
3. Fuel and Lighting	5.3	6.2	7.1	9.0	10.0	10.7	12.4	11.8
4. Clothing	39.1	59.1	61.6	53.6	58.7	66.7	78.5	77.2
5. Non-Durable Goods	10.6	15.5	18.2	17.4	19.9	26.0	28.4	30.0
6. Durable Goods	7.1	10.4	10.4	12.6	16.2	17.7	21.0	18.9
7. Travel and Education	10.3	12.2	13.5	17.4	20.4	27.5	33.0	40.7
8. Miscellaneous Services	19.9	20.7	21.8	23.6	24.8	26.5	29.3	30.8
9. Net Expenditure abroad	1.0	1.3	1.6	2.3	2.9	3.5	3.3	4.2
TOTAL CONSUMER EXPENDITURE	457.1	514.9	536.5	580.3	673.3	743.1	792.7	815.5

D. Movements in Prices, 1950-1960.

I.30. Before we can arrive at any conclusion, even tentatively, regarding the real rate of advance in the average Nigerian's material well-being during the period reviewed in this chapter, we have two factors to take into consideration. In this portion we look at movement in price levels, in order to remind ourselves that nominal increases, measured in money income terms, do not necessarily spell out substantial improvements in living standards. In Section E. we deal perforce briefly with the question of population changes. In principle, we ought of course to add a third adjusting factor to our reckoning - the extent to which the distribution of money or real income has become more or less equal, or at any rate altered to the relative advantage or disadvantage of identifiable groups of people. In fact, all three of these rectifications of the simple net domestic output series are rendered difficult by inadequacy or paucity of reliable information in Nigeria, and it can be argued that only in the first two cases are there any usable figures, the third being too shaky for practical purposes in this context.

I.31. What can we say, first of all, about the changes that have taken place in the general price level since 1950? One thing will possibly strike the careful reader immediately, and it is that in presenting national output figures at constant (1957) prices in Table I.1. we have already performed all that it is really necessary to do in order to show the quantitative or physical increase in output separately from the currently priced series. This, of course, is perfectly true, but the subject of prices is so fund-:amental to most economic investigations, being the link that couples variation in demand with variation in supply, that we ought to mention certain aspects that are specially relevant to Nigerian circumstances.

I.32. Reliable and comprehensive price series taken at regular intervals - monthly, perhaps - over a number of years can provide extremely useful basic information for the kind of economic analysis that is the concern of this study. If urban food prices show a persistent tendency to go up, after allowing for seasonal variability, we may reasonably expect to find that consumption is tending to outstrip the production of the commodities in question. It appears, for instance that farm prices were increasing rather more rapidly than manufacturing prices during the first four or five years of the last decade. After 1956-57, such evidence as we have points to a slight decline in retail prices for agricultural products, and a sharp set-:back for producers' prices of the exportable crops such as cocoa. It is easy enough to establish the main trend in export-import prices whereby we can indicate shifts in the country's barter terms of trade. It is a much more problematical exercise to form any hypothesis about the balance within Nigeria between supply of and demand for foodstuffs using such scanty price statistics as exist, however.

I.33. Only three or four of the major towns in Nigeria are represented by an index of retail prices stretching back more than four or five years. In Table/

Table I.5. below we reproduce the relevant price indices that have from time to time been calculated for Lagos, Ibadan, Enugu and Kaduna - the Federal and Regional capitals.

TABLE I.5

CONSUMER PRICE INDICES IN URBAN CENTRES
(For Lagos, Ibadan and Enugu 1953 = 100, for Kaduna 1957 = 100)

Period	Lagos		Ibadan		Enugu		Kaduna	
	All Items	Food etc.	All Items	Food etc.	All Items	Food etc.	All Items	Food etc.
1955	109	116	108	113	105	105	N.A.	N.A.
1956	119	127	114	125	112	112	N.A.	N.A.
1957	120	128	117	126	112	115	100	100
1958	120	125	110	112	115	113	103	105
1959	125	130	112	114	119	116	109	108
1960	132	136	117	120	120	116	110	105

Source: Federation of Nigeria Digest of Statistics.

It can be seen that prices apparently rose most, for all consumer goods and for foodstuffs, in Lagos, and least in Enugu, the Eastern Region's capital. Ibadan's indices have a more pronounced dip in 1958 than do those for Lagos and Enugu, while the index for Kaduna is of such short duration as to tell us virtually nothing of value to an inquiry into supply-demand relationships in the period 1950-1960.

I.34. With rather meagre data relating mainly to the large towns, there is very little that we can deduce about the many interesting relationships that are the stock-in-trade of that part of the subject called econometric analysis. No refinements are possible in the way of estimating supply or demand elasticities from such crude material. All that we are enabled to assert by glancing at these figures quoted above and harking back to our constant priced outputs given in Section B is that internal prices in Nigeria appear to have moved fairly consistently but not dramatically upwards, and that their movement reveals no sign of relative food shortages.

I.35. Revaluing the gross domestic product at constant (1957) prices has revealed that the Federation of Nigeria has been expanding economically at almost 4 per cent annually during the postwar period. What the net rate of increase has been, on the average, is even more difficult to assess, but it is likely to be rather less, as capital consumption can be taken to be increasing relatively to other flows, and may well be reinforced as time goes/

goes on by an element of obsolescence, not hitherto much in evidence.

I.36. We turn in the next section to look at the population position in Nigeria, the second of our qualifying factors before we sum up this chapter.

E. Population

I.37 Only one Census of Population has been carried out over the whole Federation in respect of the year 1952-1953. At that time, total population was estimated to be 31.170 millions, of whom 16.84 millions lived in the Northern Region, 6.087 millions in the Western Region, 7.218 millions in the Eastern Region, and 272,000 in Lagos, the Federal capital. Included in the 31.17 millions were an estimated 753,000 for Southern Cameroons, which was until 1961 administratively separate but constitutionally a part of Nigeria.

Apart from the recent secession of Southern Cameroons Territory, there have been no changes in Nigeria's boundaries worthy of note, but of course the "loss" of over three-quarters of a million persons has to be set against the overall increase estimated to have taken place between 1952-53 and the present time.

Table I.6 below indicates the estimated population changes between 1952-53 and 1960.

TABLE I.6

ESTIMATES OF POPULATION BY REGIONS, 1952-53, 1959 and 1960.

(000's)

	1952 - 53	1959	1960
North	16,840	19,158	19,514
West	6,087	6,861	6,989
East	7,218	8,074	8,224
S. Cameroons	753	841	857
Lagos	272	350	364
TOTAL	31,170	35,284	35,948

Source: Federation of Nigeria: Digest of Statistics.

The overall increase from 1952/53 to 1960 if these estimates are valid, would seem to have been of the order of 1½ to 2 per cent per annum. The rates/

rates of increase have probably been greater, though how much we cannot say precisely, for the major towns and cities in Nigeria. Evidence in support of this opinion is difficult to assess, but the rate of expansion of public departments, federally and more especially regionally has tended to cause rapid growth in the apparent size of the regional capitals, while commer-:cial and industrial development has tended to attract labour to places such as Port Harcourt, Kano and Lagos.

I.38. Until the results of the 1962/63 Census become available, it is almost impossible to give any reliable indication of the aggregate change that may be extrapolated to 1965 and 1975. This does not prevent us from observing that at its present stage of progress all the signs point to a fairly high rate of annual increase. At the same time there seems every reason to expect by 1965 further concentration of people, drawn from rural areas, in the major towns and cities. For the period 1965 to 1975, some reaction to this urbanisation may emerge, especially if employment opportunities grow more slowly near the urban areas than the numbers of those who regard them-:selves as qualified for non-agricultural tasks. But we cannot provide any secure platform at the present time for projecting population trends in any terms less vague and imprecise than this.

F. Changes in Real Product per Head of Population

I.39. At the risk of compounding uncertainties, for neither the output series nor the population 'guesstimates' are wholly reliable, we can nevertheless advance the rather tentative opinion that real income per head has been rising only very slightly, if at all since 1954/55.

Output, measured at constant prices, evidently rose sufficiently be-:tween 1950/51 and 1954/55 to enable the average level of income per head to rise noticeably, but with the reversal in export price trends after 1954, the rate of growth of output declined. Between 1950 and 1954 Jackson and Okigbo estimate that output rose by more than one-quarter, i.e., at an annual rate of some 5 per cent. This was almost certainly faster than any rate of population increase during that period. From 1954 to 1958 how-:ever, output in real terms rose by no more than 10 per cent, so that over the whole decade there seems to be little ground for believing that the average level of purchasing power advanced at all rapidly.

I.40. There seems good reason to expect that urban population has been grow-:ing more rapidly than rural numbers. Whether urban incomes have kept pace with this upsurge is almost impossible to determine with the present coverage and scope of economic statistics. Comparisons of wage levels for similar types of job - e.g., clerks in company stores or highway maintenance workers - which occur in large towns and in up-country stations do not appear inconsistent with the possibility that urban incomes are able to rise fast enough so as to offset the differentially greater rise in urban pop-:ulation. What seems to be occurring is that as more well-paid jobs are created in the main urban centres, an even greater number of hopeful aspirants/

aspirants leave the outlying small towns and villages and come to 'seek their fortune' in the big city. So long as Federal and Regional establishments increase, and so long as the main commercial and industrial concerns multiply their investments in existing and in new venture, so long will the country-town drift continue. It may be argued, however, that should a prolonged pause or serious check come about in this rising curve of urban employment, then the already mounting volume of disguised unemployment in the towns would become too great a burden on those who remained remuneratively engaged. Whether such a situation, if it should arise, would have marked and serious consequences for the level and composition of incomes and spending is a matter beyond our terms of reference. But it is the kind of cyclical possibility that seems to be in character for a country of Nigeria's present and immediate future development, where one of the really surprising features that distinguish it from more complex industrial societies is the extent of territorial mobility of labour. If expectations of further urban jobs were to be given a sharp setback in the next five years, the rural-urban drift of population could quickly change into reverse gear.

CHAPTER II.

NIGERIA'S EXTERNAL ECONOMIC RELATIONS

II.1. Nigeria, as a major world supplier of primary products looks to Western Europe, the United Kingdom and the United States to provide a growing set of markets. For as long as agriculture remains the predominant activity and agricultural exports make up the lion's share of Nigerian's receipts from overseas, Nigerian economic expansion will remain closely tied to the behaviour of her customers. In short, this view gives pride of place among many stimulants to the role of Nigeria's terms of trade with manufacturing countries.

II.2. The mechanism can be described as follows: exports of cocoa, cotton, oilseeds, rubber, timber and tin have expanded in response to the early post-war demands for these products. Simultaneously other producers besides Nigeria have increased their supplies, so that Nigeria's share of the overseas markets has altered little. World demand, which has been rising over the past decade, has in the last four or five years shown distinct symptoms of falling short of levels that suffice to clear world supplies. Agricultural producers, among them Nigerian exporters, have had to accept declining prices relative to those that they have been paying for their manufactures. Whether it be cyclical or secular in tendency, the fundamental difficulty of adjustment constitutes the real hard core of the problem how to allocate resources which are inherently scarce between uses whose profitability fluctuates over a wide range, and may be subject to a secular decline.

II.3. For many years, but notably during the postwar period of attempted economic planning, Nigeria has had to depend almost entirely on external suppliers for capital goods. Vehicles, transport equipment, structural steel sections, machinery of every kind, roofing materials and, until local production started three or four years ago, even cement, all had to be brought from Europe or the United States.

II.4. The relationship between capital formation inside Nigeria and importation of such items as these just mentioned is fairly close. In fact, over the past decade it may not be exaggerating to say that for every £10 millions spent on capital projects, about £4 millions has had to be spent abroad on materials wherewith to execute the projects.

II.5. During the next decade or so, Nigeria may find the choice harder to make between imports of capital items essential to the various schemes of capital formation and consumer goods, which may act as 'incentives' in aid of higher labour productivity. If the balance of payments on current account remains adverse, i.e., if export earnings remain as at present insufficient to pay for both broad types of imported goods then capital programmes and consumer demand can only both be satisfied if loans and/or aid is/

is forthcoming from outside the country.

II.6. The analysis which we take up for the remainder of this chapter examines in turn: A. The balance of payments position; B. the pattern of trade in exports and imports; C. the relationship between the balance of payments and Nigeria's domestic spending; D. the terms of trade and finally E. the implications of the development programme for Nigeria's account with the rest of the world.

A. The Balance of Payments, 1950-1960

II.7. Nigeria's overseas trading account earned a comfortable surplus until 1955; thereafter with the weakening of prices for internationally traded commodities, the surplus has given way to a mounting current deficit. Table II.1 summarises the current account at intervals over the decade.

TABLE II. 1

BALANCE OF PAYMENTS, 1950 - 1960

	1950	1952	1954	1955	1956	1957	1958	1959	1960
1. Current Receipts	113.3	144.9	164.4	150.5	152.1	149.3	155.5	180.5	180.9
2. Current Payments	81.2	132.3	136.2	159.5	177.1	180.7	195.7	213.0	235.2
3. Surplus (+) or Deficit (-)	+32.1	+12.6	+28.2	-9.0	-25.0	-31.4	-40.2	-33.5	-54.3
4. 3 as % of 1	+28.4	+ 8.7	+17.2	-6.0	-16.5	-21.0	-25.8	-18.5	-30.0

Source: Digest of Statistics.

II.8. These figures express quite plainly the reversal in the current trading position that came about in 1955. Part of the explanation lay in the fact that cocoa prices which had remained steady while other commodity prices weakened overseas in 1953 and 1954 fell rapidly and substantially with a record output of cocoa beans in 1955. The market abroad for oilseeds became less satisfactory, and by the summer of 1958 groundnuts - which together with palmoil and kernels and cocoa account for nearly two-thirds of the country's export receipts - had fallen in price to below £50 a ton f.o.b. Lagos, lower than at any time since 1945.

II.9. Table II.2. gives some indication of the movement of prices for commodities of particular importance to Nigeria.

TABLE II.2/

TABLE II.2

INDEX NUMBERS OF EXPORT PRICES AND VOLUMES 1948-54 (1948 = 100) and 1954-60 (1954 = 100)

Period	Export Prices	Export Volumes
1949	104	121
1950	115	123
1951	157	118
1952	163	123
1953	142	139
1954	158	145
1955	88	99
1956	87	110
1957	84	106
1958	85	105
1959	89	126
1960	90*	130*

Note: * Provisional figures only. Source: Digest of Statistics.

It can be observed from the two tables how Nigeria's export values ceased to rise after 1954 until 1959/60 whereas export volumes rose on the whole quite steadily. Values and volumes of imported commodities which had trebled between 1948 and 1954 continued to mount steadily for the next four years before showing signs of levelling off.

II.10. In spite of the very detailed and carefully estimated Development Plans which Federal and Regional government bodies have attempted to implement during the last ten or twelve years, there has been, with one noteworthy exception, no real sign of planning in the way the balance of payments has turned out. It is true to say that in the early nineteen-fifties export income accumulated at a rate, determined by factors outside Nigerian control, faster than that at which the volume of imports could increase. The surpluses were invested abroad, mostly in British government securities so that Nigerian holdings of sterling balances rose substantially till 1955. Even without the intervention of Statutory Marketing Boards between the world market for cocoa, oilseeds and cotton and the Nigerian producers it is probable that Nigeria's balance of payments would have remained favourable during the post-war boom, 1948-54, although the size of each annual surplus would doubtless have been less.

B. Pattern of Trade in Exports and Imports

II.11. When the export figures are analysed in detail, as in Table II.3, a number/

number of interesting tendencies become apparent. Every important product has been subject to fluctuations in average annual realised price, and in value. While in general quantities have risen and prices tended to decline over the period, palm kernels show remarkable stability when compared with groundnuts. Palmoil tonnage has tended, if anything to decline, whereas the volume of groundnut oil exports has shown a persistent upward movement all the more interesting when the obstacles placed in the way of the local development of seed-crushing are borne in mind.

II.12. Nigerian experience of the cocoa market might seem, on the face of the figures given here to support a case for restricting export tonnages by means of some international cocoa agreement. The world price, reflected in the average f.o.b. valuation of cocoa exported in the years 1953-58, might appear to 'depend' on (i.e., be associated with) changes in volumes of the crop. In three out of these seven years, low crop totals were associated with high average prices. More recent experience, however, has shown that the world market for cocoa is capable of absorbing an annual supply slightly in excess of one million tons without severe and certainly without catastrophic reductions in the realised price.

II.13. Prospects for Nigerian exports can only be evaluated in terms of the propensities to import cocoa, oilseeds, vegetable oils, rubber, tin, cotton, timber, etc. by countries with whom Nigeria is going to trade. As a member of the Commonwealth Nigeria has enjoyed some degree of preference in trading with Great Britain, but the benefit has been insufficient to compensate for the fact that in the last six or seven years Britain has imported relatively and in some instances absolutely less of Nigeria's major products.

II.14. The direction of Nigerian exports during the years 1954-60 can be seen in Table II.4. to have changed quite significantly - the U.K. taking less relatively, and the European Economic Community nations buying a progressively bigger slice of Nigerian exports. Whereas in 1954, Britain took nearly three-quarters and the E.E.C. countries about one-seventh, in the latter year the E.E.C. share had more than doubled to become virtually one-third, with Britain's purchases from Nigeria down to one-half. The extent of Nigeria's reliance on the major Continental European market ranged, in 1958, from well over 50 per cent in the cases of groundnuts and timber, between 30 and 40 per cent for palm kernels, cotton and hides and skins, to 20-25 per cent for cocoa, rubber and groundnut oil. The only major export of which E.E.C. countries bought less than 10 per cent of Nigeria's supply was palm oil.

TABLE II.4/

TABLE II.4

DESTINATION OF EXPORTS

The Values of any one year as percentage of the Total Value for that year

Year	Total	British Commonwealth		U.S.A.	E.E.C.*	OTHER
		U.K.	OTHERS*			
1954	100.0%	71.1%	1.3%	10.5%	14.0%	2.9%
1955	100.0%	68.6%	1.1%	9.2%	16.7%	4.2%
1956	100.0%	63.4%	1.2%	9.4%	20.9%	4.9%
1957	100.0%	61.4%	2.2%	6.0%	25.3%	4.9%
1958	100.0%	55.5%	1.5%	6.0%	30.9%	6.0%
1959	100.0%	50.6%	1.6%	7.2%	34.0%	6.5%
1960	100.0%	50.7%	0.7%	8.1%	32.1%	7.8%

ORIGIN OF IMPORTS

The Values for any year as percentage of the Total Value for that year

Year	Total	British Commonwealth		U.S.A.	E.E.C.+	OTHER
		U.K.	OTHERS			
1954	100.0%	45.3%	9.3%	4.7%	18.1%	21.1%
1955	100.0%	46.7%	9.1%	4.0%	15.3%	23.2%
1956	100.0%	44.8%	8.5%	3.5%	16.5%	25.1%
1957	100.0%	43.4%	7.6%	5.3%	16.7%	25.5%
1958	100.0%	43.5%	7.2%	5.8%	17.3%	24.7%
1959	100.0%	45.6%	6.1%	4.4%	17.1%	25.4%
1960	100.0%	46.4%	6.1%	6.0%	15.5%	25.0%

* This excludes Luxemburg but includes East Germany.

\+ This excludes Luxemburg and France but includes East Germany.

II.15/

II.15. To what extent Nigeria can expect this trend either to continue, or even that the present relative proportions can be maintained is at the present conjuncture very difficult to answer, in view of the state of negotiations between the U.K. and the E.E.C.

II.16. Unlike exports, the country's imports have shown a persistently upwards tendency throughout the period. Values and volumes have mounted annually, as imported consumption goods - textiles, machinery, vehicles, fuel and capital equipment - have absorbed up to 20 per cent of the nation's annual total expenditure.

II.17. While dependence on overseas' supplies is clearly considerable, and can be expected to remain proportionately significant for a long while, the aggregate figures conceal a number of variations in the degree of dependence for particular categories of commodities. Table II.5. provides some idea of the way in which the different categories of imported merchandise have contributed to the total bill for each year from 1954 to 1959. It will be observed that the Food, Drink and Tobacco category (Classes 0-2) remained practically constant over the period, when expressed as a percentage of all merchandise imports. The percentages in respect of these Classes for 1960 and the first six months of 1961 were 15.9 and 15.2, so that apart from a slight drop in the quantities of flour, stockfish and sugar imported in January - June 1961 compared with the same period in 1960, no change is apparent. The main alteration in the composition of Classes 3 - 9 during the past six or seven years has been the declining relative importance of Manufacturers (47½% down to 37%) and the increasing fraction of the import total represented by Machinery and Transport Equipment (17½% up to 24% approximately).

C. The Balance of Payments and Domestic Spending.

II.18. It is difficult to draw a clear line of demarcation between those imported goods that may properly be called consumer goods and those that merit the description of capital equipment. The distinction is sufficiently important, however, to warrant at least a rough and ready attempt at reclassification into these two broad groups. The reason for making such a separation down the middle, as it were, is quite a simple one. Unless we form some view of the relationship between capital formation and 'committed' or 'induced' expenditure on the importation of capital goods, we shall lack one of the constraints upon the level of consumer good imports that Nigeria may be able to afford, given the expected level of export income plus capital inflow.

II.19. We may, in practice, choose to regard something of the order of one-quarter of total imports on the average of the five years 1954-59 as being directly required for the programmes of capital spending, private and public, in Nigeria as a whole. The figure, some £40 millions or so, in 1959/60 represented a rather large fraction than one-quarter of the value of capital works in that or in the succeeding year. The average ratio of capital/

TABLE II. 5.

MERCHANDISE IMPORTS BY CLASSES. 1954 - 60

	1954	1955	1956	1957	1958	1959	1960	1954	1960
	£m.	£m.	£m.	£m.	£m.	£m.	£m.	Per cent	Per cent
0. Food	12.0	12.9	16.0	18.3	18.2	20.8	23.9		
1. Beverages and Tobacco	4.4	5.0	5.3	5.5	5.6	5.8	6.2	16.0	15.1
2. Materials	1.5	1.7	1.9	1.9	2.0	2.0	2.1		
3. Fuels and Lubricants	5.6	6.5	7.3	8.2	8.9	10.4	11.3	5.0	5.2
4. Animal & Vegetable Oils	-	-	-	-	-	-	(.06)	-	-
5. Chemicals	4.8	7.0	7.6	8.0	8.9	10.1	12.2	4.2	5.7
6. Manufacturers	54.2	60.1	65.3	62.8	65.9	65.9	81.1	47.5	37.7
7. Machinery and Transport Equipment	20.0	27.9	32.3	31.3	39.4	43.9	51.6	17.5	24.0
8. Misc. Manufactures	9.4	12.3	14.2	13.4	15.5	17.9	23.9	8.2	11.1
9. Parcel post, etc.				2.8	2.4	2.6	2.7	1.9	1.2
TOTAL	114.1	136.1	152.7	152.5	166.9	179.4	215.0	100	100

capital imports to gross fixed capital formation over the quinquennium was between 30 and 35 per cent. As Prest and Stewart pointed out ten years ago in their Report[1] "The final point we must emphasise is the dependence of capital investment on imported components .... This is where the grain of truth about the "fragile economy" really does lie. It is the future not the present of Nigeria which is so dependent on imports".

II.20. This so-called "fragility" of the Nigerian economy used to be attributed to the whole overseas trading account, for it was thought, quite mistakenly as it has turned out, that foreign trade as a whole constituted a very large portion of Nigeria's total economic activity. The fact that the import content of gross fixed capital formation has ranged from over 20 per cent to nearly 40 per cent during the last decade does, however, bear out Prest and Stewart's contention that the rate of new building and construction, addition to transport and industrial plant and equipment is certainly dependent upon imports. One might say that for every £10 millions spent on capital account in Nigeria over the last ten or twelve years on average imports have been directly required to the tune of £3 to £3½ millions.

II.21. Two points need to be emphasised if we are thinking how this 'commitment' to import capital equipment is going to develop during the next ten to fifteen years. The first point is, of course, that as Nigeria industrialises the tendency to replace imports will slowly but surely make itself felt. Already imports of cement have actually fallen, and the same may very soon be said for certain grades of petroleum products shortly to be refined locally. Import-saving affects a wide range of possible commodities, not merely those that can be described as 'capital items', so that we shall need to discuss the whole topic more fully further on.[2] The other, more immediately relevant consideration is that the import-content of capital formation is not a single ratio, but an average weighted by reference to the relative size of say road construction as compared with the purchase of vehicles or the installation of electric generating equipment. This is to imply that some kinds of capital formation require larger amounts of imported goods for their fulfilment than do others. Building and civil engineering work generally does not require relatively so much in the way of imports as do the setting up of new power generating stations or the extension of transport facilities, by rail or air. Clearly the addition to the country's stock of vehicles is very closely geared to the value of vehicle imports, but the building and maintenance of roads is much less heavily reliant on imported materials, though it may require the seemingly expensive services of overseas personnel.

II.22./

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1. A.R. Prest and I.G. Stewart, op. cit., p. 88.

2. See Chapter V. p. 100.

II.22. Should the shortage of funds obtained from international trade or aid become the major determinant of the rate of capital formation then one conceivable result might be a change in the composition of the capital projects actually carried out. This might take the form of licensing vehicle imports, slowing down electricity extensions and some factory projects, while maintaining programmes for road and housebuilding. At present, however, the indications are that the Development Plan is the primary objective, and any deficit on the current balance of payments is a matter for negotiation up to some limit of £50 millions per annum.

II.23. If this view of Nigerian 'priorities' turns out to be in accord with actual government practice in the next five-year period, i.e. up to 1967, one important consequence will be that imports of consumer goods, and notably of foodstuffs, drink and tobacco products, may become subject to administrative controls. Already, small additional duties have been levied (January 1961) on a range of imported consumer goods, including wheaten flour, refined sugar and tobacco both manufactured and leaf. These duties can be defended on the alternative bases that they reduce demand for imports or that they can afford protection to newly-developing industries and contribute to the country's revenues. Nigeria does not possess unfettered power to raise import duties to prohibitive levels, however. The rules of G.A.T.T. and a recognition of interdependence between countries in Europe and America with whom Nigeria will want to continue to trade must combine to impose an upper limit on the tariff wall that a country in Nigeria's position can sensibly maintain, against her own customers so to speak. Retaliation would harm Nigerian interests much more than reciprocity.

II.24. If fiscal measures alone will not, or in the nature of the case cannot be used to restrain the level of importation of goods not directly related to Nigeria's capital programme, then resort may be had to quite arbitrary administrative intervention in an otherwise fairly free market. While Ghana's recent policy of severe restrictionism should not be regarded as in any way analogous - since part of its justification can only be political - there is strong evidence from Indian experience in favour of the view that a 'new' independent nation will 'prefer' to maintain its announced capital spending somehow, and that importation of consumer goods will, if the need arises, be compelled to take a secondary place.

II.25. Public Capital expenditures in Nigeria are running at the rate of £100-120 millions per annum, and there is every indication that Federal and Regional authorities will be under strong political pressure at least to maintain that level over the average of the next five years. If the composition of capital formation remains substantially as it has been over the past five-seven years, import requirements will then be of the order of £35-40 millions annually. To this has to be added the private capital formation that may be additional to the public sector's programme which may be self-financing in that the importation of capital goods is matched by an equivalent inflow of funds on the capital account of the balance of payments. Even/

Even so, the 'Commitment' to import goods has to be raised to take such a likelihood into the over-all reckoning. Hence £50 millions out of a future import bill may not be too high an estimate of the 'overhead external cost of development'. Before we can evaluate the impact of such a pressure on the level and composition of consumption of imported agricultural commodities for instance we need to consider one other important aspect of the Nigerian trading position. We refer to the 'terms of trade'.

D. The Terms of Trade

II.26. The ratio of year-to-year changes in export prices to year-to-year changes in import prices provides a rough and ready indicator of the movement in the barter terms of trade. It has been argued in the literature on this important subject[1] that a better appreciation of a country's net real gain from an apparent increase in overseas purchasing power results from measuring the 'income' terms of trade. In Nigeria's Marketing Board economy there is the added complication that the producers' 'terms of trade' can only be seen in proper perspective by comparing the producer-prices paid by the statutory marketing boards with the retail prices charged for imported merchandise.[2]

II.27. It will be sufficient for our purpose in this more limited context of the analysis of future spending abroad by Nigeria if we confine our analysis to the barter terms of trade. The elasticities and cross-elasticities of demand for Nigeria's main export crops present a fairly intractable problem in the way of further elaboration. Cocoa for instance can be said to have a positive or a small negative income-elasticity of demand depending upon which overseas country one is considering. While oilseeds represent a most complex set of substitution elasticities contained within a generally positive income - elasticity for soap etc. - but less so in the case of edible oils.

II.28. Leaving aside the thorny question of evaluating the relative price-elasticities of demand for Nigeria's exports and imports, we can make a start by taking the limiting case where the volume of exports is supply-determined, and the volume of imports is constant, but both sets of prices are free to vary over a wide range.

II.29. We have already noted the tendency for export prices to be inversely correlated with supply, and for import prices to rise over the decade to 1960. Export prices tended to rise gradually and then level off until 1954/55 and thereafter fell with varying degrees of severity until 1958/59. Cocoa/

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1. See R.F. Dorrance "The Income Terms of Trade" Review of Economic Studies 1948-49.

2. See P.T. Bauer "Statistics of Statutory Marketing in West Africa 1939-51" Journal of the Royal Statistical Society Series A. 1954.

Cocoa in particular has fluctuated since reaching its post-war peak in 1954. Import prices, reflecting the greater inflexibility of prices characteristic of manufactured articles, rose at first more slowly than primary product prices. The index of import prices reached a peak in 1952, as did the index of export prices, but thereafter fell by some 20 per cent to become steady after 1954 at only 10 or 15 per cent above the prices ruling in the period 1948-50. Export prices, on the other hand, had two peaks, one in 1952 and again nearly as high in 1954, since which time they have declined till in 1960-1961 they are running at 20 per cent above the average of 1948-50.

II.30. Put in another way, changes from year to year in Nigeria's real income contain an added component every year that the terms of trademove in favour, and a negative element every year that they move against. This has meant that between 1950 and 1952 that portion of Nigerian output offered for sale abroad appreciated by one-fifth in terms of the commodities actually imported into Nigeria. Since exports at that time constituted approximately one-fifth of G.N.P., the 'gain'could be put at 1/5 x 1/5 = 4 per cent over the two years, or 2 per cent per annum. Conversely, the decline in the barter terms of trade from 1954 to 1956 amounting to a little over one-fifth when exports constituted almost one-seventh of G.N.P. meant an annual 'deduction' from real income equal to $1\frac{1}{2}$ per cent.

II.31. Two per cent of Nigeria's present G.N.P. may amount to something like £20 millions. Gaining or losing £20 millions in any one year makes a great deal of difference to the rate of capital formation and/or consumption expenditure from year to year. In fact, although the occurrence of annual surplus or deficit on current overseas account cannot be related very directly to the index of Nigeria's barter terms of trade especially after 1956, there can be no doubt that over the whole decade the changes in the country's overseas price-ratio has played a big part in first stimulating and then retarding the rate of increase in real incomes and expenditures throughout the Federation.

II.32. The problem that now faces us is how to evaluate this component in Nigeria's external, and to a proportionately reduced extent, internal economy during the period of years that lie ahead to 1965 and 1975. Present indications based on time series and supply/demand elasticities strongly suggest that a cautious, if not a pessimistic view ought to be taken about Nigerian export prices over the next few years. On the other hand, there is no reason why import prices to Nigeria should not, on the same kind of argument, become a bit keener. To state in advance what the precise result of these two apparent tendencies might be would be inviting the obvious criticism that we have no scientific justification for making such a forecast. Let us leave it at this point, therefore, where readers may draw their own conclusions as events in related economic areas shape themselves over the coming decades.

E. Finance for Nigeria's Development Programme/

E. Finance for Nigeria's Development Programme

II.33. We do not need to labour the fundamental point that Nigeria's ability to spend on imports is a function of current overseas earnings, net capital inflow from abroad and transfer receipts, i.e. outright aid. The level of current overseas earning has been discussed in previous sections, but so far we have said nothing about the capital side of the balance of payments account. We propose to deal now very briefly with what we regard as the main features of this part of Nigeria's future economic problem.

II.34. The first thing to be said about the whole question of borrowing or receiving aid is that the world is moving into a new era of international monetary and credit relationships, where the older conventions about freely moving exchange rates between currencies may lose much, if not all of their force. We can therefore discount the possibility that during the period we have to consider there will be any major alteration in the exchange ratios between the £ Nigerian, at present at par with the £ sterling and the American dollar, other important currencies and gold.

II.35. Between 1962 and 1967 the Federation of Nigeria is committed to a programme of public capital works that may cost upwards of £100 millions per year. Of this it may, on past experience and allowing for less favourable out-turn on certain taxes, be not be asking too much of Nigerians to contribute something like £60 millions each year of the programme. This will leave £40 millions to come from outside Nigeria annually. The United States has announced that £80 millions ($225 millions) will be made available to Nigeria between 1962 and 1967, thereby reducing the "financial gap" in total from £200 millions by 1967 to £120 millions. The United Kingdom is likely to continue aid on a modest scale - up to £10 millions per year, so that International Agencies need only find £70 millions and Nigeria's public capital programme is assured of the necessary capital. Additional net private investment in Nigeria and any import deficit over and above that covered by either the government's source of external finance or private capital inflow (long-term or direct) will require to be met out of Nigeria's small stock of liquid (sterling mostly) assets. Although a Stock Exchange and an embryonic Discount market exist in Lagos, the possibility that Nigeria can finance any significant part of a current trade deficit with the rest of the world through the issue of short-term bills bearing a high interest yield seems a little futuristic within the next five years.

II.36. Between 1967 and 1975, the whole outlook is so uncertain, that we can only assume that the aims of creditor countries in the Northern Hemisphere will remain, as at present, at least not inconsistent with developmental deficits arising and being financed in those African countries whose political equilibrium is acceptably stable.

APPENDIX II (i)/

APPENDIX II (i)

MOVEMENTS IN THE VALUES OF IMPORTED FOODS RELATED TO THE ESTIMATED VALUES OF THE CASH INCOMES OF NIGERIAN FARMERS FOR THE YEARS 1950-1957

One factor which might be expected to affect the values of the food imported into Nigeria is the value of aggregate farmers' cash incomes. No accurate estimate of this income has yet been made and so we approximated a value by evaluating the exported volumes of Groundnuts, Cocoa, Palm Kernels, Beniseed and Cotton at their respective producer prices for the years 1950-1957. The values of the imports (including import duty) of Total Food, and separately, the eight food commodities of which the values of imports in 1950 were at least £100,000 (including import duty) were then regressed on the estimated cash incomes of farmers for the years 1950-1957; no lag was introduced into the model because no evidence of either a one-year nor a two-year lag appeared on inspection of the graphs.

No accurate estimate of a price index relating to farmers' consumption for the years 1950-1957 has been made and this resulted in the use of nominal values (as opposed to real values) in the analysis and the exclus-:ion of price of imports relative to the aggregate price index as a deter-:mining variable in the model. The values of imported foods are c.i.f. values plus import duty and not retail values because there is no data from which an accurate estimate of the aggregate 'mark up' for each commodity might be made.

The equations fitted to the two series were:

$$
\begin{aligned}
&(1) \quad y = a + bx \\
&(2) \quad y = a + b\mathrm{Log}(x) \\
&(3) \quad \mathrm{Log}(y) = a + b\mathrm{Log}(x) \\
&(4) \quad \mathrm{Log}(y) = a + b/x \\
&(5) \quad \triangle y = a + b \triangle x
\end{aligned}
$$

Where y = Import Values.
x = Farmers' cash incomes.
$\triangle y$ = Change in import values each year.
$\triangle x$ = " " farmers' cash incomes each year.

'a' and 'b' are the parameters which were estimated by the least squares technique.

Equations (1) through (4) assume a direct relationship between the levels of imports and incomes whereas equation (5) introduces the effect of time on the import values, the parameter 'a' is the time parameter in this fifth equation and it represents the aggregate effect of all variables that are affected by time and that also affect the values of the food imports e.g./

e.g. it includes changes in tastes if they have changed fairly continuously and unilaterally over this period 1950-1957.

A further point that is important when considering the results of fitting this equation with the time variable introduced explicitly is that farmers' cash income has shown a fairly steady increase over time and the estimated values of the parameters will not therefore be as significant as the results suggest because of this relationship between the determining variables.

The table shown below contains the series in units of £0,000 and the estimated values of the parameters together with an explanation of the meaning of the asterisks in terms of levels of significance. It is apparent that the equation which fits the data with the highest correlation coefficient for almost every commodity is the Log.-hyperbola or equation (4) with equation (3) almost as good a fit in many cases; the three equations from which our conclusions are drawn therefore are (3), (4) and (5).

Bearing in mind the reservations noted above, the conclusions that we have drawn from the results are shown in the following tabular form; the digit in the 'income' column and in the row corresponding to any one of the commodities denotes whether the demand for that commodity is income-elastic or income-inelastic and the confidence we express in this qualification of demand; the letter in the 'time' column denotes the extent to which a time trend appears to affect the demand for the commodity.

In the 'income' column, 1 = significant elastic demand
2 = probable elastic demand
3 = significant unitary elastic demand
4 = probable unitary elastic demand
5 = significant inelastic demand
6 = probable inelastic demand
7 = insignificant effect of income on demand

In the 'time' column, A = significant time trend
B = probable time trend
C = insignificant effect of time on demand

	Income effect	Time effect
Total Food	1	A
Canned Fish	7	C
Dry Fish	1	B
Wheatflour	1	A
Sugar	1	C
Salt	6	C
Milk (condensed unsweetened)	2	C
Biscuits	7	C
Confectionery	4	C

These/

These results are inferred mainly from the estimates of parameter 'b' of equation (3), which is an estimate of the aggregate income elasticity of demand by the farmers, and parameter 'a' of equation (5) which is an estimate of the change in demand as a result of one year passing and no change in the farmers' cash incomes, and parameter 'b' from equation (5) which is an estimate of the marginal propensity to consume if time is constant. Because of the statistical difficulties and the data deficiencies mentioned above, the numerical results have not been interpreted literally but they have served to give a useful indication of the effect of the variation in farmers' cash income on the demand for imported foods.

Table showing measures of the relationships between the Values of imported foodstuffs (including Import Duty) and the export of the "Marketing Board" Crops valued at producer prices. All figures are in £0,000.

	TOTAL FOOD (1)	CANNED FISH (2)	DRY FISH (3)	WHEAT FLOUR (4)	SUGAR (5)	SALT (6)	CONDENSED UNSWEETENED MILK (7)	BISCUITS (8)	CONFECTIONERY (9)	EXPORT VALUES
1950	409	15	51	63	67	80	18	28	17	6,990
1951	613	42	146	81	83	145	21	39	33	7,700
1952	826	20	295	106	102	146	22	21	29	9,100
1953	1092	43	402	128	137	138	33	37	37	10,090
1954	1344	37	523	174	211	141	43	34	29	10,760
1955	1448	50	478	177	244	153	39	50	34	9,720
1956	1772	42	627	200	305	167	55	60	39	12,250
1957	1996	60	771	233	258	163	63	64	35	9,990

Models + estimates	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1. $y = a+bx$	**	-	***	**	***	**	**	-	**
b	0.274 ± 0.190	0.004 ± 0.008	0.121 ± 0.079	0.029 ± 0.021	0.046 ± 0.028	0.012 ± 0.011	0.008 ± 0.006	0.005 ± 0.008	0.005 ± 0.003
R^2	0.68	0.23	0.70	0.65	0.74	0.52	0.61	0.31	0.52
2. $y = a + b\text{Log}x$	**	-	***	**	***	**	**	-	**
b	257.7 ± 170.3	4.2 ± 7.1	114.3 ± 69.7	27.4 ± 19.1	42.7 ± 26.1	11.3 ± 10.0	7.2 ± 5.7	4.6 ± 7.1	2.8 ± 2.6
R^2	0.70	0.26	0.73	0.67	0.73	0.26	0.61	0.30	0.55
3. $\text{Log}.y = a+b\text{Log}x$	***	-	***	***	***	**	***	-	**
b	2.73 ± 1.32	1.55 ± 2.14	4.54 ± 2.08	2.27 ± 1.21	2.85 ± 1.43	0.96 ± 0.88	2.20 ± 1.37	1.10 ± 1.78	1.09 ± 0.99
R^2	0.81	0.35	0.83	0.78	0.80	0.55	0.72	0.28	0.54
4. $\text{Log}.y = a+b/x$	***	-	***	***	***	**	***	-	**
b	-2494 ± 1109	-1461 ± 1874	-4205 ± 1587	-2069 ± 1029	-2564 ± 1287	-901 ± 747	-1977 ± 1237	-959 ± 1189	-1012 ± 854
R^2	0.83	0.38	0.88	0.80	0.80	0.59	0.72	0.26	0.58
5. $\Delta y = a+b\Delta x$	***	-	**	***	-	-	*	-	-
a	215.4 ± 58.7	9.0 ± 17.8	95.6 ± 70.2	24.1 ± 14.5	19.8 ± 30.2	10.9 ± 27.5	5.6 ± 7.0	5.9 ± 13.1	2.1 ± 9.1
b	0.026 ± 0.038	-0.006 ± 0.012	0.017 ± 0.046	0.001 ± 0.009	* 0.018 ± 0.020	0.003 ± 0.018	0.002 ± 0.005	-0.002 ± 0.009	0.001 ± 0.006
R^2	0.38	0.25	0.15	0.00	0.52	0.02	0.19	0.04	0.04

NOTES: *** above the parameter estimates represents significance at the 99% confidence level.
** " " " " " " " " 95% " "
* " " " " " " " " 90% " "
- " " " " " " below 90% " "
All parameter estimates are shown with their 95% confidence limits
R_2 is the correlation coefficient.

CHAPTER III

THE ANALYSIS OF CONSUMERS' EXPENDITURE

III.1. We examine in this Chapter and in Chapter IV. the micro-economic aspect of our subject. It will be remembered that in our Introduction we drew attention to the need for a 'dual' approach to the inquiry into the determinants of future demand for a range of agricultural commodities. In the first two Chapters of our Report we have dealt almost wholly in aggrega-:tive, or macro-economic terms. The justification for devoting so much space to the wider, less specific aspect is that a framework is essential before one can delineate the partial relationships with any real sense of economic proportion.

III.2. It will be convenient in this Chapter to begin by reminding ourselves of some points in the theoretical discussion that presently supports the analysis of consumers' demand, before proceeding to apply demand theory in more practical, down-to-earth terms. We shall have, therefore, the follow-:ing sections:

A. Theoretical Analysis.

B. The Practical Application of Demand Theory.

C. Surveys of Nigerian Expenditures - Concepts and Definitions.

D. Surveys of Nigerian Expenditures - The Data.

E. Results of the Surveys.

F. Interpretation and Reconciliation.

A. Theoretical Analysis

III.3. The determinants of consumers' expenditure can be divided into two kinds - economic and sociological. Economic factors affect consumption patterns without modifying existing wants; Sociological factors are those which change the wants themselves.

In practice, this distinction can be difficult to draw. If an employee who has been provided with a house containing a refrigerator begins to con-:sume frozen foods in substantial quantities, the refrigerator could be said to be either an 'economic' or a 'sociological' cause of the change in his consumption, depending on whether or not he had wanted to buy them before the move, which would be hard to determine. It would, however, be of some importance. Unless refrigerators help to satisfy the existing wants of those who are to use them, their value as an incentive to promo-:tion would be unlikely to outweigh the cost of installing them.

III.4/

III.4. Economic factors affect either the extent to which a collection of given wants can be satisfied (income effects), or the choice of that combination of purchases which best satisfies them (price effects). For consumers' expenditure as a whole, it becomes almost meaningless to speak of (long-run) price effects, but income effects are likely to be more important than those of any 'sociological' factor, unless the marginal propensity to save is remarkably high. If, for instance, the marginal propensity to save were constant, and equal to the average propensity to save, the proportionate change in total consumers' expenditure would equal the rate of growth of the national income, which might be something of the order of 3% per annum. The effect on that same total of say, urbanisation, or a change of occupation, on the other hand, would depend on (a) the proportion of the population annually affected by the change in question, and (b) the proportionate difference between the total expenditure per household before and after the change. Unless either (a) or (b) exceeded 10%, which would be a high figure, the resulting change in aggregate national expenditure could not exceed 1%.

III.5. It might be argued that the marginal propensity to save can be expected to increase with income, rather than remain constant, though at least one demand analyst (J.A.C. Brown) (1) regards the latter as the safer assumption. Even if it is constant, however, it does not necessarily follow that income is the most influential factor in the demand for any specific group of purchases. In this study we are concerned with 'agricultural products', the precise scope of which will be defined later, but which can be taken as broadly equivalent to food. Common sense and empirical studies (2) alike confirm Engel's famous pronouncement that the demand for food increases (or decreases) at a smaller proportionate rate than income, or, in technical language, that the income elasticity of demand for food is less than 1. Food is, after all, one of the essentials, and essentials would be expected to form a higher fraction of the budget where incomes are low, than where they are high. It is true that time series of consumers' expenditure over a long period in the U.K. and the U.S.A. have shown that the proportionate expenditure on food has remained constant, while incomes have risen to several times their initial level. However, as Brown goes on to show, these figures mask changes in the nature of the commodity bought. Expenditure on 'food' to-day includes the cost of the substantial element of processing which is now incorporated into the product sold, but which half a century ago was done by domestic servants, and thus figured as a separate item in the household budget.

III.6. For Nigeria, certainly, all the evidence tends strongly to confirm Engel's Law. This was noted by J. Heads, of the Federal Office of Statistics, in a paper given to the Conference arranged by the Nigerian Institute of Social and Economic Research in Ibadan, December 1958: (3)

"Yet, notwithstanding the low nutritional standard, the income elasticity of demand for food is almost certainly less than unity" (p.67).

Later/

Later, in analysing the survey which his Office had conducted at Ilorin, he suggested that, "over a limited expenditure range" the best estimate for the income elasticity of demand for food would be 0.65.

The words quoted in qualification are important. There is no reason to expect that the income elasticity of the demand for food is constant for all levels of income. Indeed, the contrary has been so well established by recent studies of demand in other parts of the world as to merit, at least in Brown's view, incorporation into Engel's Law, which Brown reformulates as:

"The income elasticity of demand for food is less than unity and tends to decline as income increases".(4)

He goes on to speak of the "substantial body of agreement", among European demand analysts at least, that "the demand for any established commodity is income-elastic at low ranges of income, becoming increasingly income-inelastic as income increases, and tending either to a finite saturation level at high levels of income or even eventually declining."(5)

It follows from this that, in order to predict the future level of a country's food consumption, still more of its consumption of a particular range of foods, such as those which are imported, no single overall measure of income elasticity will suffice. It is necessary to calculate the average consumption of the relevant range of commodities at each level of income. Furthermore, one must also know, for the date in question, the number of households in each income-group. It can nevertheless be said, that if the figure of 0.65 quoted for Ilorin is at all typical of the overall income elasticity of the demand for food in Nigeria, a proportionately distributed increase in national income of 3% per annum would result in very nearly a 2% increase in food expenditure annually. The possibility of income effects of this magnitude seems adequate justification for our decision to base our analysis mainly on them. This approach can also be defended on grounds of practicability, since, as will subsequently be shown, income, though a difficult concept to define precisely, is more susceptible to measurement and manipulation than any other possible factor.

III.7. This does not mean that the other determinants of food consumption can be neglected. The other 'economic' factor, price, may not be expected to have a great influence on the total volume of food consumed, since the demand for food is normally price inelastic, but the division of that demand between local and imported products may be considerably affected, both by the relative prices of the products themselves, and by the absolute prices of goods which are complementary to some foods, such as refrigerators. In the former case, much will depend on the extent to which the Nigerian Government decides to 'protect' local products, particularly those which are very close substitutes for imported foods. 'Sociological' factors, too, are also likely to have considerable influence on patterns of food consumption. In Nigeria the chief of these are likely to be occupation, urbanisation and the/

the difference between the Islamic Northerners and the mainly Christian Southerns.

It is natural that the wants of consumers should be affected by the spending habits of those among whom they live and work. This fact has two important consequences for our study: first, to assess the effect on food consumption of a given rise in income, we need to know not merely the initial income, but also the occupation, district of residence, and religious affiliation of its recipients - that is, for every possible category of consumer there is a set of income elasticities for the range of his possible incomes, which we shall call an 'income-consumption curve'; and secondly, even without any changes in incomes at all, consumption may change as a consequence of consumers changing from one category to another. Religious conversions are not likely to be sufficient to have a significant economic effect; but differing rates of population growth among the Christian and Muslim communities might have a similar tendency to alter the distribution of the total national income between the two. Changes of occupation, and the rate of net migration from the country into the towns, are likely to be substantial. To a large extent they will be determined by the development plans of the Federal and Regional Governments and other major concerns.

III.8. Lastly, there are the effects of time. When a man enters a new occupation, or moves from the country into the town, or gets a rise in pay, the effects of these changes on his food consumption will not be immediate. They may take a matter of years. The gradual awareness of other possibilities of expenditure, the recognition of differences between his own habits and those of his new colleagues or neighbours, will induce adjustments in his way of living long after the original stimulus occurred. In Nigeria, moreover, the sustained pressure of advertising, and the rapid advance of education and transport, combine to introduce new patterns of consumption even to those who have changed neither income, occupation, or district of residence. Even if all incomes in Nigeria were to remain exactly at their present level for the next fifteen years, and there was no further urbanisation or change of occupation, some changes in food consumption could be confidently predicted.

Any realistic estimate, therefore, of the future level of consumption of food in general, or of a particular range of commodities, must be based primarily on an analysis of the relation between such consumption and income; but this analysis must be modified by a consideration of the occupation, religion, and locality of the recipients, the extent of occupational and geographical mobility, and the effects of time.

B. <u>The Practical Application of Demand Theory</u>

III.9. There are thus two stages in an attempt to predict the future level of demand for any set of commodities, the construction of the appropriate income-consumption curves and the estimation of the magnitudes to which each section/

section of each curve must be applied.

III.10. Traditionally, income-consumption curves are derived either from time series or from cross-section studies. Since it is impractible to study the budgets of the same individual households for a sufficiently long period (and since the very fact of studying a household for so long might influence its spending habits) time series usually relate to the aggregate consumption, within a country or region, of the commodity on question, which raises a number of difficulties, even when such figures of aggregate consumption can be relied on. Firstly, they must be related to other aggregates, such as income (and the distribution of income), population, or occupational dis-:tribution. For some of these, at least annual figures are necessary, and in a less developed country like Nigeria tend to be available only sporadic-:ally, if at all. For instance, there is as yet only one published calcula-:tion of the Nigerian national income.(6) Secondly, such changes in con-:sumption may be attributable to a large number of other influences which have operated simultaneously, such as migration into cities or changes of occupation. Unless the extent and effect of these factors can be known independently, and the original data corrected so as to allow for better example, the observed relationship may be fortuitous and quite misleading as a guide to future consumption patterns. Finally, it must be decided what time-lag, if any, is to be assumed between the change in consumption and the change in the variable that is thought to be one of its determinants. Since there are always a number of not implausible alternatives, the degree of correlation observed in the one that fits the data best is that much the less significant. This does not mean that the time series approach cannot be employed at all with Nigerian data. One such comparison which has proved fruitful is that of the 'income received from the sale of export crops to the Marketing Boards' with 'food imports'.(7) Here both series of figures were firm, and the consumers in question, being (mainly) farmers, seemed reasonably homogeneous.

III.11. Generally, however, the effects of income, occupation or religion on con-:sumption are better illuminated by cross-section studies, that is, by sur-:veys of the consumption, in a given short period, of a sample of households, usually drawn, for any one survey, from a particular locality, but varying in income-group, and perhaps occupation and place of origin. They thus allow the average consumption of the commodity in question to be calculated for each level of income for a number of categories of households. This approach, too, has its pitfalls. Let us suppose that in a fairly large survey of - say - 300 households - five income groups and three occupation groups are used. This gives fifteen possible categories with an average of twenty households in each. In a group as small as this, the inclusion or omission of a single household could significantly affect the average consumption, particularly if it is not the whole of food expenditure that is being con-:sidered, but that on a specific item such as bread or tea. On the other hand, surveys on a much larger scale than this tend to become unwieldy, giving rise to extremely difficult problems of supervision, both of inform-:ants and of interviewers. It seems best to resolve this dilemma by combining/

combining the results of as many reliable surveys as possible.

III.12. Again, such surveys may indicate a difference in the consumption patt-:erns of two income - or occupational - groups; it does not follow that as households move from one group to the other they will change their consump-:tion patterns by the average difference between the two groups. That difference may be largely due to the existence of a third factor, present in most households in Group A and absent from most in Group B, which is not affected by a transfer from A to B. For instance, it may be shown that clerks at Kano drink, on average, three times as much beer as labourers. This may be because most labourers are Muslim Northerners and most clerks are Christian Southerns; it clearly does not follow that if a labourer be-:comes a clerk he will treble his beer consumption; it is highly probable, rather, that such consumption was either above the average for his occupa-:tion before the change (if he is a Christian) or below it after (if he is a Muslim). And even if, say, occupation is the real determinant of a particular variation in consumption, time will elapse before a household which transfers from Occupation A to Occupation B adjusts its consumption accordingly.

III.13. Lastly, cross-section studies do not normally allow price effects to be derived. All the households in any given survey are likely to have access to the same market, so that prices are likely to be uniform, at least for any given occupation or income-group. Alternatively, if surveys undertaken in different localities are compared, differing consumption patters cannot confidently be attributed to the observed price differences, even assuming that the households compared are similar in income, occupation, and other relevant objective characteristics. It may be that the communities surveyed have different tastes; or the range of substitutes and complementary goods available in one locality may differ from that in another. At most, such surveys might shed light on the relationship between <u>relative</u> prices and <u>relative</u> consumption of two close substitutes.

III.14. Notwithstanding the limitations cited, the cross section apprach can be a most valuable instrument in the analysis of consumers' expenditure. The value of any given survey depends on how representative the chosen households are; how big a proportion responds with the required information; and how accurate that information is. These are in turn very largely determined by the quantity and quality of the supervision, and the way in which the survey is organised and presented to the informants. In our study, therefore, considerable importance was attached to discussions, up and down the country both with those who had organised such surveys, and with others who might be thought to be in a position to confirm their findings - particularly the local and regional managers of expatriate trading firms (for imported foods) and the local agricultural officers (for local foods).

III.15. The various measures of the relation between income and food consump-:tion for different categories of consumers, which can be derived from the approaches outlined above, are likely to be considerably more accurate than the/

the estimates of the magnitudes to which they must be applied if they are to be used to predict future levels of consumption. Statistics of Nigeria's present population and total income (however defined) are subject to wide margins of error, as are those of the distribution of these two aggregates among different income-groups and occupations, and between urban and rural households. Future projections of these figures are, of course, even more precarious.

It is therefore necessary to proceed on drastically simplified assumptions. Since all known income distributions tend to follow a closely similar pattern, with marked positive skewness, and archetypal curve derived from them can be applied with some confidence in Nigeria, given an estimate of income per head, and the frequencies of a few ranges of income, well above the average. If we then make the further, purely methodological assumption, that all future changes in national income (the extent of which is discussed in Chapter I) affect the whole income range in proportion to present population, and that any changes in population are similarly distributed, which will mean that changes in income per head will be the same for every income-group, the, with the aid of our income-consumption curves, certain preliminary estimates of future consumption levels can be constructed.

III.16. The estimates thus obtained can be modified in a number of ways. If the income-consumption functions can be relied on, the validity of the assumed income distribution can be tested against the statistics of the imports of any foods bought by each income-group, when we apply the income-consumption functions to our estimates of the number of households in each group implied by the income distribution. Allowance must also be made for the possibility of greater increases in income at some income-levels than at others, or of changes in the industrial, occupational, or religious composition of the population, and something must be assumed about the rate of urbanisation. If the first of these seems likely, the weights given to the respective income-groups must be revised; the most plausible values for the remaining eventualities can be incorporated into the estimates by means of the specific occupational, rural and local, or Muslim and Christian income consumption curves. Again, it can be expected that material will subsequently become available that will allow the accuracy of these estimated present and future distributions to be improved, which will call for a similar adjustment in the predicted consumption levels.

In short, the crucial figures in this report are those relating the consumption of agricultural products, both by the population as a whole and by particular categories, to income; and it is on their reliability that this study mainly depends.

C. Surveys of Nigerian Expenditures - Concepts and Definitions

III.17. If ambiguity is to be avoided, the precise meaning of some of the terms used in the preceding discussion must be carefully defined. Attention will be/

be paid in this section to 'income' (a particularly elusive concept), 'consumption', 'agricultural products', and 'import-type foods'.

The complexities of defining 'income, even for an economy that is almost entirely monetarised, have been adequately demonstrated.(8) In Nigerian conditions, these theoretical problems are aggravated by a number of practical difficulties, of which some of the most recalcitrant are described in 'The National Income of Nigeria 1950-51'.(9) On the other hand, our present task is somewhat simplified by the fact that our concern with the term here is not to compare Nigeria's standard of living with that of other countries, or to compute its rate of growth, but to classify households within Nigeria, so as to observe the differences in consumption at different economic, and possibly social, levels.

III.18. One major complication is 'income in kind'. Where farming is the main, or an important subsidiary occupation, a substantial part of a household's total consumption of agricultural products can be expected to come from its own production rather than from purchases in the market; this proportion diminishes rapidly as we reach households in the middle and upper ranges of full-time urban employment. A second distinction is that which can be drawn between '(cash) income' and 'total (cash) receipts' in a given period. The latter includes withdrawals from savings, borrowings, cash received in repayment of monies lent, gifts and arrears of salary. Thirdly, the income taken into consideration may be only that of the head of the household from his main source of employment - 'basic income' - or may include that from his other activities or concerns, and that accruing to other members of the family, - 'total income'. Finally, households may be classified by absolute income, - in any of these senses - or by income related to family size, i.e. per person or per adult equivalent.

Where, as in the case of the lower-income urban employees, we rely on data that has already been classified by income-group, we have no choice but to accept the definition used. For the middle income-group surveys, and for some of those in the rural areas, where we have information for each household separately, we can select, to some extent, the measure of income that is most appropriate to our purposes.

III.19. All our figures relating to lower-income groups among urban employees, are derived from the series of surveys conducted by the Federal Office of Statistics,(10) in which any income analysis of households was always by 'basic income', although there is apparently some variation, as between different surveys, in what this phrase covers; overtime and arrears of pay are both included in some (Lagos, Ibadan and Enugu (1953-55), and Ilorin (1957-58), overtime but not arrears in others (Kaduna and Zaria (1955-56), and neither in at least one (Kano 1958-59). Since 'basic income' can often be a comparatively small fraction of total income, we thought it might be helpful to insert, where available, some more comprehensive/

comprehensive indication of the average spending power available in each 'basic income' group, such as total cash receipts, or total expenditure on all goods and services; it should be remembered, however, that an average figure for receipts or expenditure for a 'basic income' group may conceal wide variations in the receipts or expenditures of individual households within that group.

III.20. Where we have been able to classify the households ourselves, and the data allowed some choice in the adoption of a measure of income as the basis of the classification, our guiding principle has been to select that measure which seems likely to be most closely related to the consumption of agricultural products.

III.21. Such consumption would not be expected to vary very much with irregular, or once-for-all, variations in cash receipts, such as arrears of salary and withdrawals from savings. These, and cash borrowings, would be more likely to be devoted to the purchase of household capital, like bicycles, radios, and gramophones, although the proportion of bad debts in Nigeria is probably high, and some of these may go to finance a standard of consumption of food and other agricultural products that is higher than it would otherwise be. On the other hand, income in kind, income of the household from subsidiary activities and concerns, and income of other members of the household, all contribute to the level of prosperity enjoyed by the household, and thus, one would imagine, affect the consumption of the products we are interested in, so that theoretically they should all be included. Again, since the degree of economic prosperity that a given total income will provide depends on the number and ages of those whom it has to support, a classification by income per person, or better still, per adult equivalent, is likely to be more meaningful than one by absolute income alone.

III.22. In practice, the measure we have used in our own surveys (of households of those in the middle and upper income range of urban employees) has been 'total cash income per adult equivalent', children from ten to sixteen counting as =0.8 adults, those under ten as =0.5.[11] The theoretical desirability of including income in kind also was outweighed by the practical difficulties of measuring and valuing income in this form, and the fact that it constitutes quite a small proportion of total income for such income-groups. We have also tried to apply a similar concept to the material which the Federal Office of Statistics made available to us from its survey of a comparable group of households in Lagos. In this case, however, total income was not given, only 'total receipts', 'basic income', and 'total expenditure on goods and services'.

III.23. Since 'basic income' is obviously biased downwards, and since, as might be expected at an income level where a much greater proportion of expenditure is likely to consist of irregular purchases of consumer durables, 'total expenditure on goods and services' varies from much below 'basic' income' to much above 'total receipts', the most appropriate measure appeared/

appeared to be 'total receipts' which in most cases did not greatly exceed 'basic income'. A second, minor, difference was that since children under sixteen were not further differentiated by age, they were all counted as = 0.6 adults.

III.24. In collating surveys of rural and farming households, the two most valuable of which covered receipts and payments for a whole year, income from all sources, including the substantial element of income in kind, divided by some measure of family size, has been the basis of classification.

III.25. Throughout the urban surveys, 'consumption' was measured in terms of actual expenditures. On the one hand, the formidable task of weighing and measuring changes in stocks of each commodity was not attempted, either by the Federal Office of Statistics or by ourselves; on the other hand, although households were asked to record in our own surveys at least the quantities as well as the amount of money spent, information in the first form, though sometimes useful as a check on the accuracy of the individual informant, was too fragmentary, and, necessarily, too vague, to permit meaningful aggregates to be derived from it.

III.26. Where the period for which each household is surveyed is equal to the pay period, which is, apparently without exception, one month, it is unlikely that consumption of agricultural products will diverge much from purchases, that is, stocks are not likely to be substantially different at the end of the survey period from what they were at the beginning. Our middle-income survey in Ibadan was the only one in which the period of survey for each household was less than a month (fourteen days), and although it was frequently noted by informants that certain items, notably staple foods, were purchased in bulk once a month, the fact that successive samples started in successive weeks meant that all phases of the month were covered in the survey as a whole, so that differences between 'purchases' and 'consumption' might be expected to be quite small for the aggregated results.

III.27. The fact that purchases have been analysed throughout in terms of money spent (pq) rather than quantities (q), though it has some obvious advantage, may be considered open to objection on a number of grounds. The chief advantages are, firstly, certainty - a householder can know that he spent one shilling on a bowl of gari, without being able to say with any accuracy how much, either by weight or volume, he received - secondly, the desirability of allowing for changes in quality to be reflected in 'consumption', since such changes may explain why one household spends more than another on the same weight or volume of a commodity, and thirdly, ease of statistical manipulation, since expenditures on specific items can be directly compared with income and with each other. In answer to these cogent arguments it is sometimes objected that price changes if at all substantial may render the comparison of expenditures over time quite misleading, in that, for instance, if the price of a commodity falls, expenditure on it may be significantly reduced while the quantity purchased significantly/

significantly increases. But, except when measuring price effects, we are interested in the change in the demand position of different consumers, not in the quantity demanded. In our example above, it may be either that the demand position has not changed, or that it has even, as suggested by the trend in expenditure, deteriorated, for the good in question, that is that the amount bought at any given price at the later date would be less than the amount bought at the same price at the earlier date. To that extent, 'quantities' are more misleading than 'expenditures'. The crucial factor here is the elasticity of demand for the commodity in question. Moreover, if we are considering not merely the absolute expenditure on one particular item, but the relationship between the expenditures on two or more sectors of the household budget (which may be both individual commodities, or may be expenditure on all items, or on a major category of commodities such as 'food') the comparison will be invalidated by price changes only to the extent that (a) such changes affect the relative prices of the two commod-:ities or sectors, and (b) the price-elasticity of demand for either div-:erges from unity. If neither (a) nor (b) is very large, 'expenditure' figures will represent demand changes with reasonable accuracy. Another, and perhaps more powerful, objection to the choice of 'expenditures' to measure consumption is that consumption curves in these terms, even given an adequate income distribution, cannot be directly tested against import statistics. Apart from waste, and stock changes, the total quantity of non-locally produced consumer good that is imported in a given period, as recorded in import statistics, should equal the total of the quantities bought by consumers. This is not true in value (pq) terms, since the final selling price will differ from the import price by the costs of trans-:port within Nigeria and/or the traders' margins. Thus the 'value' figures in the Import Statistics must be inflated by some estimate of the percent-:age mark-up in order to make them agree with the total expenditure of consumers on the respective commodities. This is a real difficulty, but we have been fortunate enough to obtain a rough idea of the magnitude of this mark-up from figures supplied by some of the main firms involved in the trade.

III.28. Throughout the analysis on which this chapter is based, the phrase 'agricultural products' has been taken as equivalent to 'food, drink and tobacco'. Logically, this definition is at once too wide and too narrow. Salt can in no sense be said to be an 'agricultural product', though it is one of the chief food imports; neither can meat, fish or oil-palm produce, unless 'agriculture' is extended from its literal meaning of 'cultivation of the land' to cover all kinds of primary production. On the other hand, given this extended meaning, almost all clothing, mats, and products of wood and rubber can be said to be 'agricultural' in origin.

III.29. The practice we have adopted might be defended on a number of grounds. The inclusion of other kinds of primary production in 'agriculture' fits in well with the facts of the Nigerian economy, since practically all forestry, much of the fishing, and most animal husbandry other than cattle-rearing/

rearing, are carried out by populations who are also farmers in the narrower sense, growing at least some of their own food by cultivation of the soil. Again, though many commodities other than food are agricultural in origin, it could be said of most of these that in the form in which they are finally bought by consumers, a substantial element of processing has been incorporated, so that a relatively small proportion of the value represents the output of the agricultural sector. But the most compelling reason is that fact that, in Nigeria, so much of the data relating to consumers' expenditure is, very naturally, classified into a number of broad groups of commodities, among which 'food', 'drink' and 'tobacco' consistently appear, and since such purchases are fairly regular, give figures that can be relied on much more confidently than that for purchases of consumer durables, which, as we have pointed out above, are bound to be occasional.

III.30. It remains only to discuss the basis of our distinction between 'local' and 'import-type' commodities. A full list of these latter is given in Appendix III (i). We have made no attempt to distinguish between imported and local varieties of the same product where, as in the case of bottled beer and tinned meat, the local product is a very close substitute for the imported one. Instead, we have treated the product as an 'import-type' commodity. Again, where a product is locally manufactured, but from imported ingredients, such as bread, we have included it in 'import-type' commodities. The only cases in which we have treated a product that is imported at all as 'local' are where imports form only a minute proportion of total consumption, such as rice or fresh meat; in such cases, the imported variety may represent a luxury out of reach of all but the most prosperous Nigerians. It follows from the classification we have used that our tables will doubly exaggerate the effect on the Balance of Payments that might be expected from a given rise in the incomes of a given set of people: allowance needs to be made for both gross trading profit within Nigeria, and for the importance of local substitutes.

D. Surveys of Nigerian Expenditures - The Data.

III.31. It has been shown that, in the analysis of consumer's expenditure, the predominant role is played by the investigation of the consumption patterns of a cross-section of households. By the beginning of 1960, investigations of this kind had already yielded a considerable mass of data, which must now be reviewed. This can be conveniently considered in two groups, according to whether the households surveyed were those of farmers, or other country-dwellers, on the one hand, or those of urban wage - and salary - earners, on the other. A further category, that of urban self-employed business and professional people, like traders and lawyers, has not been surveyed at all, although they must form an economically significant segment of the Nigerian economy. When account is taken, however, of the extreme difficulty of ascertaining, even approximately, the income of such households, and the absence of any lists from which a sample could be drawn, it can be understood why the prospect of gleaning worthwhile results therefrom would have seemed so discouraging.

III.32/

III.32. In fact the whole field of the study of the urban consumer in Nigeria has been almost completely monopolized by the Federal Office of Statistics. Moreover, until very recently, the households selected for such surveys have been entirely drawn from those whose basic income, that is, broadly, income of the household head from his (or her) main source of employment, did not exceed £400 a year. This was because one of the primary purposes of the surveys was to determine, for each town of major importance in Nigeria, the selection and weighting of items from which an index of retail prices could be constructed which would be applicable to the most populous section of the employed population.

III.33. Fourteen of these surveys have now been completed. The results of the first three (Lagos, April 1953 to April 1954; Enugu, January 1954 to January 1955; and Ibadan, December 1954 to December 1955) were published in 1957.(12) Those of the next two (Kaduna, September 1955 to September 1956, and Zaria, December 1955 to December 1956) followed in 1959.(13) Of the nine remaining surveys (Warri, January to March 1956; Sapele, April to June 1956; Benin, July to September 1956; Calabar, October 1956 to January 1957; Port Harcourt, February to April 1957; Aba, May to July 1957; Ilorin, November 1957 to February 1958; Kano, July 1958 to January 1959; and Lagos again, October 1959 to August 1960) no results have yet been published. The Federal Office of Statistics has, however, afforded us free and generous access to unpublished data relating to all fourteen surveys.

All these surveys, which as can be seen, comprise four in each Region and two in the Federal Capital, share certain common features. Each household selected was surveyed for a month; Household expenditure is always analysed in two ways - by expenditure group, one of which, 'Food', is further divided into seven or eight main headings and from forty to seventy individual items - and by occupation. Three kinds of occupation are recognised and are defined, in the report for Kaduna and Zaria, as follows:-

' Clerks:	All persons undertaking "white collar" work; these include sales workers, nurses, telephone operators, and laboratory assistants.
Artisans:	Skilled workers who have passed, or are passing, through a period of apprenticeship (recognised or unrecognised) before acquiring the skill necessary in their trade. Included are mechanics, carpenters, motor and railway engine drivers, fitters and electricians.
Labourers:	Semi-skilled and unskilled labour, including messengers, postmen, watchmen, block-makers and gardeners. ' (14)

Finally/

Finally, the upper qualifying limit of Basic Income has been changed only with the award occurence of pay increases for to Government employees - it was £350 per annum for the first three, and £400 for all the others until the second Lagos one, when it was raised again to £450.

III.34. The surveys differ considerably in other respects, including the number of months over which each extended, the number of households sampled, the range of additional information requested, and the ways in which the results have been analysed. Of particular relevance to this study is the analysis of expenditure by (basic) income group. Tables analysing the expenditures on the main food groups, drink, and 'tobacco and Kola', by basic income of household, were made available to us from the two Lagos surveys, all those in the Northern and Eastern Regions, and Enugu. Such analyses were valuable, but since some food groups contained both imported and local items - 'Bulk-foods' for instance, include bread made from imported wheat as well as foods derived from local roots and cereals - and since the grouping of some foods varied between one survey to another, it was particularly useful when the expenditure on each individual item could be related to income in this way. This was possible for the four Northern surveys (Kaduna, Zaria, Ilorin and Kano) and for a number of items, for Enugu. Another virtue of the Northern surveys, which is likely to be of enhanced importance as a result of the 'Northernisation' policy of the Regional Government, is that, except for Kano, they all distinguish between the expenditures of the Muslim Northerners themselves, and those of the Southern, generally Christian, 'strangers' who have moved into Northern towns, and have taken most of the better paid jobs, but who live apart from the indigenous pop-:ulation in the 'Sabon Gari' and show little sign of assimilation. Dis-:tinctions of this kind are essential if one is to avoid the fallacy discussed above(Paragraph III.12) of using present patterns of expenditure of an income-group which may now consist mainly of Christian Southerners, to predict the expenditure of the same income-group at some future time, when it may be drawn largely from the ranks of Muslim Northerners. It is also desirable to make some allowance for family size for, given two households, one consisting of a single man living alone, the other of a large family, both with the same basic income, one would hardly expect them to exhibit the same patterns of expenditure. For the five published surveys the material on family size is at least adequate to indicate some of the apparent differences between the expenditures of different income-groups which might be attributed to differences in the average household size between such groups.

III.35. Apart from the work of the Federal Office of Statistics, the only enquir-:ies into the food consumption of the urban employed population that could be discovered were, one by the Federal Nutrition Unit,(15) concerned mainly with the nutritional value, and clinical effects of the food consumed by a selection of households in Lagos, and another by the Shell-BP consortium of the expenditure of a sample of its employees at Port Harcourt,(16) which like those of the Federal Statisticians, was designed to measure changes in/

in the cost of living. Both are on a minor scale.

III.36. The investigation of the food consumption of farmers (many of whom, particularly in the Yoruba areas of Western Nigeria, are town-dwellers) and other sections of the rural population, is beset with difficulties even more formidable than that of the urban, self-employed, business and professional classes. Cash Income can only be measured on an annual basis, and is highly uncertain even then; Much of the country-dweller's food consists of what he has grown, or otherwise produced, himself, which must be weighed and priced so that its (imputed) value can be added both to income and to expenditure. Illiteracy is widespread, a knowledge of English rare, and languages numerous, and often difficult. The absence of any system of land registration, and the wid margin of error in any population estimates, again makes the taking of a representative sample impossible.

III.37. Not all investigators, however, whether governmental or independent, have been deterred by these obstacles. A number of rural consumption studies have been completed, the results of which vary enormously in cover-:age, range, technique, and presentation. In this field also, the Federal Office of Statistics is again prominent. In the course of taking the recent Census of Agricultural Production, an operation which lasted five years, it included in all of the hundred or so villages that where sampled a study of consumption as well as production. Although the results of these are probably not so reliable, and certainly not so detailed, and certainly not so detailed, as those for the urban surveys, those for the Northern (1956-7)[17] and Western (1958-9)[18] regions yield valuable if relative expenditures on approximate indications of the importance of food in rural budgets and the kinds of different food. Income is not given, but total expenditure on all kinds of goods and services, which is given for the west, can be used as a rough substitute in assessing the relative pro-:sperity of the various villages, for each of which separate average expen-:ditures are given.

III.38. Another important source of information about food consumption in rural areas is the work of the Federal Nutrition Unit, and its Advisor, Dr. B.M. Nicol. Since 1947 this has covered fishermen, peasants, and traders in in Warri Province[19], Western Nigeria (1950-51), villagers in three divisions of Niger Province, Northern Nigeria (1947-8)[20], and a series of studies in seven villages, chosen as representative of all the main vegetation zones of Nigeria, and because of their remoteness from the town and main road.[21]. Impressive as are these studies from a nutritional point of view they are not easy to assimilate the main picture. Under-:standably, considering the care with which the food intake of each person was measured, and the fact that this was, in all cases, followed up with a clinical examination, the number of households covered was small - cer-:tainly less than 100 in all. There was no attempt to measure income, or even total expenditure; and food consumption was measured in terms of quantities actually consumed - to convert them into expenditure terms requires/

requires estimates of both prices and wastage.

III.39. Lastly, there have been a number of independent, and semi-independent studies of particular areas, covering Yoruba cocoa-farmers[22] the Hausas of Zaria Province in the Northern Region[23], Ibidio Oil-palm farmers of what is now Annang Province in Eastern Nigeria,[24] and plantation workers in the Southern Cameroons.[25] These are all of considerable interest, especially the first two, whose scale and presentation allow some relation-:ship between income and food consumption to be traced for the communities concerned; but although these communities do make up a substantial segment of the population, they can hardly be taken as representative of the whole. There is, for instance, almost no data on the rural Ibos, who form a fifth to a quarter of the population of Nigeria, and who occupy one of the few area of the country where land shortage is a serious impediment to self-sufficiency in food.

III.40. It can be seen from the foregoing that information about food consump-:tion of farmers and country-dwellers in Nigeria is uneven and much of it is not easily comparable. These deficiencies cannot be said to warrant further investigation in this sector, however, given the limited time and manpower at the disposal of this study. This is not only because of the formidable difficulties of any such enquiry, which have already been touched upon; it is also because even accurate and reliable results would not be likely to yield much that is highly relevant to our present purpose. It is prima facie likely, and what evidence we have confirms the hypothesis, that, with the exception of Yoruba cocoa farmers[26] average incomes in this sector, however measured, are below the average for Nigeria as a whole,[27] and that consumption of imported foods, for any given income level is lower than among the urban employed class. Since then we are concerned to estab-:lish the patterns of consumption to which Nigeria is now moving, as incomes increase, and a wider choice becomes available at a given income, the direct contribution which any further study of the rural consumers' behav-:iour can make to this end is perhaps somewhat limited.

III.41. Nor did it seem profitable to embark on any further investigation of the spending habits of the lower-paid urban employed population; it would be difficult to improve on the data afforded by the surveys of the Federal Office of Statistics, which covered in all about three thousand households. The most serious gap in the existing situation was the total absence, at the time we began our study, of any information relating to the households of urban employees in the Middle income range, that is above £400 or £450, per annum. Although these admittedly constitute only a tiny fraction of the total population, a detailed knowledge of the food that they buy may be highly relevant to the kind of predictions we are here attempting. It may be, for instance, that this category of households accounts for all, or nearly all, the consumption of certain items which figure fairly prom-:inently on the list of food imports. It may also be that in the next fifteen years, a much larger fraction of the population will have incomes of/

of this magnitude, and then an analysis of the spending patterns of some of the few households who now fall into that income-range may be the best guide to what the larger fraction will buy. Indeed, in Nigeria and as in other countries, the 'ostentation-effect' of the consumption of the relatively wealthy may influence the spending even of those who may never succeed in enjoying a similar income. Thus, in a decade or two, the proportionate expenditure even of those whose 'basic' income remains less than £400 a year may more closely resemble that of to-days 'middle-income' households than that of those whose present income falls below that figure.

III.42. We decided, therefore, to see whether this gap could be bridged, by launching a Pilot Survey, on a relatively modest scale, in the most favourable circumstances. One immediate problem was the choice of town; since we wished to include both private and public employees in our sample, the town we selected needed to be both a centre of Government and an important commercial or industrial centre. Only Lagos and Ibadan possessed both these qualifications. A number of considerations pointed to Ibadan. The most important of these were the existence of the University of Ibadan, with the Nigerian Institute of Social and Economic Research, where we were assured of ready co-operation and a sympathetic environment; and the fact that the Federal Office of Statistics had just begun its first survey of this kind of income group in Lagos, whose results would be available to us in time for incorporation in this project. Another advantage was the fact that Ibadan, unlike Lagos, was a large indigenous African city, the largest, in fact, in Africa, and situated in the middle of a densely populated area, and comparatively prosperous, so that the tastes of its wealthier citizens might be expected to be contagious over a wider segment of the economy than in the case of Lagos.

III.43. In selecting a sample of Civil Servants, we were extremely fortunate to have the wholehearted and enthusiastic co-operation of the Permanent Head of the Western Region Civil Service, Chief S.O. Adebo, who arranged for each Department to supply us with a complete list of all its officers then stationed in Ibadan and earning more than £300 per annum, a figure chosen in order to allow the accuracy of our results to be tested by comparison with those of the Federal Office of Statistics over the overlapping income-range. From these lists which in all about twelve hundred names, a sample of one in eight was drawn, which was supplemented by a further fifty or so supplied by one or two of the largest commercial and manufacturing concerns in Ibadan. In the latter case, however, it was not possible to take anything like a random sample, either of firms or of employees with the relevant income within a given firm, so that the results cannot necessarily be regarded as representative of all such workers.

All selected informants were asked to record, every day for a fortnight, all purchases of food, drink and tobacco, including all meals taken out.

The Civil Servants were divided into six samples, the first of which started/

started on Wednesday April 13th and finished on Tuesday April 26th, 1960. Successive samples started on the same days of successive weeks. (April 20th and 27th; May 4th, 11th and 18th) so that the last sample finished on May 31st. The dates of the 'commercial' informants were slightly different, but here also a start was always made in mid-week, so as to ensure that, by the weekend, each informant had acquired the habit of recording his purchases and would not be liable to forget to do so. Each informant in either category was given a large envelope, containing an explanatory letter, fourteen forms, and fourteen small envelopes, each form and each envelope being marked with the informant's code-number. He was asked to use one form a day, and, on completion to insert in it a small envelope, seal it, bring it to work next morning and deposit it in one of a number of wooden boxes. These had been constructed for the purpose, and placed in each main block of offices, and in each store and factory. Those who failed to do so, or whose returns showed a misunderstanding of what was required of them, were visited personally, as often as necessary, unless they signified that they did not wish to participate. Additionally all who responded regularly were interviewed once and asked about their income from all sources, including that accruing to other members of the household, the size of their household, with the ages of any children, the kind of accommodation they lived in, and whether they had their own running water, electricity, or radio. In the work of organising the survey and contacting the informants, the project enjoyed the help of two able assistants, one an expatriate attached to the University,(28) the other a statistician seconded from the regional Ministry of Economic Planning.(29)

III.44. The atmosphere was generally highly co-operative. About 100 civil servants, and forty of the 'commercial' informants returned a complete set of intelligible forms. Many went to considerable trouble to give us an accurate picture of their consumption. Few refused without compelling reasons. These results seemed to us sufficiently encouraging to suggest that the experiment should be repeated elsewhere on a larger scale.

III.45. The towns of Enugu and Onitsha were selected for this second survey because they provided an effective combination of government, public corporation and commercial employees earning a basic salary of £300 per year or more; Enugu is the capital of the Eastern Region and Onitsha is one of the largest commercial centres in Nigeria.

III.46. The sampling frame covered the employees of the Federal, Regional and Local governments (including college lecturers, schoolteachers, police and prison officers, and other civil servants), the Railway, Coal and Electricity Corporations as well as the commercial firms and banks; ten separate samples (stratified into four salary groups viz. £300 to £450, £450 to £600, £600 to £850 and £850 and above per annum) each of thirty employees were drawn, making a total of 300 households each of which was surveyed for 30 days.

III.47./

III.47. The forms and boxes were essentially the same as those used in the Ibadan Survey and a part-time enumerator was engaged in Onitsha. The first sample started to fill in their forms on 7th February, 1961, and the other nine at weekly intervals, so that the members of the tenth sample completed their returns on 10th May, 1961; During this period each household was interviewed to obtain further information relating to family size, income and other sociological factors. Of the 300 persons who were approached, 294 agreed to co-operate but 98 of these were unable to complete their thirty forms for reasons varying from illiteracy to illness. The remaining 196 households submitted sets of returns which could be used for analysis (14 of these households were European or Asian).

E. Results of the Surveys

III.48. Tables 2 to 6 summarize the main results of our own surveys of urban consumers, and, to the extent to which they were available and relevant to our purposes, those of the Federal Office of Statistics. Individual commodities are not dealt with in this chapter, but in Chapter IV, these tables are therefore concerned with aggregates - expenditure of 'food', 'drink', 'bought meals', and 'tobacco and kola'; expenditure on 'importables'; and, in the case of Table 2, expenditure on each of main food headings used by the Federal Office of Statistics. The coverage of these aggregates is listed in Appendix I to this chapter.

III.49 As explained above (section A), we are primarily concerned with the effect on such expenditures of income. In Table 2, which compares the expenditure-patterns of lower-income and middle-income households, the income concept was necessarily that by which the lower-income households had already been classified - basic income per household. Expenditures on seven classes of food, 'bought meals', 'drink', and 'tobacco and kola', and where available that on importables, are given for each income group and region, and, in the case of the middle income surveys, for Lagos, Ibadan and Enugu separately. In two respects the comparison remains incomplete. In the lower income surveys in the Western Region and Lagos, no income analysis of expenditure on specific foodstuffs is available, so that on 'importables' cannot be so analysed; and our own surveys at Ibadan and Enugu could yield no figures for expenditure on 'all goods and services', since their scope was confined to that on food, drink and tobacco.

III.50. Table 3 classifies the middle income surveys by the more sophisticated measure of 'total income per consumption-unit' which we have already described(30). Tables 4, 5 and 6 trace the effect of town, occupation, and tribal religious origin on the expenditure patterns of the lower-income households.

The eight sections that comprise Table 7 are a rearrangement of the expenditures in Tables 2 and 3 with two additions. The main classification is by commodity group and the expenditures are shown by income group and by Region/

Region together with the marginal propensities to consume and 'R^2'. The marginal propensities to consume were estimated by the 'least squares' technique and are shown with their confident limits; 'R^2' represents the proportion of the variation in expenditures which may be attributed to the variations in income between income groups.

III.51. All these figures must be used with caution, but there are at least some grounds for confidence that the broad trends which they suggest reflect actual consumption patterns of an important segment of the population. Table 2 shows a fairly smooth transition between the lower and middle income groups - particularly for 'total food' and 'total drink'; the middle income surveys, in broad outline at any rate, tend to corroborate each other; and the Nigerian consumer is apparently no exception to the virtually universal validity of Engel's Law - the greater his income, the smaller the proportion of it that is spent on food. On the other hand, an instance of the short comings of the data can be seen in Table 3, where the informants in at least the lowest income-group have patently understated their income from sources other than their main employment, as a consequence of which their expenditure on food, drink and tobacco appears to average to 99% of their total income in Ibadan, and 84% in Enugu! The existence of such unstated or understated sources of income as trading and smallholding, whose proceeds are likely to go unrecorded and untaxed, is not surprising; and although it is quite possible that the average total income of this lowest 'income per consumption unit' group ought to be revised upward by as much as 50%, it is likely that the incidence of such unrecorded income will diminish both relatively and absolutely as the salary element in total income increases, so that the 'total income' figures for the higher income groups of Table 3 may well be substantially accurate.

III.52. Let us now look more closely at the relation between expenditure on food, drink and tobacco respectively and income. We have explained earlier in the chapter(31) that, for the lower income ranges, it was necessary to take into account both 'basic income' and 'expenditure on all goods and services' as measures of income. The first of these is the factor by which all the households have been classified and is also useful as an indicator of status, and broadly of economic ranking; the latter is the better guide to the absolute level of economic resources at the disposal of the average household within each basic-income group. For middle income households, basic income itself, though still on the low side, is likely to approximate quite closely to total income, and in any case our own surveys in Ibadan and Enugu do not record outlay on 'all goods and services'. First, food: Table 2 shows that, in all three regions, where basic income is less than 150/- per month, households spend on food an average of between 75/- and 100/-, which amounts to rather more than half of what they spend on all goods and services; as basic income rises, expenditure on food rises at a proportionately slower rate, until, at an income of 1000/- per month, it reaches between 350/- and about 400/-, which is perhaps a little less than two-fifths of total expenditure; after this point, food purchases do not seem to rise noticeably with income, so that for households/

holds with incomes above 1800/- per month (£1080 per year), the fraction of income going on food has fallen to no more than a quarter. For the middle income groups, Table 3 tells the same story even more cogently, except that food expenditure in the highest income-group does show a substantial, though far from proportional rise over the next highest groups. One possible explanation for this is that the highest group consists largely of single-men households with moderate incomes. The fact that larger households, with larger incomes, spend less per adult equivalent than such single-men households, is easily understood. For one thing, there will be economics to scale, and therefore less waste, in the larger household. For another, the single man will need to buy his food in a more processed, and therefore more expensive form than will a family in which there are womenfolk to prepare and cook meals for the wage-earner(s).(32) In general, therefore, we can say that above an income of about £50 per month per household, or £10 per month per adult equivalent, food outlay varies only with, (though not in direct proportion to) family size, and so declines sharply as a fraction of income.

III.53. We must now consider to what extent these differences in the proportion of income which households in different income-groups tend to spend on food may be said to be the effects of factors other than income. Table 6 suggests that this proportion is affected by occupation. Clerks and artisans enjoy roughly the same incomes, but the former spend a perceptibly smaller fraction of their incomes on food than the latter (between 35 and 45%, compared with 40 to 50%). Labourers spend a much bigger fraction than either - never less, in fact, than 50% of any one town - but this can be attributed to the fact that their incomes are lower anyway. What is significant about the expenditure patterns of labourers as revealed in Table 5 is that the four towns in which the fraction spent on food is the highest, are all in the Northern Region. (Kano, Ilorin, Kaduna and Zaria). This fact, taken in conjunction with Table 4, explains why the ratio of food expenditure to that on 'all goods and services' falls far more sharply, as income increases, among lower-income group households in the Northern Region than among their counterparts in the other two regions. In Northern towns, at least when these surveys were being conducted, most of the labourers and therefore most of the households in the lower ranges, were Northerners,(33) and most of the clerks and almost all the households in the upper ranges (all but five in fact of the households with basic income over 350/- per month) were Southerns. Table 4 shows that Southerners in Northern Kaduna and Zaria towns, in all ranges for which they were surveyed sufficient households of each category to allow comparisons to be made, spent a smaller proportion of their income on food than Northerners.(34) Thus the range in this same proportion in Table 2 (Northern Region) from 58.4% for basic incomes under 100/- to 40.4% for those over 350/- gives no indication of the effect on an average household of moving from the lower to the higher of these income-ranges. It is rather an instance of the kind of statistical illusion already described in Section B. The influences of tribal and occupational composition of each income-group must be allowed for before the effect of income can be calculated.

III.54/

III.54. The proportion of food expenditure that goes on 'importable' items appears to rise sharply with income among lower income households, but is almost constant through the middle income ranges. Unfortunately, income analysis of this expenditure aggregate at both lower and middle income levels is possible for one town only - Enugu[35] and even here, the material from which the lower-income 'importables' totals have been compiled included some ambiguous classifications,[36] so that these totals are highly approximate even as measures of the consumption of the households surveyed. This is of some importance since they give a rather different impression of of the consumption of importables among lower-income ranges from that derived from the four Northern Region surveys, which show such consumption rising from seven shillings (8% of all food expenditure) in the lowest to 42/- (22% of all food) in the highest of the lower-income ranges. Here again, the difference in consumption patterns between Northerners and Southerners in the North probably accounts for what appears at first glance to be a very marked income effect. As Table 4 shows, for Kaduna and Zaria at any rate, 'importables' constitute a much smaller fraction of the food expenditure of Northerners than of Southerners.

III.55. The 'town-occupational' analysis of Table 6 sheds a little more light on the share of 'importables' in the food outlay of lower-income households. For Labourers it varies widely, being highest in Enugu, next highest at the ports (Warri, Calabar, Sapele and Lagos), somewhat lower at Ibadan and Benin, and by far the lowest in the Northern towns.

III.56. Enugu and the Northern Region towns apart, 'importables' account for between twelve and twenty-one per cent of the total food expenditure of labourers. For artisans the proportion is a little higher - between thirteen and twenty-two per cent - the chief difference being that for this occupation the Northern towns also fall within this range. Clerks appear to be more uniform in this respect; for them this proportion was between fifteen and twenty-five per cent in each town surveyed, and, with the sole exception of Enugu, was always higher than the corresponding figures for either artisans or labourers, in many cases substantially.

III.57. Thus for the various categories of lower-income group households, expenditure on 'importable' food frequently approached but rarely exceeded one quarter of total food expenditure. Throughout the range of the middle-income surveys, on the other hand, such food constituted a somewhat higher proportion of total food purchases, but one which rose much more slowly with income, from 25%-30% below about 1000/- per month, or 150/- per adult equivalent, to 30-35% above these limits. The figures of Tables 2 and 3 afford very little reason for supposing that there is any income-group for which this fraction would consistently exceed 35%. Taken in conjunction with the flattening-out of the 'food expenditure on income' curve, noted above[37] this conclusion could be of considerable importance, because it could set an upper limit to the effect on purchases of food importables of an unlimited rise in income. Given present tastes at each income and occupational level, this limit would appear to lie between 150/- and 200/- per/

per month per household, or 30/- to 40/- per adult equivalent. For reasons already mentioned[38] this latter figure cannot be expected to apply to single-man-households. Because of this, the behaviour of income-group VII in Table 3 need not be regarded as contradicting this hypothesis; and even here, it is significant to observe that the proportion of total income devoted to importable food, after steadily falling throughout the middle income ranges, is now no higher than for the lowest paid Northerner, that is about 5%.

III.58. The seven main categories (eight if we include 'bought meals') into which the Federal Office of Statistics analyse the food expenditures in all their surveys,[39] are of considerable interest, since they correspond fairly closely to nutritional factors. We have therefore applied this classification to the results of our own middle-income surveys also; this enables a comparison to be made of all surveys in this respect, regionally and by basic income, in Table 2. It can be seen from this table that, over the lowest ranges, easily the biggest item is 'staples'; over half the food expenditure in these groups comes into this category, which, though including some vegetables rich in protein like beans and millet, largely consists of carbohydrates. Another quarter is spent on animal protein; up to a tenth on vegetables; and less than 15% on the remaining items - oils and fats, fruits and nuts, preservatives, and 'other food' (mainly milk and beverages) put together. As basic income increases, the shares of 'staples' and vegetables consistently decline to about half their initial percentage at the top of the middle income scale. (Staples less than 30%, vegetables slightly more than 5%). The categories which gain at their expense are animal protein, which becomes the largest single food item at a basic income of 1000/- per month, and eventually accounts for nearly 40% of the food budget, and 'other food' (all imported) which rises from less than 5% in the lowest ranges to 15% and more in the middle income ranges. Curiously this category of expenditure shows little or no tendency to swell in relative importance within the range covered by the middle income surveys; and it constitutes a markedly smaller share of total food expenditure of such income levels in the official survey at Lagos than in our survey at Ibadan and Enugu.

III.59. Nutritionally, these conclusions are, as far as they go, encouraging. They indicate that, given increasing income, the Nigerian consumer will tend to diversify his diet and in particular, will try to remedy its lack of protein, a shortcoming so familiar as to appear endemic in the tropical world.[40] It remains to consider 'bought meals', 'drink' and 'tobacco and Kola'. The first of these categories is of no great importance. We separated it from the other categories of food expenditure in Table 2 because it represents an area of uncertainty in attempting to calculate the 'importable' element in food expenditure, since the kinds of food of which such meals are composed are not specified. It is unusual in that, among the lower income groups, it appears to decline absolutely with increased income, though it rises again as the upper ranges of the middle income groups/

groups are reached. In calculating the 'importable' fraction of total expenditure on food, drink and tobacco, in Table 2, and in all other Tables, we have counted 'bought meals' as local food. This must be largely true of its incidence among lower income ranges; but among the more prosperous, much of its expenditure may take the form of meals in European-style restaurants or catering rest houses, where the import content must be substantial.

III.60. The pattern of expenditure on drink which can be delineated in these tables differs from that on food in two important respects. First, such expenditure appears to vary much more markedly with income, particularly over the lower ranges; and secondly most of it, nearly all of it at the higher income levels - is on 'importables'. Both these impressions are well-founded, but in both cases the point is exagerated by the figures.

III.61. It must be remembered once more that more than half the population of Nigeria is Muslim, but that most of the skilled workmen, clerks, and administrators, even in the North, are not, or were not, when these surveys were being conducted. Thus Muslim households predominate only in the lowest income groups of the Northern Region in Table 2. How great the difference between the Muslim Northerners and the non-Muslim Southerners is, can be seen from Table 4. Both groups of households show expenditure on drink increasing proportionately faster than average (that is, becoming a slightly bigger fraction of expenditure on all goods and services) but that fraction is throughout much higher for Southerners than for Northerners. This is to be expected in view of the islamic taboo on alcohol, though it should not be forgotten that soft drinks are included in these figures. Excluding the 'over 350/- range, in which there are only five Northern households, Northerners appear to allot about 2% of their total expenditure to drink, Southerners between 6% and 10%, slightly more than in the Western Region for the same income range, but rather less than Enugu households. Proportionately, drink expenditure seems to reach a peak of perhaps 15% of income in the lower-middle incomes - about 600/- a month, or 100/- per consumption unit. The relative decline thereafter is, however, much slower than that of food, so that it is not possible to suggest an absolute limit to such expenditure. Occupationally, artisans, and even labourers, spend a greater proportion of their income on drink than do clerks, except in the Northern towns.

III.62. Local-type drinks do not seem to appeal very much to the urban employee (see Chapter IV). Except for the lowest two Northern income-groups, whose total drink consumption is low anyway, 'importables' account for at least four-fifths of the drink expenditure of almost every category of household. For Southerners, absolute expenditure on importable drink varies from 10/- (where basic income is below 100/-) to over 150/- (on a basic income of 100/-). These figures do not however give a true picture of the increased drink imports that might be expected to follow a given rise in salary. Quite apart from the element of retail and wholesale mark-up which all household expenditure figures contain, there are two factors which reduce the/

the import content of drink expenditures still further. One is the fact that much of the expenditure on 'importables' is actually on locally produced soft drinks and particularly beer; (in both cases the locally manufactured product is very similar to the imported variety); the other is that even expenditure on the imported variety contains a large element of import duty. In 1957 for instance, when consumers' expenditure on drink, other than palm wine and other local traditional products, was estimated at £9.3 million,(41) substantially less than £4 million of that represented a debit item on the balance of payments.

III.63. It is difficult to discern from these tables any very distinctive features of the consumption of 'tobacco and kola', which are classified together in the surveys of the Federal Office of Statistics.(42) The expenditure of Southerners on these items does not seem to vary much with income throughout the range covered by the lower income surveys, remaining about 10/- per month per household. Above that income level, the evidence conflicts; middle income groups seem to spend considerably more than this at Lagos and Enugu, but rather less at Ibadan; but in all three towns, such expenditure forms a smaller fraction of the budget than where incomes are below 650/-. As Table 4 shows, Northerners tend to spend more than Southerns at any given income level, and their expenditure rises noticeably, though less proportionately, with basic income. Occupationally, clerks generally spend much less, even in absolute terms, than artisans(43) who in turn spend rather less than labourers.

III.64. Our figures for the 'importable' share of this expenditure (that is, tobacco and cigarettes as opposed to kola) are, for the lower income ranges, based entirely on the Kano survey. It seems likely that the sharp rise over this range, from about 50% in the two lowest groups to about 75% in the three highest, and a similar or higher percentage throughout the middle incomes, again reflects the difference in spending habits between Northerners and Southerners. It would certainly appear that Northerners spend more on kola than their Southern counterparts at any given income level. What is not clear is whether this greater consumption of kola partly, wholly, or more than wholly accounts for their higher expenditure on 'tobacco and kola' in Kaduna and Zaria revealed by Table 4. On balance, the figures do not seem to support any differentiation between Northerners and Southerners in respect of the consumption of tobacco and cigarettes In that case Table 2 may give a fairly accurate picture of the income-effect on <u>importable</u> tobacco and kola (i.e. tobacco and cigarettes) for employees in Northern towns. For households with 'middle' incomes, little can be said about 'tobacco' expenditure which would modify what was said about that on 'tobacco and kola', since the latter consists mainly of the former.

III.65. The net effect of all the tendencies that we have been discussing so far in this section can be observed by examining the combined expenditure on food, bought meals, drink and tobacco. Tables 2 and 3 show that, while/

while in absolute terms such expenditure rises from little more than 100/- where basic income is lowest to nearly 700/- where it is highest, as a fraction of (total) income it falls from over 70% to less than 25%. Table 4 would suggest that it is higher for Northerners than for Southerners, and Table 5 that it is higher for artisans than for clerks, absolutely, and as a fraction of all expenditure; in the latter respect, it is even higher for labourers. Apart from the Middle income surveys, the 'importable' part of this expenditure can be shown only for the Northern Region. The lowest paid urban employees in that Region spend less than 15/- per month on 'importable' food, drink and tobacco, which was about an eighth of their total spending on these items; this proportion rose to about half at the upper end of the middle income scale, that is to more than 300/- a household, or even, in Table 3, Income Group VII, more than 100/- per adult equivalent. Both these extremes, however, tend to exaggerate the effect of a given increase in income on the consumption of such importables. The lowest income groups spend less on importables because, in the towns for which such figures are available, they are preponderantly Northerners. For Southerners, even in the lowest ranges, about a quarter of their food, drink and tobacco expenditure would tend to be devoted to importables, as Table 4 indicates. At the other end of the scale, income group VII of Table 3 is probably exceptional, in that it consists largely of single men, and in any case, since the increase in 'importables' share is substantially attributable to increased expenditure on drink, for reasons set out,(44) this is not likely to increase the import content of such expenditure, the outlay on such importables, after rising from about 12% (for Southerners) in the lower incomes, to over 20% at the lower end of the middle income scale, declines again to little more than 10% at the top end of it.

III.66. It remains to consider whether it is possible to discern any trend in consumers' behaviour over time, as distinct from that which can be attributed to changes of income, occupation etc. Four possible comparisons suggest themselves: Lagos lower income survey, 1959, can be compared with a similar one of 1953-4; Kano 1958-9 can be compared with Zaria 1955-6; and the lowest income-group of each of middle income surveys can be compared with the highest income group (250/- and over) in the lower income surveys in Enugu and Ibadan in 1954 and 1955 respectively. The results of such a comparison are disappointing; however because there is too little overlap between the middle income surveys for the groups to be comparable, and in the other two cases the comparison is far from conclusive, as Tables 5 and 6 indicate.

F. Interpretation and Reconciliation.

III.67. As has already been pointed out,(45) the picture of consumption given by these cross-section studies can be tested, by comparison with import statistics. Let us take, for instance, the total value of all food imports in a given year. These figures are given in the Trade Reports, and we can regard them as reliable. From our cross-section studies we also have estimates of the average expenditure (per head or per household) on 'all importable/

importable food' for each of a set of income - or occupational - groups. Now if we know the total population (or total number of households) and the proportions in which that total is split among the various categories for which we have cross-section data, and if we also have some idea of how much of consumers' expenditure on 'importable food' represents actual import content (as opposed to tax, distribution and production costs within Nigeria and the buying of import substitutes), we can, by a simple calculation, construct a table showing the import content of the aggregate food expenditure by each group of the population, which should add up to total food imports. We can, of course, do the same thing for any other category of expenditure with an import content for which we have comparable data.

III.68. The exigencies of Nigerian Data, however, compel us to limit ourselves to the crudest possible stratification of the population. We shall therefore deal with the following groups: "Expatriates", "Middle and Upper Income Africans", "Clerks", "Artisans", "Labourers", "Urban self-employed", and "rural. Even with such a simple classification, it is possible to feel any confidence only in the figures for the first five of these categories; the two last-named, which are numerically the two largest, are represented only by residuals.

The reason why data is somewhat easier to come by in the case of the first five of these groups is that together they constitute the employed population of Nigeria. In the "Economic Survey of Nigeria, 1959"(46) we find a two-way distribution (by industry and occupation) of the employees of all undertakings employing ten or more persons, as at September 30th 1957. The occupation categories can be fitted with little difficulty into our groupings, giving 60,000 clerks, about the same number of artisans, and 320,000 labourers. Those in occupations likely to fall into the middle and upper salary ranges(47) which are likely to include virtually all the employed expatriates,(48) number 25,000. From other evidence, including the Ashby Report on high level manpower needs,(49) it would seem that one third of these are expatriates. This table in the "Economic Survey" also shows 11,000 women employees, unclassified by occupation; since most of them will be members of households which already have at least one wage-or-salary earner, the fact that we have had to ignore them is not likely to matter very much. In all, the total number of male employees in these five categories that are embraced by the somewhat limited scope of "Economic Survey's" table is 465,000.

III.69. To discover the total population covered by this figure it is necessary to estimate the average size of the households of these employees. The surveys of 'lower-income' households by the Federal Office of Statistics indicate that these households average about 3.5 persons.(50) Middle and upper income households, in our experience, are somewhat larger. It would therefore seem likely that our data for the employed population's consumption patterns can be applied to perhaps a little less than two million/

million people. Now, according to the Census of Population, almost six million people live in towns of 5,000 or more, of which three million are found in the Western Region. We know that a large proportion - perhaps two thirds - of the inhabitants of the Yoruba towns of the Western Region are farmers. Excluding these, we have an urban population of about four million, of which we have accounted for certainly not more than half in our categories of employees of 'large' enterprises (and of course public bodies).(51) If these are not farmers, they may well be self-employed people such as traders or craftsmen or employees of small or scattered undertakings such as missions, together with their households. From other sources it seems possible that the non-employed urban class, other than farmers, is neither smaller nor poorer than that of employees - and there are clearly enough wealthy traders, lawyers, and in the North, emirs and their retinue, to make this not implausible. This leaves us with the rural population, which at the time of the Census was calculated at 26 million.

III.70. The average expenditure on 'importable' food by the four Nigerian categories of employees can be fairly easily derived from Tables 2 and 6. Only in the case of labourers is there a substantial difference in these figures between different towns, and it is between Northern and Southern regions. There are grounds for thinking that the Northern Region contains the same share of the labourers as it does of the total population - roughly one half,(52) so that the mean between the average expenditure on this kind of food by labourers in Northern towns, and a similar average for Southern towns, should be fairly accurate.

III.71. From these figures it would appear that the total expenditure on 'importables' by clerks was about £1 million, that by artisans £1½ million, and by labourers, £2 million. Middle and upper income Nigerian employees apparently spend a further £1½ million. The Nigerian employed population thus accounts for around £6 million. Figures for this category of expenditure by expatriates are more hazardous, but may perhaps be put at £4 million. (That allows about £400 to £500 per household annually). It is even more difficult to arrive at a figure for the non-employed urban class; but it would seem fairly safe to guess that they do not spend any more on 'importables' than their employed counterpart.

III.72. These estimates add up to a total expenditure on 'importable' food of £16 million for the whole of the urban, non-agricultural population. This does not mean, of course, that the population adds £16 million to the country's import bill. When allowance is made for the manufacture of import substitutes (dried fish, margarine and corned beef), the manufacturing and local raw material costs of such 'importables' as wheat bread, the traders' margins (wholesale and retail) and the import duties, the import content of such expenditure probably amounts to about £8 million - at the most not more than half the total value of food imports.

III.73./

III.73. This means that the rural population and the urban farmers of the West, must account for the other half. Moreover, since trading margins in rural areas are likely to be higher than in the towns, reflecting higher distrib-:ution costs, consumers' expenditure on 'importables' in the rural areas will substantially exceed that in the towns, and may amount to somewhere in the region of £25 million. This is equivalent to an average per capita expenditure on all such importables of between 15/- and £1 per year, or about five per cent of expenditure on all food.

III.74. This proportion is surprisingly high, both because it is not very diff-:erent from that of the worst-off section of Northern labourers in the four most developed Northern towns (other than Jos) who as we have seen above (Section VI, p.5) devcte about 8% of their total food expenditure to 'importables'; and because it is not very easy to reconcile with the almost total absence of any mention of 'importables' in most of the surveys that have been made of rural and farming populations. Admittedly, most of these studies were made in the early rather than the late 1950s, before the most rapid rise in food imports had taken place; and considerable expend-:iture on importables is recorded among Yoruba cocoa farmers; while the rural Ibos, who do not appear to have been surveyed in this way, are known to consume large quantities of stockfish and cabin bread; One must conclude that there are wide differences between different rural areas - some of those in the South would seem to have a tendency to consume more imported food than even town-dwellers in the North - and also that there has been a quite rapid rate of change in this respect in some at least of these areas over the past decade.

III.75. Such are the perplexities which arise in attempting to estimate in turn the value of imported foods accounted for by each of these seven broad divisions of the population. It may be asked - is it possible to improve on such a primitive analysis? Might it not be the case that, by ignoring the effects of income within each category we have arrived at a false picture of total consumption of importables by that category? These questions suggest the possibility of using regression lines.

III.76. Regression lines have been constructed for the middle and lower income Nigerian urban householders; and, since they show the marginal propen-:sities to consume of various categories they are of considerable interest in their own right. We have therefore compiled a table of such regress-:ions for the more important headings of expenditure.(53) But they cannot improve the accuracy of a figure of average expenditure of one of these categories of households derived from the same set of surveys, unless we have an income distribution of households within that category that has been independently derived. Only in the case of the middle income groups have we any thing remotely resembling this sort of data,(54) and even large assumptions are necessary before it could be used. Moreover, since the total consumption of importables by this group is only £1½ million according to our earlier calculations, it is inconceivable that the modifi-:cation to this figure which a more accurate income-distribution would dictate/

dictate would be sufficiently significant, in absolute terms, to remove the perplexity we have been discussing. After all, our figures seem to show that the rural areas spend at least double what might otherwise have been guessed - a matter of £10 to £15 million more - so that, either we must find the explanation for this discrepancy in hypotheses about what has been happening in the rural areas, as we have done above, or confess that the calculation seems to throw doubt on the accuracy of the recorded expend-:itures in both lower and middle income groups in both our own and those surveys of the Federal Office of Statistics. It is at any rate some con-:solation to reflect that whereas it is by no means impossible, if a little surprising, for the average consumption in the rural areas to turn out to be substantially more than we had thought, it would have been far more damning if the discrepancy had been the other way, and the apparent con-:sumption of such importables in the towns had been so high as to account for all, or more than all the imports. We do at least know that the con-:sumption of imported foods in the rural areas is not zero or negative.

CHAPTER III

REFERENCES

Note	Paragraph	Section	Text of Footnote
1	III.5.	A	J.A.C. Brown, "Recent Developments in the Theory of Consumers' Behaviour" p.9.
2	III.5.	A	A number are mentioned in the above-mentioned paper by J.A.C. Brown, p.3; cf. also "Agricul-:tural Incomes and Levels of Living in countries at different stages of Economic Development" in "The State of Food and Agriculture 1959" (the annual publication of the Food and Agriculture Organisation), especially Chapter III, from p.101.
3	III.6.	A	J. Heads, "Urbanisation and Economic Progress".
4	III.6.	A	J.A.C. Brown, loc. cit. p.4.
5	III.6.	A	Ibid.
6	III.10.	B	A.R. Prest and I.G. Stewart, "The National Income of Nigeria 1950-61". A further calculation of Nigeria's national income for 1957-58 by E.F. Jackson, P. Okigbo, and Aboyade, has not yet been published, but certain of the summary figures derived therefrom have been made available to us from the purpose of writing this report.
7	III.10.	B	Appendix (i) Ch. II.
8	III.17.	C	E.g. by J.R. Hicks, in "Value and Capital" Ch.14.
9	III.17.	C	See note 6 above.
10	III.19.	C	See below, Section D Chapter III.
11	III.22	C	These measures of adult equivalence are approx-:imations of those used, on the recommendation of the Federal Adviser on Nutrition, by a comm-:ittee appointed by the then Northern Region Executive Council to investigate the movements of locally grown foodstuffs. See: "Movement of Local Foodstuffs" (Northern Nigerian Government, Kaduna) p.3.
12/			

Note	Paragraph	Section	
12	III.33.	D	"Urban Consumers in Nigeria - Report of enquiries into the income and expenditure patterns of wage-earner households in Lagos (1953/54), Enugu (1953/54), and Ibadan (1955)" (published Lagos 1957).
13	III.33.	D	"Urban Consumers in Nigeria - Report on enquiries into the income and expenditure patterns of wage-earner households in Kaduna and Zaria 1955-56" - Lagos 1959 (the work of the present Acting Chief Statistician, J.C.Pite).
14	III.33.	D	Loc. cit., p.5.
15	III.35	D	Not yet published.
16	III.35.	D	Designed only for internal use.
17	III.37.	D	Not published.
18	III.37.	D	Not published.
19	III.38.	D	"Tribal Nutrition and Health in Nigeria" by B.M. Nicol, in the Journal of Clinical Nutrition, July/August 1953.
20	III.38.	D	"Nutrition of Nigerian Peasant Farmers" in the British Journal of Nutrition, Vol. 3 No. 1 (September 1949).
21	III.38.	D	"Calorie requirements of Nigerian peasants" and "Protein requirements of Nigerian peasants" in the British Journal of Nutrition - Vol. 13 No. 3 1959, pp. 293, 307.
22	III.39.	D	"Nigerian Cocoa Farmers", by R. Galletti, K.D.S. Baldwin and I.O. Dina.
23	III.39.	D	"The Economy of Hausa Communities of Zaria" by M.G. Smith (Colonial Research Studies No. 16 - H.M.S.O. 1955).
24	III.39.	D	"The Oil-Palm Economy of the Ibibio Farmer" by Anne Martin - Ibadan University Press 1960".
25	III.39.	D	"Plantation and Village in the Cameroons" by Edwin Ardener, Shirley Ardener, and W.A. Warmington. (O.U.P. 1960). This also contains some analysis of the diets of selected workers by P. Morton Williams.

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Note	Paragraph	Section	
26	III.40.	D	187 such farmers had an average income, in the year studied, of £236 per household. See "Nigeria Cocoa Farmers" p. 473-4, Table 252.
27	III.40.	D	The average gross income of 90 compounds in Zaria Province was £54. 5s. (The Economy of Hausa Communities of Zaria, p.180). That of six Ibibio farmers for whom income in kind could be calculated was £170, the average cash income of sixteen house-holds, including the aforementioned six, £124. (The Oil Palm Economy of the Ibibio Farmer" p.31).
28	III.43.	D	Mr. Harris.
29	III.43.	D	Mr. J.B.A. Adeleye.
30	III.50.	E	Section C.
31	III.52.	E	Section C.
32	III.52.	E	There is of course nothing peculiarly Nigerian in such considerations.
33	III.53.	E	See Table 4.
34	III.53.	E	Here measured by average cash receipts.
35	III.54.	E	Expenditures on each commodity within the main food groups do not appear to have been analysed by income-group at any stage of the Federal Office of Statistics surveys of lower income groups at Lagos (1953-4) and Ibadan (1955).
36	III.54.	E	See note (3) to Table 2.
37	III.57.	E	Chapter III Paragraph III.52 Section E.
38	III.57.	E	Ibid.
39	III.58.	E	See "Urban Consumer Surveys in Nigeria" - Lagos, Ibadan and Enugu, Appendix B, pp. 57 - 61, and ditto, Kaduna and Zaria, Appendix. B, pp. 76-79. There is some variation in the classification as between different surveys.
40	III.59.	E	But see Paragraph IV 19 of the section on "Sugar" in Chapter IV.

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Note	Paragraph	Section	
41	III.62.	E	In the National Income calculations of Messrs. Jackson, Okigbo and Aboyade; see note 6 Paragraph III.10 Section B.
42	III.63.	E	See Note 39 Paragraph III.58 Sedtion E.
43	III.63.	E	The only town where this position is reversed is Kano.
44	III.65.	E	Paragraph III.61. Section E.
45	III.67.	F	See above, Paragraph III.16. Section B.
46	III.68.	F	"Economic Survey of Nigeria 1959" Table 2E. p. 107.
47	III.68.	F	"Managerial, Administration and Professional, Technical and Supervisory.
48	III.68.	F	Europeans are not usually attracted to work in Nigeria except by payment of salaries well above the lower limits of this range. Some Asian and other non-European expatriates may find employ-ment in lower income occupations, but they are hardly likely to be either so numerous or so consistently different from Nigerian consumers in their tastes in food as to justify distinc-tions of nationality in lower-income surveys.
49	III.68.	F	See "Investment in Education" - the report of the Commission on Post-School-Certificate and Higher Education of Nigeria, (Chairman Sir Eric Ashby) part II Chapter I (written by F. Harbison). In the Table on p. 62-3 of this report, the number of expatriates in "High Level Employment" in 1960 is estimated at 10,000, or about one-third of the total in such employment, and the impression gained from other sources that this proportion has remained fairly constant in recent years is confirmed.
50	III.69.	F	Such averages were available for Lagos (3.9), Enugu (3.7), Ibadan (3.5), and Kaduna and Zaria combined (3.2). Here, as in the Census of Population, children, regardless of age, are counted as full persons.

51/

Note	Paragraph	Section	
51	III.69.	F	It has to be remembered that both natural increase, and townward migration, will have perceptibly added to this figure of four million for the urban population, (excluding farmers), between 1953 when the Census was taken, and 1957.
52	III.70.	F	The Mbanefo Report, for instance, which did not deal with the Western Region, showed that there were twice as many Governmentally employed labourers in the Northern Region as in the East.
53	III.76.	F	These are the "Marginal Propensities to Consume" shown in Tables 7(i) through 7(viii).
54	III.76.	F	In the form of tax statistics supplied by the Federal Office of Statistics.

APPENDIX III (i) : FOOD CLASSIFICATION

Kind of Food	Local	Import-Type
Staples	Cassava or Gari	Bread
	Yams or Yam Flour	Wheat Flour
	Rice	Biscuits
	Maize or Corn	
	Cocoyams	
	Millet	
	Other Raw Starches	
	Cooked Starches	
	Beans	
	Plantains and Bananas	
Animal Protein	Meat Fresh	Stockfish
	Meat Dried	Dried Fish
	Fish Fresh	Tinned Meat
	Milk Fresh or Sour	Cheese
	Game or Poultry	
	Eggs, uncooked	
	Cooked Meat, Fish or Eggs	
Oils and Fats	Palm Oil	Margarine
	Groundnut Oil	Butter (tinned)
	Other Local Oils	
	Fresh Butter or Ghee	
Vegetables and Condiments	Melonseed or Okra	
	Onions	
	Peppers, Red and Green	
	Tomatoes, Fresh	
	Greens	
	Soup "Ingredients" not elsewhere specified	
Fruit and Nuts	Oranges, etc.	
	Grapefruit	
	Pineapple	
	Mangoes	
	Groundnuts	
	Other Nuts or Fruit	
Preservatives/		

Kind of Food	Local	Import-Type
Preservatives		Salt Sugar Jams Honey
Other Imported Food		Milk (Evaporated or tinned) Baby Food or Food Beverages Tea or Coffee Tinned or Dried Fruit and Vegetables Breakfast Cereal Sweets and Chocolate Other Imported Food

N.B. In this classification into seven basic food groups, we have attempted to follow that used by the Federal Office of Statistics in their urban surveys. In some cases the classification is known to have changed between surveys; where this is known to have happened we adjusted figures derived from these surveys accordingly but we may not have allowed for all such changes.

CHAPTER IV.

THE DEMAND FOR SELECTED IMPORTED COMMODITIES

IV.1. Chapter III has dealt with the major aspects of our survey of consumer expenditures in the different areas of Nigeria which can be studied. We are mindful, however, of a responsibility to discuss in greater detail some of the considerations that attend the consumption of certain individual commodities in whose importation the United States may have a substantial and/or a continuing interest. So far as the data we have been able to collect permits, we are now at the point where such a treatment can be introduced, without unduly prejudicing the general balance between the aggregative and the more detailed analyses upon which this study jointly rests. It will be convenient to take seven commodity or commodity groups and discuss each in turn. At the end of the chapter, the appropriate tabulated statistical material is appended. The sections are:

A. Bread, Wheaten Flour and Biscuits

B. Refined Sugar

C. Manufactured Salt

D. Meat and Fish Products

E. Preserved Milk etc.

F. Beer and Stout

G. Tobacco and Cigarettes

A. Bread, Wheat Flour and Biscuits(1)

IV.2. Imports of wheat flour have risen very rapidly since 1949, about seven-:fold; imports of biscuits other than 'cabin bread' have also risen sharp-:ly; those of cabin bread have little more than doubled. Thus a greater proportion of wheat flour products consumed by Nigeria is now baked in the Country, reflecting a swift expansion in the Nigerian baking industry.

IV.3. Practically all the wheat flour which Nigeria imports comes from either the U.S.A. (82.2% in 1960) or Canada (16.3%). In the same year, that commodity accounted for 89.1% of Nigeria's total food imports from the U.S.A. and 22.4% of all her imports from that country. It also represented 13.2% of her total food imports from all sources.

IV.4. Until 1950, the baking industry, and therefore to a large extent the pattern of consumption was almost completely concentrated in the West and Lagos. Even to-day, at least half of the consumption, and substantially more of the production, remain in that part of Nigeria. Railing figures indicate that about one fifth of the total imports of flour reaches the North, and the fraction consumed in the East is likely to be at least as great.(2)

IV.5./

IV.5. There is evidence that the large importing firms are handling a steadily diminishing share of the flour trade, finding difficulty in competing with local importers. This would indicate that profit margins have been falling in the last decade, and thus that changes in bread prices have favoured the consumer even more than the trend in import prices would suggest.(3)

IV.6. The establishment of bakeries has accelerated in the last few years, assisted by the relaxation of the import licensing of breadmaking machines, and the introduction of a kneading machine which could be used for mass production. This development like many others, first occured in Lagos, the Western Region and Onitsha; recently however, the rest of the Eastern and Northern Regions have tended to catch up somewhat and these two regions, including Onitsha, are now thought to account for at least a quarter of such establishments. Only the Calabar bakery, financed by the Eastern Region Development Corporation, is said to be running well below capacity because of shortage of demand. Even here, demand is said to be increasing slowly; but most of the consumers of bread in this district apparently prefer bread produced elsewhere, and even if they all bought the products of the local bakery it would still be operating at far less than capacity.

IV.7. The only rural or farming people who are known to consume bread in significant quantities are the Yoruba cocoa farmers, who as far back as 1951-2 were reported(4) as buying 5 lb. per family per year - an expenditure of perhaps 3d per month. Since then there has undoubtedly been a steady, if slow, expansion in their bread consumption.

IV.8. Urban surveys suggest that bread consumption is considerably affected by occupation and income. In places like Ibadan and Lagos, it would seem to have reached all sections of the population, and though the level in the rest of the Western Region is much lower, there would not appear to be much scope for expansion in the towns, except what is likely to accompany increases in income or changes from a labouring occupation to clerical or skilled manual work; in the East and North, on the other hand, there would appear to be a succession of less sophisticated towns where, even now, bread is being introduced as a novelty for most of the population, particularly those not in regular employment there, such as traders, self-employed craftsmen, and travellers by mammy-wagon. It seems likely that this category of town consumer, which in the West has long been familiar with bread as a possible food, now accounts for at least as big a share of its total consumption as the entire employed population.(5)

IV.9. In the Northern towns, the official surveys show that Southerners generally consume more bread than either Northerners, or Southerners in the South. There is, however, evidence that even Northern taste is slowly changing and the handful of Northern clerks surveyed in Kaduna and Zaria consumed no less bread than Southerners with similar incomes. It would seem/

seem that this influx of Southerners, which may be halted by the Northernisation policy of the Regional Government, tends to stimulate Northerners' consumption of bread.

IV.10. Among middle income groups, expenditure on bread soon rises to 15/- per household per month, but does not rise much above that, however high basic income may be; but if both income and expenditure are measured in terms of adult equivalents, that is related to household size, the income effect is more pronounced, particularly at the upper end of the scale, expenditure rising from 2 to 3.5 shillings per adult equivalent in the first five ranges, and up to 4.5 to 7 shillings in the two highest, that is households with total incomes per consumption unit of more than 400/- per month. This is once more probably explicable in terms of bachelors, who make up most of the highest ranges in these tables, preferring bread rather than local staples which require a great deal of preparation.

IV.11. Not all the flour now being imported into Nigeria is used to bake bread; one recent venture, which is proving very successful, is the manufacture of sausage rolls. Another use is for making biscuits, which until a few years ago were wholly imported. Unfortunately, it has not been possible to distinguish between local and imported biscuits, so that it is necessary to consider the demand for biscuits in general. Traditionally, cabin bread, a type of ship's biscuit, was the most popular, and although it no longer makes up the greater part of biscuit imports, there is little sign of its dying out yet, particularly among the Ibos of the East.

IV.12. All other biscuits are grouped together with 'cakes' in the import figures, which show that their value has increased in the last eleven years as fast as wheat flour. This category covers a variety of products, including, almost certainly, those which the 'biscuits' and 'cakes' produced by local bakeries most closely compete. Demand for such products is strongly income-elastic, and, owing to their liability to deteriorate in the climate conditions encountered in Nigeria, few are sold outside the larger towns. One exception is the small, threepenny packet of sweet or semi-sweet biscuits which was on sale widely throughout Nigeria. Generally there has been a noticeable trend in the past decade towards a sweeter type of biscuit - particularly in the North, where the Hausa are notoriously fond of sugar; and even the old cabin bread product has now been replaced by a sweeter variety. Lower income households rarely spend much more than 1/- per month on biscuits of all kinds; among the middle income ranges monthly expenditure varies from 3/- to 4/- when incomes were less than 600/- to 10/- or more at an income level of £750 or more per year; or, per adult equivalent, from less than 6d to more than 3/-. In view of the difficulties of transport, including quality preservation, there seems every prospect that local bakers will create, in their own geographically limited markets, products capable of competing with ever-increasing success against imported varieties.

IV.13. There are thus sound reasons for expecting a continued expansion in the Nigerian demand for wheat or wheat flour, at a steady and substantial rate. When the projected flour mill at Lagos is in operation, much of the demand may be for the corn rather than the flour; but, under competitive conditions, there is no possibility of wheat itself being produced in Nigeria rather than imported. Some wheat has been grown in the extreme North of the country, but at an uneconomic cost, particularly as it has to be transported to Lagos for milling. It is true that import duties have been imposed on wheat flour during the last year (see Appendix VI (i)) but local production will require much greater protection than they afford if it is to replace imports. As far as is known, the Nigerian Government has nowhere committed itself to developing a local wheat supply, but such a development is known to be under consideration in some quarters. In the absence of a firm - and expensive (in terms of higher prices to consumers at least) - pursuit of such a policy, imports are likely to rise as fast as any of the commodities considered in this chapter, with the exception of milk.

B. Refined Sugar

IV.14. Since 1949 there has been a ninefold increase in the value of sugar imports. Proportionately, most of this occurred before 1954; since then, their value has not quite doubled. Sugar is now second only to stockfish among Nigeria's food imports (at £3.8m), and almost as important as the largest drink import, beer (£3.9m).

IV.15. Most of Nigeria's sugar comes from the U.K. However, since 1953, the British share has gone down from virtually 100% to 90% in 1958 and 85% in 1960. Almost all the remainder is from France.

IV.16. The regional distribution of sugar imports appears to change substantially from year to year, demand being particularly volatile in the North. Recently, it would seem that about a third went to the North, rather more than a third to the West and Lagos, and rather less to the East and Southern Cameroons. This indicates that the share of the East is increasing.

IV.17. Imported sugar is both a producer's good and a consumer's good. In the latter capacity, it is the only imported food that is both widely consumed in the rural areas and markedly income-elastic. These properties are confirmed both by cross-section studies and by the correlation of time series of producers' receipts with those of imports.(6) Of eight foodstuffs for which such a correlation was made, using the payments to the farmers by the marketing boards, sugar alone exhibited a relationship which, after eliminating the trend, was significant.

IV.18. Apart from salt, sugar is the only imported food mentioned in the nutritional studies of seven isolated villages by Dr. Bruce Nicol, Federal Advisor/

Advisor on Nutrition.(7) Consumption of cube sugar - the commodity has long been imported in the form of packets of cubes which are sold separately, and on occasion adulterated before sale, by the petty trader - is indeed recorded in only two of the seven villages, where it reaches 2 to 3 grams per head per day, representing an expenditure of about 1½d to 2d per head per month.(8) It is referred to in the Village Consumption Surveys for the Northern Region undertaken by the Federal Office of Statistics, but it is clear that in the villages thus surveyed, expenditure on sugar must be well below ½d per head per week. It is not mentioned in M.G. Smith's study of Hausa communities in Zaria. It would seem, then, that in the North, average consumption of sugar in rural areas does not exceed 1d per head per month; in the South, rural consumption may be somewhat higher.

IV.19. Some alarm has been expressed at the possible nutritional effect of the spread of sugar consumption in the rural areas. Analysing the results of dietary surveys of Yoruba cocoa farmers from a nutritional point of view, Miss M.W. Grant, now of the Usher Institute of Public Health of Edinburgh, commented: "It is fortunate that sugar is not yet available to any great extent in these areas, but there is some evidence that its use is now beginning. This means that the present dietaries will become still worse and the amount of protein malnutrition in the community will increase, unless consumption of protein-rich foods can be quickly and considerably raised above present levels."(9)

IV.20. Lower income households in urban areas spend between 1/- and 2/- per month on sugar. Consumption is highest in the four Northern towns, and lowest in Benin and Enugu. Apart from Kaduna, Zaria and Kano, where labourers are mostly Northerners, all occupations tend to devote roughly the same fraction - about ½% - of their total expenditure on all goods and services to this commodity. Assuming the latter to be a good measure of total income(10) this suggests that the elasticity of demand, at this level, is about unity. Among middle income groups, however, demand becomes progressively less income-elastic, so that households with more than 1400/- a month spend only 5/-, or one third of one per cent of it, on sugar; in terms of consumption per adult equivalent in the middle income ranges, expenditure varies, with income, from 6d at the lower end, to between 3/- and 6/- at the upper end of the scale. Finally, if the results of the Kaduna and Zaria surveys can be relied on, Northerners spend more, at every income and occupational level, than Southerners resident in the North.

IV.21. As a producer's good, sugar has a number of uses. One thriving new industry, which is expected to displace foreign competitors, is sweet-making; this will add to the demand for sugar, and was frequently spoken of as the main reason for expecting imports to continue to increase. It is also used in bread-making, and for cooking local dishes such as eko and pap, and for illicit gin. Finally, it is extensively served with tea on sale/

sale to travellers in the local lorry-park. All these uses, except illicit gin, are likely to grow particularly (but not exclusively) in the North. Northerners in general are said to have "sweet tooth", and are especially fond of sugar during the month of fasting (ramadan) in the Islamic calendar. Altogether these manufacturing uses of sugar must account for a sizeable fraction of total consumption, perhaps as much as half.

IV.22. Total consumption of refined sugar is likely to continue to increase, as population and income increase; and there may well be areas in which it is only now becoming a familiar choice for the consumer, although it has penetrated more than most commodities into the rural areas. This increase is likely to be somewhat accentuated by the Northernisation policy in Northern Nigeria; and by any tendency on the part of the chief supplier to substitute small packets of granulated sugar for the cubes which now appear to be unpopular.

IV.23. Whether this will result in increased <u>imports</u> of sugar will depend on the success of the sugar refining project launched by Bookers in Nigeria. So far, it has been tried, and proved practicable, only on a very small scale; but it has been suggested that in a few years, it may be producing on such a scale as to reduce sugar imports to half their present level. Neverthe-:less, such an effect on imports seems most unlikely; among other reasons, it appears to discount the possibility that there is <u>any</u> price elasticity of demand for the commodity, and thus that increased supply might lead to increased consumption rather than <u>merely</u> to decreased imports. What <u>is</u> more likely to bring about such a reduction to imports, however, and it is difficult to guess just how great an effect it will have, is the recent imposition of import duties by the Federal Government (See Appendix IV (i)).

C. <u>Manufactured Salt</u>

IV.24. It is commonly asserted that salt, alone among food imports, has reached saturation point, that is that sales respond neither to the spread of knowledge nor to income increases, but only to increases in population. The import figures over the last ten years suggest that this is an exagger-:ated view. Salt imports have more than doubled, in value terms, between 1950 and 1958. Part of this represents the effect of increased prices on highly inelastic demand, but even in volume terms, the average for 1956-1958 was about 30% higher than that for 1949-1951.(11) This is consider-:ably more than the population increase would appear to have been between these dates.(12) Again, the information we have about the regional divi-:sion of salt sales suggests that this increase has been mainly concen-:trated in the Northern Region, whose share appears to have risen from under half to over three-fifths.

IV.25. The main source of salt imported into Nigeria was the U.K., which in 1953 supplied nearly 80%. Almost all the rest was supplied by East and West Germany (10% each). By 1958, the U.K's share had fallen to below 70%/

70%, West Germany's rising to 18%, and East Germany's to 1.3%. Iodised Salt which forms part of the Imports from Britain and Germany, is assisted in some areas - e.g. Benue province - by anti-goitre regulations of the Government, which make iodised salt compulsory.

IV.26. Of all imported foods, salt has penetrated most deeply into rural areas, at least in the North. Smith's study of the rural Hausa in Zaria province gives average expenditure (1950) of about 1/4d per compound per month.(13) Bruce Nicol's records of foods consumed in seven remote villages all but one in the North, reveal a consumption ranging from 120 to 360 grams per head per month, for adults, which would probably mean an expenditure of between 1d and 2d per month.(14) Since the average Hausa compound in Smith's enquiry contained 6 to 7 adults, the discrepancy between these two estimates is not great. The village consumption surveys of the Federal Office of Statistics in the Northern Region(15) would give a per capita consumption, counting children as halves, of ½d to 1d per week, rather more than that in Dr. Nicol's remote villages, but again, by no means inconsistent with the Zaria results.

IV.27. Such detailed information about rural consumption is not available for any other imported food, nor indeed for salt itself in the two Southern regions. From other evidence, however, it can be seen that salt is universally consumed in these regions too, but possibly at a lower rate per head.

IV.28. That salt is not entirely income-inelastic is confirmed by the urban consumer surveys. Among all occupations, and, at Kaduna and Zaria, among both Northerners and Southerners, households with higher basic incomes show <u>some</u> tendency to buy more than those with lower ones. This income effect is somewhat obscured by two others; first, labourers consume more than artisans, and artisans more than clerks, at any given income level; and secondly, Northerners buy more than Southerners. The first may well be explained by the intense physical effort, in conditions of some heat, required of labourers, e.g. those who push heavy drays of merchandise along the unevenly surfaced streets.

IV.29. Among the middle income households, salt expenditure almost ceases to increase with income. It is doubtful whether many average-size households spend more than 2/- per month on it, however high their income, at least in the South; and this is not a lot more than that of Hausa villagers.

IV.30. Two possible reasons may be advanced for the fact that the Northern Region accounts, in proportion to its population, for rather more salt consumption than the South. One is the camel trade with French West Africa; the other is its use, by Fulani herdsmen, in cattle cake, neither of these explain why Northerners in the same kind of urban employment in the same place buy more than Southerners. One explanation may be that the Southerner gets his salt in other foods - such as tinned meat and fish and/

and stockfish - of which he buys more than his Northern counterpart.

IV.31. There seems no reason to doubt that salt imports will for some time continue to increase somewhat faster than the rate of population growth, particularly if income increases steadily, though any substantial change in the occupational pattern in favour of clerks and sedentary workers might ultimately outweigh the income effects and bring this expansion to a halt. Again, a stricter control of transit across Nigeria's Northern borders - possibly by the French Community countries concerned - would tend to reduce the quantities passing through Nigerian ports. One thing seems certain, the likelihood of local production of salt seems small enough to be negligible.

D. Meat and Fish Products

IV.32. There was an outstanding rise in the value of imports of fish and meat between 1949 and 1960, from less than half a million pounds to nearly ten million. In recent years, they have accounted for nearly half the total value of food imports. By far the largest item is stockfish(16), imports of which increased more than tenfold between 1949 and 1952, doubled again by 1956, and since then have varied between £6 m. and £8 m. Meat imports also rose markedly during this period, from less than £100,000 to three quarters of a million pounds. 'Fresh, chilled and frozen' meat rose particularly rapidly after 1954, and now constitutes almost half the total meat imports. Corned beef, other tinned meat, and sausages etc., share almost equally the bulk of the remainder. The value of fish imports other than stockfish now amounts to nearly £900,000, of which about £650,000 consists of tinned fish and fish preparations. Most of the rest consists of 'fresh, chilled and frozen' fish, imports of which have also expanded quickly in the last four or five years.

IV.33. Considerably more than half the stockfish is consumed in the East, and virtually all the rest in the West. The North has a rather larger share - perhaps 10% - of the tinned fish; the West, more than half; the East, about one third. There are some indications that the share of the East is diminishing. Meat imports appear to be more evenly distributed among the three regions. The North consumes rather less than a quarter, the East about three-eighths, and Lagos and the West about three-sixteenths each.

IV.34. The distribution of stockfish is largely passing out of the hands of the expatriate firms into those of the small importer. The extremely perishable nature of the commodity results in voilent price oscillations, requiring prompt action if heavy losses are to be avoided.

IV.35. Stockfish comes to Nigeria from Norway and Iceland almost exclusively, the former contributing four fifths of the total. Tinned fish comes from a variety of sources, of which French North Africa, the Union of South Africa, Portugal, and the Netherlands are the most important. Imports from South/

South Africa,[17] however, have recently been banned by the Federal Government in protest against apartheid. Fresh fish comes mainly from Norway and the United Kingdom. Most of the fresh meat comes from Commonwealth countries - the U.K., New Zealand and Australia - and the corned beef from the Argentine. Of the remaining classes of meat imports, half, again, are British in origin, while Denmark and the Netherlands share the rest fairly evenly between them. Taking meat and meat products as a whole, the most substantial gains between 1953 and 1958 have been made by the U.K., New Zealand, the Argentine, and Australia.

IV.36. Stockfish is not usually separated from local dried fish in the household budget studies, and even when it is, it is doubtful whether all such purchases are correctly recorded, since the consumer may just not know whether the fish he buys is local or imported. We have therefore considered stockfish and dried fish together. Between 1955 and 1957, the best available estimates show that the Nigerian consumer spent £10 to £14 million on local fish, which is somewhat higher than the retail value of all fish imports.[18]

IV.37. In the rural areas, stockfish alone of the imports we are now considering is consumed in substantial quantities. According to the study of Yoruba cocoa farmers in 1951-1952,[19] the average family bought 29 lb. of stockfish and local dried fish from the North, per year. A more elaborate investigation of the consumption of 33 such families in the course of this same study gave a daily consumption varying from three grams per head in Ibadan area to thirty-six grams per head in Abeokuta area.[20].

IV.38. These figures cannot have been typical of farmers throughout the Western Region, for they would argue a total regional consumption of 30 to 50 million lbs., at least half of which is likely to be stockfish, compared with a total Nigerian import of 18 million lbs. in 1951 and 29 million lbs. in 1952. They may be more typical of the Western Region today, when total imports are about 70 million lbs. It seems likely that the families surveyed in 1951 - 1952 were among those easiest of access, who would consume more than the average, even for a Yoruba cocoa farmer.

IV.39. To-day the average Western Region household probably spends about £4 to £5 a year on stockfish, and perhaps a little less on dried fish from the North of Nigeria. This rate of consumption is likely to be exceeded among households in the rural areas of the East, who must, on average, spend about 10/- a month on the imported variety. It is therefore strange that urban households appear to spend much less than this, except at Warri and Enugu, and that labourers seem to spend less than clerks and artisans. That this should be so in the Northern towns is understandable, since the labourers there will be largely Northerners, who have little taste for stockfish; but it is hard to explain why, in Southern towns like Sapele and Ibadan, labourers should spend less than either more sophisticated clerks/

clerks and artisans, or less sophisticated farmers of the same region.

IV.40. In the Northern Region, where average consumption is much lower, purchases of dried fish and stockfish by urban households rise noticeably with income for both Northerns and Southerners, although, as might be expected, the level of consumption for each occupation and income group, is higher for the latter. Even so, the average consumption of 3/3 a month by the 58 Northern households with basic income between 150/- and 250/- a month is by no means negligible.

Among middle income groups purchases of dried fish and stockfish do not change appreciably as income rises, oscillating between 3/- and 5/- per consumption - unit, or 15/- and 30/- per household. Only a small fraction of this is actually recorded as stockfish, however, and it may well be that local dried fish is a superior good, which is too expensive or too difficult to transport far into the rural areas.

IV.41. Among urban consumers, there are signs that tinned fish is replacing stockfish at a fairly low income level (about £200 a year). This is particularly noticeable in the Mid-West. In the South, sardines are not so predominant in the tinned fish sales as they are in the North; there are indications, for instance, of a strong attachment to South African pilchards, which has prevented a transfer of demand to other kinds of fish when imports from that country were banned by the Federation.

IV.42. The recent fall in imports of tinned meat, particularly corned beef, can be mainly attributed(21) to the effective competition offered by a local firm, the Nigerian Canning Company(22) This aims solely at the African market, and is cheaper than the imported variety, which it is ousting both in the North and in the South. Among Muslims, it has the additional advantage of being able to satisfy them that the animals used have been slaughtered in accordance with the requirements of their faith. Nevertheless, in the long run, imported corned beef may reassert its popularity as more people are able to afford it.

IV.43. The recent rise in the imports of fresh, chilled or frozen meat, though mainly representing purchases by Europeans, undoubtedly contains an element of African demand, among higher income-group households in the more important cities. Refrigerators are now being bought by such households, and 'Cold Store' does a healthy trade. Here again, there is strong possibility of local competition, and the Federal Ministry of Commerce and Industry and the Northern Region Ministry of Trade and Industry have jointly commissioned two enquiries into the economic feasibility of marketing chilled beef from the Northern Region in Southern Nigeria.(23) New abattoirs have been or are being constructed at Maiduguri, Nguru and Kano. But there appears to be some sales resistance to chilled beef - 'iced meat' as it is inaccurately called - in Southern markets, and fresh meat - even from cattle who have walked several hundred/

hundred miles from the North, is preferred.

IV.44. Thus all the major categories of imported meat and fish either have, or are likely to have, competition from local supplies (often from firms owned and managed by expatriates); In the long run, therefore, imports are not likely to increase at anything like the rate they have in the past decade, particularly in the case of stockfish. Paradoxically, only corned beef imports, very small and subject to the keenest opposition at present, seem likely in the long run to appeal to an ever-increasing segment of the population.

E. Preserved Milk, etc.

IV.45. The rise in Nigeria's imports of milk in the last decade has been steeper than that of almost any other commodity.(24) Excluding malted milk compounds, their value rose from £150,000 in 1949 to nearly £2 million in 1960, thirteen times as much. The increase has been a steady one, the total doubling every three years. Powdered milk has risen fastest, thirty times since 1949, and now accounts for a quarter of the total; imports of sweetened and unsweetened condensed milk, which now constitute 70% of the total, have each increased tenfold during this time.

IV.46. In 1953, the Netherlands supplied almost all the condensed, and most (70%) of the powdered milk, her only rivals in the latter field being New Zealand and Denmark. By 1958, although she still accounted for more than 95% of the condensed, her share of powdered milk had fallen to 40% (even this represented a fourfold absolute increase); the gains accrued chiefly to the U.K. who now supply over half the total.

IV.47. In 1952 over half the milk imports went into the West (including Lagos) and two thirds of the remainder to the East. Recently both the North and the East appear to have increased their share.

IV.48. No food consumption study in a rural area mentions imported milk(25) as among the foods bought, but since most of these were undertaken in the early 1950s, before the phenomenal rise in milk imports, it does not follow that it is still a rarity in rural areas to-day. It seems likely, at any rate, that quite a large proportion, perhaps 50%, is sold outside the nine or ten large towns of Nigeria.

IV.49. The urban surveys suggest that milk consumption is closely related to occupation and income: clerks spend more on it, relatively as well as absolutely, than artisans, and artisans than labourers; and whereas households with less than 100/- a month basic income may spend only 6d a month on milk, those with more than 350/- spend about 6/-. In the middle income ranges, consumption rises from 15/- to 30/- per household, or from 2/6d to 10/- per consumption-unit. The gap between the two sets of surveys is probably due to the fact that the lower income studies were conducted/

conducted some years before the middle income ones, during which time, as has been shown, milk consumption has risen rapidly. It seems likely that the present lower income consumption might range from 1/- a month in the poorest group to between 10/- and 12/- in the highest.

IV.50. The pattern of consumption by Northerners is far from clear, and would appear to vary considerably from town to town. In some towns, they have not yet acquired the taste for condensed milk; in others, they consume it only as a substitute for the (local) fulani milk; in others they are said to consume more than Southerners; in others again, they begin to buy powdered milk, particularly at times of pregnancy and lactation; finally, emirs and their retinues are said to insist on sterilized milk.

IV.51. There seems every prospect that milk imports will continue to increase rapidly, even for a decade or so, to double every three or four years. The process of urbanisation, and an increase in this proportion of the population will tend to accelerate demand. Powdered milk is likely to increase its share of total sales. It is preferred by the better-paid Nigerians; it is used by a number of major institutions; and it is widely believed to be more nourishing before and after childbirth. Local sources do not seem likely to satisfy much of the demand. The familiar Zebu cattle, reared by the still semi-nomadic Fulani, produce comparatively little milk; much of what they do produce is collected and turned into butter by the Plateau Dairy at Vom. The latter also produces dried milk, and has recently embarked on a policy of free distribution to children of a highly nutritive combination of dried milk and groundnut flour called 'arlac'. Neither of these is likely to affect demand much. In at least one provincial capital, imported milk was hit by competition from the Government farm (run by the Agricultural Department for demonstration and experimental purposes). There is also the possibility of marketing goats' milk of which is potentially a large supply,(26) but which does not seem very attractive to the Nigerian. Of all the major food, drink and tobacco imports, milk looks the most likely to expand continuously and rapidly in the next ten to fifteen years.

F. Beer and Stout

IV.52. Imports of "Ale, Beer, Stout and Porter" increased fourfold between 1949 and 1960, the fastest rise occurring between 1950 and 1953. In 1953 three countries, (West Germany, the United Kingdom and the Netherlands) shared, roughly equally, almost all the Nigerian market. By 1960, the U.K. had substantially increased its share, mostly at the expense of West Germany. U.K. exports to Nigeria coming under this classification, unlike those of the other two countries, are mostly made up of stout.

IV.53. Most of these imports are consumed in the South, the Northern Region probably accounting for less than a fifth. There is some evidence that consumption per head is higher in the East than in the West. By far the highest/

highest level of consumption is in the capital, Lagos.

IV.54. There is little evidence of factory-made beer being consumed in villages; the only specific mention of this appears to be in "Nigerian Cocoa Farmer's", when the average family bought (1951-2) 22 bottles a year - that is, spent about 4/- a month.(27) These figures seem on the high side, particularly for so early a study, but there can be little doubt that in the main areas of high population density in both the West and the East, the average villager both can, and on occasion does, buy beer and stout. In the Onitsha neighbourhood, for instance, many villages have traders who can supply 'iced beer'.

IV.55. Nevertheless, beer consumption is probably preponderantly urban and strongly related to occupation and income. It would seem that in most towns labourers spend, on average, less than 3/- per household per month, whereas artisans may spend from 10/- to 20/-, and clerks, earning up to £400 a year, 15/- to 30/-. As income increases, expenditure on beer increases sharply until, at a basic income of more than £700 a year, it reaches £4 to £5 a month - approaching 10% of income! It is thus one of the most sharply income-elastic of the commodities here studied.

IV.56. In the Northern region, much of the beer and stout is consumed by expatriates and Southerners, who seem to spend more at any given income and occupational level than they do in the South. Northerners certainly consume less than Southerners living either in the North or the South, if they are artisans or labourers, as might be expected in view of the legal and moral restraints on the consumption of alcoholic liquor by Muslims. The strictness with which this code is imposed varies in inverse proportion to the degree of sophistication of a town, being least in places like Kano, Kaduna and Zaria; but it would seem that in any case stout, which is regarded as medicinal, is exempt from both moral and religious objection. It is interesting to note that among the handful of Northern clerks included in the Kaduna and Zaria surveys, consumption of 'Beer and Stout' was no less than among Southerners.

IV.57. These figures of per household expenditures cover all factory-made beer and stout, local and imported. Local production of beer (Star) has been increasing rapidly in recent years. In 1957-8 it accounted for nearly a quarter of all beer and stout sold. Very recently, production has begun of a local stout (Samson). Although it has been said that 'Star' is too light, and 'Samson' too sweet, for the Nigerian taste, and although there is certainly a snob value attached to imported varieties, the general impression was that both these local products were acceptable substitutes for imports, and, if a price differential is maintained, are likely to be preferred by all but the highest income groups. Supply of local beer is at present limited, and demand is highly income-elastic, so that imports may continue to increase for some time yet; there is, notwithstanding, a fairly strong likelihood that in the next ten to fifteen/

fifteen years, the bulk of the beer and stout consumed in Nigeria will have been produced by her own factories, and that imports will eventually decline relatively, though not, perhaps, below present levels.

G. Tobacco and Cigarettes

IV.58. This section covers three main segments of consumers' expenditure: imported cigarettes; local cigarettes, made from various combinations of locally-grown and imported tobacco; and tobacco largely unmanufactured, bought for chewing or snuffing.

IV.59. Tobacco bought for the manufacture of cigarettes, and that designed for direct consumption, are not separately listed in the import figure. These show that the value of unmanufactured tobacco remained roughly constant during the 1950's at about £1½ million. Cigarette imports fell from £800,000 in 1950 to less than £100,000 two years later, and have since stayed fairly close to the latter figure. In 1960 the value of such imports was £162,000 higher than any year since 1951.

IV.60. Virtually all the cigarettes which Nigeria imports come from the United Kingdom; of all unmanufactured tobacco, about four-fifths came from the U.S.A., and the rest chiefly from Southern Rhodesia and India.

IV.61. The import content of consumers' expenditure on tobacco and cigarettes is relatively small; besides the normal distributive margins, the high duty and, in the case of locally made cigarettes, the net output of the manufacturer and the cost of his local tobacco supplies, all are included in the price which the consumer pays. It is now estimated that over £14 million is spent on Nigerian cigarettes alone, and nearly £4 million on imported cigarettes and raw tobacco, by the ultimate consumers.

IV.62. The demand for imports of unmanufactured tobacco thus depends on three factors; the demand for tobacco for chewing and snuffing; the demand for local cigarettes; and the amount of imported tobacco used in making local cigarettes.

IV.63. Before 1951, unmanufactured tobacco was imported only for chewing and snuffing, and amounted to five million lbs. After 1954, the quantity imported for this purpose slowly declined, until in 1959 it stood at just under three million lbs. Thus even in the latest available year, it still comprised nearly three fifths by weight of all imports of unmanufactured tobacco. It may, however, account for a rather smaller proportion of the value of the latter, since that imported for cigarette manufacture is likely to be of superior quality.

IV.64. Most of this tobacco is bought and consumed in the East. About a quarter goes to the West, and virtually none to the North. It is popular throughout the rural areas in the East, perhaps most of all in the provinces/

provinces of Annang and Calabar. Average expenditure in the rural areas of the East may be as high as 2/- per month out of a total household income of 150/-. In the West, there is little information about its distribution, but it would be natural to assume that it is largely consumed among the creeks of the Niger delta, and by the Western Ibos who inhabit much of Benin province.(28)

IV.65. The production of local cigarettes is monopolised by the Nigerian Tobacco Company, which allocates its cigarettes to its appointed agents, some of which are the big expatriate trading firms. Until the sharp increase in tax, sales had been increasing at the rate of 7½% per year. Demand seems not to vary much with income; as has been explained in the last chapter,(29) the fact that kola, which may well be an 'inferior good' is included with cigarettes in the official surveys make it difficult to measure the income-elasticity of the latter. Where the two can be distinguished - for instance at Kano and Enugu - it looks as if expenditure rises from 4 to 5 shillings a month for households with basic income below 100/- to about 7/- where it exceeds 250/-; and the Lagos Middle income survey would suggest that this might rise to 15/- between 600/- and 1400/- basic income. It would seem, therefore, that tobacco is one of the few imported goods on which the higher income groups spend a smaller proportion of their income than the national average, which in this case is over 2%. Occupationally, expenditure on cigarettes appears to be higher among artisans and labourers than among clerks. It would also appear to be higher for Northerners than for Southerners, though this may well be an illusion.(30)

IV.66. The import content of Nigerian Tobacco Company cigarettes has been gradually declining, from about 45% by weight in 1951 to 22% in 1959, although there has been an increase in <u>absolute</u> imports. The reason for this reduced proportion of imported tobacco is partly that there has been, of late, a greater emphasis on brands containing a high proportion of 'air-cured', which is easily obtained locally, and partly to an increase in the Nigerian production of the 'flue-cured' type. The local supplies of the latter are still, however, far from sufficient to meet the demand for it, or even to keep up with the increase in that demand. But in the long run, unless sales promotion is highly successful in fostering the habit at somewhat higher income levels, the demand for unmanufactured tobacco for this purpose too is likely to decline.

For this section, Table 9 is not available and Table 10 is the same as "All importable Tobacco and Kola" in Chapter III.

CHAPTER IV REFERENCES

Note	Paragraph	Section	Text of Footnotes
1	IV.2.	A	Throughout this section we are heavily indebted to the assistance and advice received from Mr. Peter Kilby, former Fulbright Research Fellow, and now Industrial Economist with I.C.A. at Enugu, who has recently made a comprehensive study of the bread industry in Nigeria.
2	IV.4.	A	Mr. Kilby's investigations give rather different proportions. In particular, he would calculate that the Northern Region consumes only from one tenth to one sixth of the total.
3	IV.5.	A	On the first part of this paragraph, Mr. Kilby observes that the emergence of a firm of import agents, D.L. Payne, which acts on behalf of and in the name of, individual bakers, for a commission, tends to give the impression that the share of the trade handled by the larger firms is smaller than it is. It all depends on what you mean by 'handling' flour.
4	IV.7.	A	Nigerian Cocoa Farmers, Appendix Table LIVa, p. 717.
5	IV.8.	A	See Section F Chapter III above.
6	IV.17.	B	Appendix (i) Chapter II.
7	IV.18.	B	'Calorie requirements of Nigerian peasants', Table 1, p. 297. See above, Chapter III, Note 21, Paragraph III.39, Section D.
8	IV.18.	B	Cane Sugar for Chewing, which is grown locally, is mentioned in three more villages.
9	IV.19.	B	'Nigerian Cocoa Farmers' p. 242.
10	IV.20.	B	See Paragraph III.23, Section C.
11	IV.24.	C	Similarly, the figure for 1960 - nearly 100,000 tons, was a third up on that for 1954.

12/

Note	Paragraph	Section	
12	IV.24.	C	The rate of growth of Nigeria's population is not usually thought to exceed 2% compound.
13	IV.26.	C	'The Economy of Hausa Communities of Zaria'.
14	IV.26.	C	Loc.cit. (see above, section B Paragraph IV.18. Note 7).
15	IV.26.	C	Unpublished.
16	IV.32.	D	This term covers a number of species, among them Cod, Haddock, and Sei.
17	IV.35.	D	Mainly pilchards.
18	IV.36.	D	In the Northern Region much of the local fish is fresh, including that grown at the Government-sponsored fish farm at Panyam in Plateau province. At present the entire harvest of the latter (some 90,000 lbs. a year) is sold at Jos, but expansion is planned, and part may be dried and offered in Kaduna and Zaria. After an unsuccessful experiment with the local tilapia, the policy now is to concentrate entirely on carp.
19	IV.37.	D	'Nigerian Cocoa Farmers', Appendix Table LIVa, p. 717.
20	IV.37.	D	Ibid., Table 109, p. 237.
21	IV.42.	D	In 'The Market for Carcase Beef from N. Nigeria' p.5, it is suggested that the fall is simply a reflection of a fall in production in South America.
22	IV.42.	D	A foreign-owned enterprise.
23	IV.43.	D	a) 'Economic Feasibility of a Meat Industry in N. Nigeria' by R. Covey; and b) 'The Market for Carcase Beef from the N. Region of Nigeria', prepared by P.E. Management Group (Nigeria) Ltd.
24	IV.45.	E	Stockfish alone of the imports treated in this chapter rose faster than milk during the whole of the period 1949-60, and even that rose at a much slower rate for the last four years.

25/

Note	Paragraph	Section	
25	IV.48.	E	M.G. Smith (loc. cit.) and B. Nicol (loc. cit.) both record considerable expenditures on local milk and butter among those living in rural areas in the North. Galletti, Baldwin and Dina, however, state explicitly that their Yoruba cocoa farmers consumed no milk, local or imported. ('Nigerian Cocoa Farmers', p. 236).
26	IV.51.	E	An assertion that 'A Nigerian she-goat yields on the average as much milk as a Fulani cow' made by one of a series of Colonial Office studies of 'Nutrition in the Colonies' is quoted by Anne Martin, 'The Oil Palm Economy of the Ibidio Farmer' p. 20.
27	IV.54.	F	'Nigerian Cocoa Farmers', p. 717, Table LIV.
28	IV.64.	G	It is difficult to determine how popular this kind of tobacco is among the Yoruba. The authors of 'Nigerian Cocoa Farmers' declare (p. 244) : 'Imported pipe tobacco is regarded as a luxury and most Yoruba pipe smokers confine themselves to the coarse local tobacco which is also pulver-:ized and used as snuff or for chewing'. It seems likely that they are in error in describing this coarse 'snuffing' tobacco as local, since it fits very well in with the description of the imported variety that is sold so widely in the East.
29	IV.65.	G	Section E. Paragraph III.64.
30	IV.65.	G	Ibid.

APPENDIX IV (i)

WEST AFRICA DECEMBER 17, 1960

NIGERIAN IMPORT DUTY INCREASES

Big changes in import duties on a large number of products have been announced by the Federal Government of Nigeria. The main changes are:

Beer, wines and spirits:

Beer (imported) - import duty increased by 1s.6d per gallon: equivalent to an increase of 3d per large bottle. (The import duty on cider and perry is increased similarly). Still wines - import duty increased by 6s. per gallon: equivalent to an increase of 1s. per bottle. Sparkling wines - import duty increased by 18s. per gallon: equivalent to an increase of 3s. per large bottle. Spirits - import duty increased by £1 per gallon: equivalent to an increase of 3s.4d per large bottle. Beer (locally brewed) - import duty increased by 1s.6d per gallon: equivalent to an increase of 3d per large bottle.

Soap

Locally manufactured - an excise duty of 10 per cent ad valorem is introduced on soap manufactured in local factories. The duty will not be charged on locally made 'native' soap and is equivalent to about 1½d on a bar of Key soap. Soap and soap products and detergents - import duty increased from 20 per cent ad valorem to 33⅓ per cent ad valorem.

Radio Sets:

Exemption from duty will apply only for sets of under £9 in value (hitherto the limit has been £15).

Gas and diesel oil:

Import duty increased from 11d to 1s.4d per gallon.

Flour:

An import duty of £7.10s. per ton (or 15 per cent ad valorem, whichever is the higher) is introduced: equivalent to ¾d per lb.

Sugar:

An import duty of 2d per lb. is introduced. Saccharin and other sweetening substances - an import duty of 10s. per oz. (or 50 per cent ad valorem, whichever is the higher) is introduced. Sweetened milk - an import duty of 20 per cent is introduced. Confectionery (sweets) - the present/

present ad valorem rate of 50 per cent stays unchanged but a new minimum specific rate of 1s. per lb. is introduced.

Apparel:

The present ad valorem rate of 33⅓ per cent stays unchanged but specific rates of duty are increased as follows: cardigans - from 2s. to 2s.6d each; singlets - from 9d.to 1s. each; footwear - from 2s. to 2s.6d. the pair, shirts - from 2s. to 2s.6d. each.

Textiles:

The present ad valorem rate of 25 per cent stays unchanged but the specific rates of duty are increased as follows: knitted fabrics from 1s.8d to 2s.3d the lb., other, cotton and silk - from 10d. to 1s. the square yard.

Vehicles:

Motor vehicles - import duty increased from 15 per cent to 20 per cent ad valorem. Bicycles - import duty of 25s. per cycle (about 10 per cent ad valorem) increased to £2 per cycle or 20 per cent ad valorem, whichever is the higher. Marine outboard motors - import duty increased from 15 per cent to 20 per cent ad valorem. Non-self propelled vehicles, handcarts, etc. - an import duty of 20 per cent ad valorem is introduced.

Provisions:

Butter, cheese, etc. - import duty increased from 8d. to 1s. per lb. Chicory, coffee - import duty increased from 8d per lb. to 20 per cent ad valorem. Eggs, fresh or preserved fish (other than fish caught by locally based trawlers), fresh or preserved meat, fresh fruit, rice, vegetables, food for infants, unprocessed nuts - an import duty of 20 per cent ad valorem is introduced. Stockfish - an import duty of 1d. per lb. is introduced. Tinned meat and poultry - the present import duty of 4d per lb. is replaced by a 20 per cent ad valorem duty. Tea - the present import duty of 10d per lb. is replaced by a 20 per cent ad valorem duty.

Metals:

Hard implements and tools - an import duty of 10 per cent ad valorem is introduced. Household utensils - the import duty is increased from 25 per cent to 33⅓ per cent ad valorem.

Packaging materials:

Bottles, pots and jars, bags (other than textiles), empty metal drums, paperboard, cartons, labels - an import duty of 20 per cent ad valorem is introduced. Bags and sacks (textiles) the import duty of 1d each is increased/

increased to 2d each.

Cement:

The import duty of 28s. per ton (about 17 per cent) is increased to 20 per cent ad valorem.

Air conditioners and refrigerators:

The exemption in respect of air conditioners and refrigerators (other than domestic air conditioners) is withdrawn and a duty of 20 per cent ad valorem imposed.

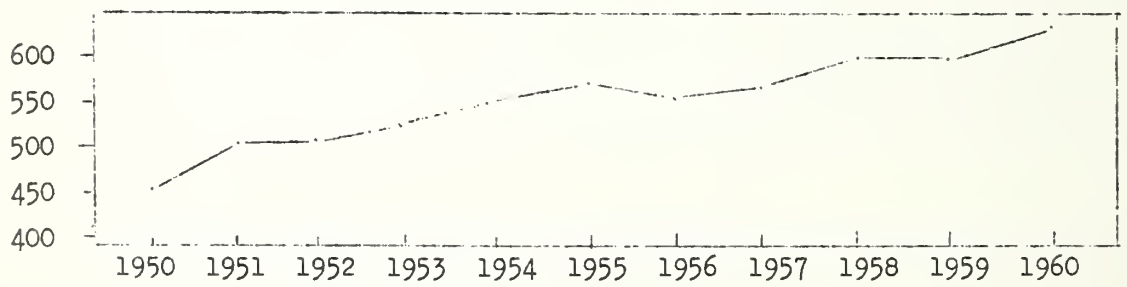
CHAPTER V

THE SUPPLY OF AGRICULTURAL PRODUCTS

V.1. We offer a necessarily limited range of observations in this Chapter upon the way in which Nigerian output of agricultural products may have been changing since 1950. What we can state with any numerical precision is limited to a small list of important export figures, mainly those products for which there is little or no internal demand within Nigeria - cocoa, palm kernels and rubber being the best examples. For the great bulk of the country's food supply, we have to rely on quantitative impressions in all but two census periods.

V.2. In 1950/51 the Nigerian authorities conducted a sample census of agricultural production, under F.A.O. auspices. The resultant production figures for each main crop, in some instances amounting to little better than informed guesses, nonetheless represented the first really systematic attempt to establish how much in the way of foodstuffs Nigeria yielded. Since that time, only one further census covering by stages the whole of Nigeria, has been taken. This was done in the period 1955 to 1958, one political Region being sampled at a time. Such a procedure meant that a combined Nigerian total could only be built up by qualitative or further small-scale sample adjustments being made to synchronise the estimates. Chart V.1. below gives an approximate idea of the general movement of total farm output in Nigeria between 1950 and 1960.

CHART V.1
NIGERIA: VALUE OF TOTAL FARM PRODUCTION, 1950-1960
(£ millions 1957 factor prices)



V.3. The general impression which this graph portrays, of a slowly rising volume of output, is borne out by observations collected on several visits made by one member of the team during the period covered. Furthermore, every attempt was made in 1960 to travel as widely as time etc. allowed, to enable the authors of this Report to have the maximum acquaintance with all the/

the local variations about the general trend.

V.4. In the sections that follow, we present a number of comments on:

A. The main export or cash crops.

B. The principal food crops, and other sources of food supply.

C. The product of free crops, etc.

Finally, we give some consideration to the question of interaction and substitution between domestic output generally and imported goods, agricultural and other, in Section D.

A. The Major Export Crops - Cocoa, Oilseeds, Cotton, Rubber, etc.

V.5. Nigeria enjoys the position of being the world's leading exporter of groundnuts, palm oil and palm kernels while at the same time being an important supplier of cocoa beans. Exports of groundnuts have averaged 370,000 tons per annum, palm oil 180,000 tons and palm kernels 400,000 tons between 1952 and 1960. The cocoa crop, all of which is sold abroad has fluctuated between 80,000 and 190,000 tons during the same period, but with a marked tendency to increase, a tendency which is less clearly evident in the cases of all these oilseed products. It is noteworthy that Ghanaian supply has not increased at anything like the rate of increase for Nigeria, so that Nigeria's share of the British Commonwealth's supply has been rising faster than the aggregate crop figures would suggest.

V.6. Cocoa

The costs of producing cocoa in different growing countries have been the subject of a good deal of inquiry from time to time, and during the early 1950s a large-scale survey of Western Nigerian cocoa production[1] provided a plethora of interesting material so far as Nigerian conditions were concerned. A more recent paper by Mr. G.A.R. Wood of Cadbury Brothers Ltd.[2] claims that the really important factor in determining costs per ton of cocoa is the yield obtained. If this is 500 lbs. or better per acre then at present world prices for cocoa, the crop is profitable. It would appear that costs of production for the average Nigerian holding permit a good return on the capital, labour and enterprise so engaged so long as the producer price (i.e. that paid to the farmer by The Marketing Board) does not fall below £95 - £100 per ton. Apparently, the level of costs in Nigeria/

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1. R. Calletti, K.D.S. Baldwin and I.O. Dine Nigerian Cocoa Farmers 1956

2. G.A.R. Wood "Cost of Cocoa Production" unpublished.

Nigeria compares quite well with those to be found in Latin Amerioan countries, although the quality and other features of the cocoa grown there are different. It is more difficult to assess the competitive position of Nigeria's cocoa farms as compared with other (ex-French) West African producers.

V.7. Table V.1. summarises the world supply position over the last forty years, showing how supply has expanded more rapidly in African countries, particularly Nigeria than in the world as a whole.

TABLE V.1

WORLD COCOA OUTPUT (1920-1960)

(000 long tons)

Average of:	1920-25	1926-30	1931-35	1936-40	1941-45	1946-50	1951-55	1956-60
AFRICA	249	325	386	488	401	437	485	550
of which								
Ghana	177	225	237	273	224	227	237	256
Nigeria	31	48	66	104	94	99	103	125
AMERICA	125	120	146	189	179	192	217	269
West Indies & Asia & Oceania	68	69	63	59	43	50	57	67
WORLD TOTAL	442	514	595	736	623	679	759	886

It might appear reasonable to expect a continuation of the long-run tendency for cocoa output to expand, since there is every inducement, including Government aid in the form of cheap seedlings and subsidised insecticides, for cocoa farmers to increase yields, if not acreages. Prices are difficult to predict, but may be expected to lie between £150 and £300 depending upon the size of the world crop. Present world demand is in the region of 950,000 long tons.

V.8. It is unlikely that the consumption of cocoa will expand beyond 1.2 million long tons by 1965, since there appears to be a reversal of income-elasticity at the level of per capita incomes to be found on average in the U.S.A. since 1950 and since 1955/56 in Britain. The West European market is not yet saturated, nor is the East European market, but opportunities further afield may be sporadic. As we have already noted, when discussing the prospects for Nigerian export income in Chapter II[1] there is a good deal of uncertainty whether Nigeria can gain an income from cocoa/

1. See page 30.

cocoa during the period 1961-65 much in excess of that obtained during the five year period ending in 1960/61, when the crop year production reached an all-time record of 190,000 tons in Nigeria.

V.9. World supply increased, taking five-year averages, by twelve per cent from 1946-50 to 1951-55 and by over sixteen per cent from 1951-55 to 1956-60. The comparable figures for Nigerian supply of cocoa were four per cent and twenty-four per cent, while the rates of increase in Ghana and over all African suppliers were five and ten per cent, and eleven and thirteen per cent respectively. This seems to imply that French African output has risen at a steadier rate over the post-war period than Nigerian output which got off to a slow start but has shot up very recently, while Ghanaian output has risen more slowly than either. Given that world consumption cannot be expected to increase by more than 20 per cent between 1960/61 and 1965/66 crop years, there is a distinct danger of cocoa becoming over abundant to the extent of 50,000 - 70,000 long tons in any one of these five years. The effect of such a surplus actually arising, or even the imminent threat of its occurring, would be to depress cocoa prices considerably below £150 per ton. If Nigerian output expands in the way it has been over the past five or ten years then the value of cocoa exports could fall in such a glut-year to as low as £20 millions, compared with an average of £30 millions from 1956-1960.

V.10. So far as present information and tendencies in Nigeria can be taken to imply a continuing and dependable set of demand/supply/price relationships, the outlook for cocoa production is that by 1965, the potential physical crop will be substantially larger than has been the average crop of the past five years, but possibly only ten per cent up on the most recent (record) annual figure. Assuming a gradual rise in world consumption and no change in Nigeria's share of the world market, then the Nigerian crop in 1964-66, averaged to eliminate seasonal variations, will be between 175,000 and 220,000 long tons. An export total for Nigeria of 200,000 tons at £100 per ton f.o.b. - about the break-even price for profitable cultivation - would bring £20 millions. This would be a lower return than at any time since 1948. If one could be more certain that Nigeria's exports would not exceed 200,000 tons by 1965 (her share remaining constant) then an export value between £25 millions and £30 millions could be envisaged with greater confidence.

V.11. By 1975, a very different picture may present itself. If our view of the present quinquennium 1960-1965 is anywhere near to being the correct one, then one important result of a declining world market price for cocoa, however cushioned by "stabilisation" policies, must be to induce Nigerian farmers to re-appraise their prospective gains from activities other than harvesting cocoa. Given that the big towns in the West Region are likely to continue expanding as industry and commerce filters further inland from Lagos, Abeokuta, Ibadan and the Warri-Benin ports, so the attractiveness of cultivating more intensively for food products/

products (fruit, vegetables, eggs, possibly milk and pig products) areas hitherto more profitably under cocoa trees is likely to increase. Cocoa production, checked by a cessation or decline in the rate of new planting compared with the rate at which older trees predominate, might level off towards 1970 at somewhere around 250,000 tons, and thereafter decline towards its present or expected 1965 level of 200,000 tons per annum.

Oilseeds

V.12. While the same general threat to prices and incomes as for cocoa is contained within the present tendency for world production to move ahead of demand, the market for West African oilseeds presents a number of com-:plex features not associated with cocoa. For a start; substitution possibilities are more numerous than in the case of cocoa, but uses are also more heterogeneous too. Cross-elasticities of demand are important for any supplier whose output consists largely of one or two rather than a cross-section of all types of oilseed. Uses are divisible mainly into edible and industrial, the former being by far the more important.

V.13. Nigeria produces and exports a large share of world supply of ground-:nuts, palm oil and palm kernels Net exports of all oilseeds and veget-:able oils have been running at the rate of 650 -700,000 tons (oil equivalent) in the last five years, an amount equal to 12 per cent of world net exports and second only to the United States as a world exporter of these products. There seems no particular reason to expect dramatic changes in the world trading pattern in oilseeds. However, prices are more likely to fall relatively to the prices of other raw materials since import substitution and low income elasticity are tending to combine to alter the international terms of trade against oilseeds producers. Nigeria can offset to some slight extent this adverse tendency by encour-:aging the manufacture of better grade oil, a development that has already benefited many producers. The gradual replacement of groundnut exports in unprocessed form by exports of good quality oil expressed in Nigeria should assist in the maintenance of Nigeria's overseas earnings. It is likely that the value of Nigerian exports of vegetable oils and oilseeds, now running around £65 millions, may have advanced slightly by 1965, to £70 millions. It is almost impossible to make any reasoned guess as to the relevant figure for 1975, although volumes of exports are unlikely to be be lower than during the next two or three years, if only because world population tends to put a lower limit on the annual rate of increase in demand for oilseeds of <u>all</u> kinds taken together. The institutional arrangements at present in force for international dealings in oilseeds may have the tendency to maintain Nigeria's share of the world market, but not to increase it very much.

V.14. From the export aspect we have to turn now and consider another feature of Nigerian oilseed production that is different from cocoa. We refer to the simple fact that a proportion of the groundnut crop and of the/

the palm oil supply is retained and marketed for consumption in Nigeria. It is well-known and important that the country obtains its source of vegetable protein mainly in this form, but it is less easy to state with any exactitude what the annual consumption of groundnuts, palm oil and other lesser forms of oilseeds may be. Estimates of Nigerian consumption of oils and fats, locally produced, would suggest somewhere between £15 millions and £16 millions with very little per capita change from the levels obtaining in 1950-51.

Cotton

V.15. Production of cotton, largely concentrated in the Northern Region of the country, has risen from approximately 84,000 tons in 1952-53 to nearly 140,000 tons by 1956-58. Local demand is increasing too, as recently instituted textile production establishments have been establishing themselves and gaining a more substantial share of the market for long satisfied by imported cloth. There seems no reason why some further increase in local output cannot be absorbed, if local textile production improves in productivity and increases its share of the market. Estimates of consumption of Nigerian-made clothing indicate that between 1950 and 1957 the proportion of local to imported materials rose from six to eight per cent between 1952 and 1957. Output may rise by 15 to 20 per cent by 1965, as compared with the average output of 1960-62.

Rubber

V.16. Unlike the products so far discussed, rubber is not purchased by Statutory Marketing Boards, but exports have been rising in recent years, 2,300 tons in 1934-38, over 21,000 tons in 1953, and 40,000 tons in 1956-58, valued f.o.b. at £7 millions. A smaller quantity is retained for domestic use, valued at between £1 million and £2 millions. Production is likely to reach 60,000 tons by 1965.

B. Food Crops, Livestock and Fishery Products

V.17. Available information suggests that total agricultural produce in Nigeria has barely been doing more than rise at the same rate annually by which the country's population has been mounting. Valued at constant(1957) retail prices, the rise in 1957 on the consumption estimate of £463 millions in 1950 was only 17 per cent.

V.18. Clearly, there are great difficulties in the way of stimulating higher output per head and it is doubtful too how well the quantitative measurement of output can be made until the Federal and Regional authorities give proper emphasis to this really essential statistical task and place the taking of Agricultural Censuses on a continuing basis. Meanwhile, estimation of present volumes and values of crops, of livestock products and fish for local Nigerian consumption are subject to wide margins of error, such that projecting output levels to 1965 and 1975 is especially hazardous.

V.19./

V.19. There is some support generally for the view that elasticity of supply is positive from such quantitative reactions as we know about in response to price changes for short periods and a limited range of commodities. High prices for hides and skins in 1950-51 brought forth a sharply augmented supply for export, and an enhanced meat consumption in many parts of Nigeria. As soon as the world market prices for hides and skins receded from the Korean high-water mark, Nigerians apparently slaughtered fewer animals. This is possibly one of the best examples of a two-way positive supply elasticity. It is less easy to point to other examples where domestic consumption is the sole justification for producing farm products. In most instances, a high proportion - how high is itself difficult to say but four-fifths might be the average proportion for all crops consumed in Nigeria combined - is not marketed at all, but used where it is produced, right on the farm. In these circumstances, measuring supply elasticity for products such as yams, cassava, guinea-corn, maize, brans, etc. - the staples of some thirty odd million people - is, to say the least, a labour of super erogation. Since prices would have to be imputed, the "measurement" of the response would be open to the obvious criticism that the imputed prices were not operatively meaningful to the producer, since the opportunity cost ratios for other kinds of activity might well reveal a different set of imputed prices from those set on "welfare" grounds, a point we have mentioned in Chapter I.

V.20. The question we have to ask ourselves is rather 'Does Nigeria produce enough in the way of basic foodstuffs to satisfy the wants of her own people, and is she likely to continue doing so?' And if the answer to that question, which <u>is</u> an economic question, is in the affirmative, then there is really very little more we need to say. The country will look after itself, at least so far as the supply of agricultural products is concerned. As soon as one pauses to reflect on this question, a doubt arises as to what we mean by 'satisfying the wants' of the inhabitants of Nigeria. There is first of all the old distinction between 'wants' and 'needs'. Clearly there is a difference in Nigeria where there are several dietary deficiencies, and where the meat protein intake may be though to be on the low side. But if Nigeria is to satisfy all her people's food <u>needs</u>, as the dietetic experts from more sophisticated countries define these needs, the physical task of producing and distributing the extra amounts of eggs, meat, dairy products, cereals and fish that they could specify might represent ten years' incremental farm output. Assuming that Nigerians themselves <u>wanted</u> these dietary deficiencies to be made good, the task would naturally seem well worth the effort and cost involved, and we should then modify our notions of Nigeria's agricultural output in 1965 and 1975. Unlike India, however, and other parts of South Asia, where poverty too often means famine and starvation, Nigeria has a more or less adequate supply of most of the foods that are physiologically necessary for maintaining her population. Moreover there is, save in one or two fairly well-defined areas in Eastern Nigeria, no real land shortage that the 'market mechanism' backed by 'mobility of labour' cannot readily put right./

right. The real questions are whether the Nigerians will want to eat what is dietetically good for them, and how quickly will the farmer respond to the demands of the rising urban markets, and how cheaply?

V.21. Our guess is - and it can be little more than an informed guess - that output of foodstuffs, grain, farinaceous products, livestock products and fish, will generally move slowly ahead, under the stimulus of a rising rural population, so that at least we need fear little in the way of a re-:duction in standards over the next fifteen years. By 2000 A.D. of course, the pressure of population in Nigeria may be a real problem, but it is not yet one for the present Nigerian generation. The supposition that urban population is, and will go on rising faster than the average for the country as a whole presents a more challenging range of possible outcomes for the quantities and prices of urban food supplies. One possibility may be that prices of food will initially rise more in urban areas than in rural areas. Such a differential ought to lead to some diversion of supplies to the more profitable market, leaving some small segment of rural demand less satis-:fied than before. The 'operative' price of food in rural areas should increase, and we see no reason why equilibrium should not be quickly(i.e. after a lag of up to one or two years) restored. There may be a ratchet effect on prices of food in the towns, however, especially if salaries are permitted to rise within the period of any urban-rural price lag. This would imply, however, an inflationary monetary policy, and so far there are no signs that Nigerian development is going to be financed by resort to the printing presses.

V.22. To draw these diffuse, and inevitably qualitative observations to-:gether, we may conclude that food supply is likely to prove adequate, at least to maintain a population increasing at the present rate at the current level and pattern of diet. As transport facilities improve - and they have expanded and become competitive in a growing set of populous areas - the opportunity, incentive and cost of delivering food products in the rapidly growing urban markets should stimulate proportional incremen-:tal supplies, without significant changes from the present price levels.

C. Other Tree Crops and Other Farm Products

V.23. There are several agricultural, or sylvicultural products to which some brief reference should be made before leaving the matter of aggregate supply. The balance between afforestation and other forms of cultivation, always a source of debate, has been shifting in Western Nigeria, where much of the Region has traditionally lain within the 'high-forest-belt'. New policies have brought plantation-type agriculture back into favour as political independence has dispelled the 'colonial' anxieties that for-:eigners would expropriate and enlarge native holdings.

V.24. Plantation methods are especially suited to the growing of rubber and cocoa, and to a less marked extent of oil palms. It is of interest to note/

note that the Western Regional Production Development Corporation has been taking an active role in clearing areas formerly under high-forest cover for plantation type agricultural holdings. A major policy issue has been the determination of the most economical use of land in the two Southern Regions of Nigeria, how far the long-standing policy of keeping land under high forest will have to yield under pressure from those to whom a 50-year forest cycle seems like purchasing irredeemable 'Consols' above par.

V.25. Timber not only accounts for approximately £5 millions in Nigeria's export trade but contributes substantially - over 12 million cubic feet in 1957/58, according to one estimate - to the growing demand for furni-:ture, better housing, etc. inside Nigeria. There is a distinct possib-:ility that unless more attention is given to estimating how Nigerian con-:sumption of timber is likely to increase over the next ten to twenty-five years the case for maintaining a sufficient reserve, especially in the Western Region of Nigeria, is in danger of being lost by default. The question of land-use is one which has caused a great deal of argument for decades, especially in the Western and Eastern Regions, and it is a difficult problem to resolve, undoubtedly. One thing is certain, however, and that is Nigeria would benefit from a policy of specialisation whereby the country can provide its own timber from the high-forest-areas while the Western provinces affected get primary food supplies from the middle-belt provinces whose soil is better suited to the growing of yams. A policy of this nature will depend on improved transport - better road maintenance, etc. to keep the cost of delivering food from rising.

V.26. What we are saying, in essence, is that an appraisal of consumer demand say in 1965 and in 1975 may well reveal that the demand for food can for the most part be met from the areas now sparsely populated prov-:ided communications, especially roads, are extended and improved. And the demands of Nigerians for timber products, which can be expected to increase to 20 million cubic feet (excluding the equally clamant needs for firewood) by 1965 and to 35 million cubic feet by 1975 should not be ignored in any appraisal of agricultural policy, especially in those areas where there has been pressure to clear forests to make way for plan-:tations or farms.

V.27. Finally, we turn to a kind of production in which Nigerian supplies are, if anything, liable to supplant imports. We refer primarily to tobacco, but we might also mention in passing a product that is often grouped with tobacco as a stimulant - namely the kola nut. Bearing in mind the reference to plantation-type cultivation, we cannot omit either a brief note on the project to expand the local Nigerian supply of sugar cane, a crop for which central provinces along the River Niger appear suited to grow.

V.28. Production of tobacco has risen steeply during the last ten or twelve years. In 1950 output - mostly air-cured tobacco in Zaria Province - was/

was 1.5 million lbs; by 1953, the figure was 5 million lbs., some ten per cent of which was flue-cured. Production averaged 10 million in the years 1960-62, and there is clear evidence that imported leaf tobaccos are not likely to find an increasing sale in Nigeria by 1965. New tastes may well develop thereafter, but tobacco products are invariably the object of high taxation, such that increases in imported supplies can be effectively restrained by the imposition of stiff rates of duty. We do not see much likelihood that Nigeria will be in a sufficiently favourable economic position even by 1975 as to permit a reversal of the present tendency to replace imported leaf tobacco by home-grown substitutes. We should add, however, that blending is almost certain to continue, so that there is at least a minimum market at or near the present import volume below which the 1965 and 1975 levels may not fall.

V.29. Kola nuts are an important free-crop, the bulk of Nigeria's supply being grown in the South-West of the country, centred on Agege and Abeokuta. Consumers' expenditure on this one item alone exceeds £5 millions per annum, and to this has to be added a small but flourishing trade traditionally carried into "French" adjacent territories by Hausa middlemen. There is scanty evidence to support any projection either of demand or of supply, but we have the impression that over ten or fifteen years from now Kola will become an 'inferior' good among the rising urban middle class and be replaced by cigarette smoking. At the same time, we must not overlook the income-effect, which would suggest a rising per capita consumption among the lowest income-brackets should their level of income rise slowly. On balance both an increase in consumption inside and outside Nigeria and a rise in production in Western Nigeria seem likely.

V.30. Sugar is, like tobacco, another product which Nigeria seems quite well able to produce economically for domestic consumption. Yet the indigenous Northern sugar cane has not been anywhere near sufficient to supply the rising demand for sugar throughout the Federation. Imported refined sugar has been coming in at an ever-rising rate - 54,000 cwts in 1946 to 1,138,000 cwts. valued c.i.f. at £3.3 millions in 1958. Within the past eighteen months a sugar plantation scheme, to be managed by one of the world's most experienced sugar-growing concerns, has been approved in principle. The intention is to plant up to 20,000 acres within the next few years at a site near the existing road/rail bridge over the River Niger at Tebba. A factory will be an integral part of the scheme, so that beginning possibly in 1965 some small part of Nigeria's supply of refined sugar will be domestically produced. By 1975 this scheme, if successful, should have had the effect of stabilising sugar imports at a level somewhere in the region of 100,000 tons. Demand is very positively correlated with income at the lower levels, falling to an inelastic relationship at above average urban levels. This would suggest that consumption of sugar may rise quite steadily, even rapidly, if the average rural household gains any increment of income from improving urban or export market outlets.

D. Import Substitution and the Balance of Payments/

D. Import Substitution and the Balance of Payments.

V.31. We have ventured to suggest that while the free-market demand in Nigeria for most categories of imported goods is likely to expand in the future, there is a small but growing range of commodities, some manufac-:tures e.g. soap, some raw materials, e.g. cement, and some agricultural products, e.g. leaf tobacco and sugar, where the tendency is in the opposite direction. It seems appropriate, therefore, that before leaving the whole question of the supply of produce in Nigeria we should attempt to relate these individual tendencies to the wider problem with which we concerned ourselves in Chapter II - the overall balance between the country's expenditure and its earnings abroad.

V.32. The Nigerian balance of payments can expect further relief by domestic substitution for imported products in the case of oil, textiles, cement, building components, bicycle and motor-tyre assembly and repair, industrial chemicals, canned meat, sugar and confectionery, soft drinks, and beer to mention some of the more important contributors. Evaluating the amount of foreign exchange which these and later additions to the list may save by 1965 and by 1975 is by no means easy. Some industries are being fostered behind a newly erected tariff, and any resulting gain of foreign exchange has to be set against the higher costs to the con-:sumer, at least temporarily. Estimates of oil outflow indicate a major net saving, possibly of £5 - £8 millions at present prices by 1965 on this important basic requirement. Cement is growing in importance, also, and should match imported volumes by 1965, affording a saving on imports roughly equivalent to that from the new oil refinery. The textile position is less easily assessed, and most of the other import - replacing tendencies are individually of less than £5 million potential by 1965. A very approximate estimate would put the "saving" by that year at £30 millions, but this, in itself, helpful to the current trade balance as it undeniably is, can do little more than stabilise the present deficit, as the income-effects are proportionally stronger given present plans for capital-spending by public authorities.

CHAPTER VI

THE NIGERIAN ECONOMY, 1965 and 1975

VI.1. We have sought, in the preceding five chapters, to establish some of the economic magnitudes and variables that throw light on the way Nigeria's pattern of food expenditures and agricultural output has been evolving since 1950. It only remains for us to try to bring together these various pieces of evidence and to state as fairly as we are able our view about the levels of demand and supply by 1965 and 1975.

VI.2. This Report began by asserting quite categorically that in the circumstances one finds today in Nigeria, no specific quantitative predictions about future demands or supplies could be made that could claim scientific validity. While we shall not dissent from this proposition, we may nonetheless proffer some 'unscientific' but not unfounded projections of several important magnitudes, among them Gross Domestic Product, population, and import levels in 1965 and 1975.

VI.3. We also opened this Report by explaining that two conceivable approaches to the questions put to us could be employed - the aggregative approach, in which reliance is placed on those inter-relationships that subsist between totals in the economic system, and the more detailed, partial analysis described in Chapters III and IV. Ideally we ought to be in a position by now to "marry" the two sets of relationships or at least be able to compare at the national level what each approach has yielded by way of answers. Unfortunately, we lack one essential link in the chain of relationships that would enable this to be done. We have presented in Chapter III sets of data showing how expenditures are related to incomes at several levels of income and for different occupational and regional categories of household. In order to derive national estimates of consumption in 1965 and in 1975 from the household survey data, we require a means of attributing relative "weights" to each income or occupational category, i.e. we require estimates of the frequency distribution for these characteristics. These simply do not exist at present in Nigeria, and we see no acceptable solution to the problem with which this serious statistical lacuna confronts us. It is, notwithstanding the great difficulty that estimating income - distribution in Nigeria now represents, clearly desirable and in the interests of advancing such studies that we should have collated and expanded by our own fields work estimates of household consumption related to incomes. It is in this spirit that the partial analyses must, therefore, be construed.

VI.4. Our reasons for relying more upon the macro-economic approach are/

are not merely of a negative character, however, changes in taste, shifts and growth in population, in the level and composition of imports have been relatively large during the last ten or twelve years, and it can be held that aggregative analysis is the right way to deal with major relative shifts. Given a free market, Nigerian consumption of agricultural products imported from abroad has been shown to have a rising trend, save in one or two instances. What we have to do in this Chapter is evaluate the broader forces that may press both towards a higher level of importation, and tend to bring some limitation through difficult budgetary choice. We shall deal in turn with -

A. Gross Domestic Product
B. Population
C. Income per head
D. Consumers' Expenditure, and
E. Supply, 1965 and 1975.

A. Gross Domestic Product 1965 and 1975.

VI.5. Projecting the Gross Domestic Product to 1965 and 1975 on the simplest assumption that the average trend over the past eight or ten years will continue suggests the following possibilities. By 1965, G.D.P. which stood at £900 millions in 1957 is unlikely to lie below £1100 millions or rise above £1400 millions at 1957 (factor) prices. The expectation is that the figure will come fairly close to £1,200 millions, an increase of one-third upon the output of 1957. Such a rise in the nation's total economic activity in the span of eight years is virtually the same as occurred between 1950 and 1957.

VI.6. The fact must not be overlooked, however, that between 1955 and 1958 economic conditions generally both inside Nigeria and overseas tended to slow down the rate of advance in the country's G.D.P. We must take note also of the tendency for earnings from certain major Nigerian exports - cocoa, oilseeds - to remain rather static over two or three of the last six or seven years. In two years, 1955 and 1957, total receipts actually dipped below the figure for the preceding years. Latest figures do not give grounds for more than cautious optimism

VI.7. An alternative way of setting limits to the 1965 G.D.P. estimate could therefore be to focus on the exports from 1955 - 1960 as some sort of guide to the shape of the aggregate output in Nigeria. Export receipts rose from £150 millions to £180 millions, or about one-fifth, between 1955 and 1960. If G.D.P. is keeping pace with the country's quinquennial export movements, we should get an estimate of £1,080 millions by 1960, and by the same token a projected £1,300 millions very nearly by 1965.

VI.8. There is one other relevant relationship that tends to give added weight to this order of magnitude. We are referring to the rate at which capital expenditure by the public sector are now scheduled for the/

the period 1960-65. At approximately £100 millions gross per annum these capital outlays may be expected to generate very roughly £125 - £175 millions of gross income between 1960 and 1965. To this has to be added the effect of private investment inside Nigeria and of the capital imports either in the form of economic aid or net inflow of mercantile credit. Assuming total investment and aid between 1960 and 1965 of £800 millions, the resultant increment of gross output might well be of the order of £200 - £250 millions. We have some sense of confidence therefore in putting Gross Domestic Product in 1965 at £1,200 - £1,300 millions.

Once we go beyond the confines of a scheduled planning period, we are thrown back on to the merest guesswork about the movement to be expected in the nation's annual production. A crude extrapolation of the trend-line that would hit a G.D.P. of £1,250 millions in 1965 suggests an estimate of almost £1,600 millions by 1970 and something like £1,900 millions by 1975, all at 1957 (factor prices). A doubling of domestic output inside twenty years, - from 1955 to 1975 - is theoretically quite feasible for a nation whose institutions, economic and political, have strong foundations upon which educated enterprise, disciplined labour and spontaneous investment can build. Britain, Germany, Japan and the United States have all, during the last one hundred years, doubled their output inside twenty years, even when war or post-war recovery performances are excluded.

VI.9. Rapid economic growth has allegedly been achieved in recent years in other African countries. Kenya's G.D.P. rose by one-quarter from 1954 to 1958 after allowing for price changes, but has since steered nearly to a static level. Tanganyika, however, achieved a less spectacular upsurge in the 1950's, as was also true in Uganda. The various structural deficiencies in less developed countries, both in economic and political cohesion - make it seem less probable that rates of economic growth can in the very near future in tropical African countries, match those of the more specialised nations operating at their most productive periods, economically speaking. We find it extremely difficult to state with any sort of confidence what the best approximate estimate of G.D.P. for 1975 might be, therefore. On the one hand, the impetus has already been imparted to the Nigerian economy which should provide for continued steady, if not yet self-sustaining, growth. We refer to the expectations engendered by at least a decade of government capital budgeting. To this has to be added to the favourable impact on Nigerian employment and incomes of incoming private overseas capital and of funds earned and subsequently re-invested in the country's small but rapidly expanding non-agricultural sectors - manufacturer, transport and the like. By 1975, the proportion of Nigeria's G.D.P. that is represented by agricultural output, now standing at about three-fifths, might, if the present trend continues, fall to between a half and two-fifths; still the dominant activity in the economy but no longer the predominant one.

VI.10. Against this optimistic view there is the ever-present danger that/

that some turn of political events may bring about a loss of confidence in Nigerian administrative cohesion and political stability. Associated with this hazard is the more strictly economic difficulty that may confront Nigerian exports and the balance of payments over the next decade. Much of the expansionary impetus we have just referred to came in a sudden, rather unexpected windfall on the terms of trade between 1950 and 1954. Nigeria's external assets accumulated in those years rather more because of changes in demand than because Nigerian productivity advanced. It may be held that as long as Nigerian exports are largely handled by the Statutory Marketing Board there will remain at least the possibility of renewed forced saving of the type that has helped to finance the last decade of expansion. Few commentators today would go so far, however, as to suggest that Nigeria's exports present as hopeful a source of savings in the present context of international trading as they did in the years when the world was demonstrously short of primary foodstuffs and raw materials. We have discussed in Chapter II some of the prospects for Nigeria's exports in the near future. Unless new markets are found in Eastern Europe and the Soviet Union for Nigeria's cocoa, unless existing markets in the Western World can absorb more of the country's rising supply of oilseeds and vegetable oils one of the bases upon which the investor's confidence has until now, rested is likely to prove less firm by 1965 and possibly become of greatly reduced significance by 1975.

VI.11. The buffer to cushion internal economic growth against unfavourable external trading circumstances has till now been Nigeria's own reserves, built in the first ten years after the war, and subsequently drawn down fairly rapidly. The mere fact that they came into being at all, however, engendered overseas confidence in Nigeria's investment opportunities and has to some extent promoted the inflow of private funds. At present, however, the trade gap requires more than private capital inflow to finance it, and there is every prospect that international agencies, led and augmented in their efforts by the United States of America, will make available the finance whereby Nigeria can import at a rate sufficient to support a modest and well-conceived programme of capital works and simultaneously satisfy the greater part of consumer demands.

VI.12. Bearing in mind these sorts of difficulty - and space does not permit us to elaborate as we very easily could upon the many other obstacles that tend to slow down the rate of advance in a tropical federation the size of Texas and New Mexico combined - it does appear optimistic to expect Nigeria to double her G.D.P. in real terms between 1955 and 1975. We have to take account not only of financial constraints but of the likelihood that the annual rate of increase in G.D.P. will be subject to fluctuations, as American and European purchasing cannot be expected to provide a/

a steady or smoothly rising flow of incomes any more than Nigeria herself can expect to avoid lumpiness and jerkiness in the rate at which capital is absorbed and yields a return in product.

VI.13. These considerations prompt us to set for the G.D.P. an upper limit by 1975 of £1,800 millions (at 1957 factor prices) and a lower bound in the region of £1,500 millions. The latter estimate would represent a rise of two-thirds on the 1955-1957 figure, an increase well within the country's grasp, provided no serious crisis of confidence occur and assuming that the trade gap is financed by aid of some kind, either loans or outright grants.

B. Population, 1965 and 1975.

VI.14. Population was estimated to be approximately 31 millions in 1952, and is thought to have risen by five or six millions as of 1960. While there is a possibility that Nigeria's population growth may accelerate over the next generation, the fact that medical facilities are only now sufficient to provide for a tiny fraction of the existing needs may tend to postpone a rapid further decline in the death-rate. By 1965 the population may rise to somewhere near the 43 million mark, reaching 50 millions in the early 1970's, but unlikely to exceed 55 millions by 1975. It has to be emphasised that these estimates are necessarily conjectured and subject to wide margins of error, since no proper count has been taken for a decade. The latest Census of Population falls due this year - 1962/63.

C. Income per head, 1965 and 1975.

VI.15. Combining one tentative population and G.D.P. estimate for 1965 and 1975 we get average per capita income figures of roughly £30 and £35 respectively. The level of average incomes per head was about £20 in 1950 and £26 in 1957, so that the rate of increase indicated by these very crude projections would be 75 per cent in 25 years or slightly over one per cent compound per year for 1950 - 1975.

D. Consumers' Expenditure 1965 and 1975.

VI.16. There is almost certain to be administrative pressure to restrain consumers from spending more than the present proportion of income, approximately 85 per cent. The main reason for this is the acknowledged urgent need to raise the level of domestic saving, to finance as large a fraction of the development programme from Nigerian sources as the electorate will tolerate. In general, the marginal propensity to save might be expected to rise a little provided the increment in G.D.P. was not being redistributed towards the lower income groups either directly by taxation or indirectly by indiscriminate provision of free public services, e.g. primary education.

VI.17. There will be conflicting tendencies here, quite clearly, as urban/

urban tastes tempt an increasing percentage of the population to spend more than is consistent with a national policy of factories first and fine foods afterwards. What the resultant may be is a very open question, but there does seem a fair prospect of keeping the consumption generally close to the present rate until 1965. The indications are, however, that certain specific kinds of consumption may be prevented from rising, among them consumption of imported luxury articles, upon which the rate of customs duty has already been raised.

VI.18. Imports of foodstuffs present the Nigerian Government with an awkward choice, however. With the exception of salt and sugar, the country's population could survive and even multiply on food grown inside the nation's economy. Yet economic growth does depend on Nigeria's capacity to sell abroad, and some reciprocity in import policy is called for, especially as the free market demand inside Nigeria for imported foods is income-elastic.

E. Supply of Agricultural Products 1965 and 1975.

VI.19. We have said enough already to indicate that broadly speaking, Nigeria can remain for the most part self-sufficient in farinaceous, starchy foods, in livestock products, in all ranges of farm produce save Wheat, and possibly milk, tobacco and sugar. Other major food imports are stockfish and salt, together with a small addition to the nation's meat-larder, both fresh and canned. While farm output will not grow as rapidly as the Gross Domestic Product, it is likely to keep pace with population growth in general.

VI.20. There are certain circumstances that could easily conspire, however, to make the position less favourable than this general, perhaps sweeping, observation would imply. If the drift of population to the towns outstrips the rate at which (a) urban employment is available, or (b) transport and distribution facilities between rural food supply and urban markets develops, then some (probably small, but possibly vociferous) part of the population may easily experience genuine food shortages. At present, it is difficult to assess the odds against this type of disequilibrium occurring. In any event, the chances of an urban proletariat having a seriously deficient diet cannot assume dangerous proportions by 1965, although another ten years of misguided job-seeking in the urban areas could bring about an awkward distributional problem.

VI.21. Farinaceous foods, e.g. yams and cassava, are likely to remain the staples in the middle and southern districts of Nigeria for a very long time to come. Cassava, however, being regarded typically as an inferior substitute for other farinaceous crops can be expected to diminish in quantity as income levels rise. There are several substitution possibilities, maize, yams and rice among the Nigerian products, wheat the imported one, although there is little to show that wheat is directly substituted for cassava.

VI.22./

VI.22/ Vegetable protein and pulses - palm products, groundnut oil, beans, cowpeas, etc. - should be capable of expansion both by more intensive method of cultivation with the aid of fertilisers and in the Bosnu/ Banchi/Adamawa areas of the north-east, now being assisted to develop by transport extension. Output should be adequate.

VI.23. Meat, not only beef but lamb, mutton and goat's meat, also poultry and game, present a much more complex picture when we try to assess future supplies. Northern Nigeria could produce more beef and mutton but the pull of the market - largely in the urban part of Western and Eastern Nigeria - tends to be so attenuated through long distances that no real incentive to expand the herd and increase the meat supply operate outside one or two "traditional" cattle-routes. Ten years or more of patient research has not revealed sufficient about tse-tse-borne diseases to make a big impact on cattle husbandry yet, but technical improvements are gradually h lping to raise the efficiency of the industry. Meat canning in the cattle-rearing areas of the North had begun to be profitable, and this may help to overcome a small part of the meat protein deficiency in the south. Developments in this whole range of food supply appear to go slowly, however, and until delivered prices can be lowered, the extent of the economic market will certainly tend to reinforce this slow growth.

VI.24. No-one quite knows the total supply of fish in Nigeria. It is an important item of the diet for those peoples living in the coastal creeks, and also for the riverain section of the community, but these make up only a small percentage of the whole population. Imported stockfish is consumed widely in the Eastern Region, where the lower per capital income level might suggest it is a kind of 'inferior' substitute for meat. Certainly, it is a "delicacy" to many of the poorer households, but the rising trend of imports in recent years indicates that the substitution of meat for stockfish only begins to operate at income levels considerably above the Regional average. At best, we can only guess that locally caught fish will continue to afford a small but useful supplement to the diet, while there is good reason for expecting the demand for imported stockfish to grow. By 1965 and 1975 importation of stockfish may exceed £10 millions and £16 millions respectively, if the recent trends are any guide.

VI.25. We have discussed in the last chapter some of the tendencies that may be at work regarding future supplies of import substitutes, e.g. sugar and tobacco. We need only reiterate briefly our view that by 1965 a small but noticeable percentage of the country's consumption of factory-refined sugar may be produced in Nigeria. More positively the import/home supply ratio for leaf tobacco seems likely to fall, and both of these tendencies may well continue to 1975. It is unlikely, however, that local output will completely replace both of these imports.

VI.26. To sum up, Nigeria can be expected to want to purchase more imported agricultural products. The country's ability to do so will/

will depend on the ease or difficulty with which foreign exchange can be obtained. We have argued that the prospects for commodity exports are not so promising as to permit an unrestricted flow of consumer goods into the Federation. Choice between food imports, other consumer goods imports and those imports required to implement the programme of capital formation is both an economic and a political set of decisions. We have maintained that the political prestige that attaches to programmes of public investment in a country like Nigeria will tend to prevail over the economic preferences that might find expression in a rising volume and value of imported consumer goods. Whenever practicable - i.e. when the level of current overseas earnings rises unexpectedly - the Nigerian consumer will be able to purchase more from abroad. In general, however, financial discipline will require governmental intervention in the operation of an otherwise free market. The rate at which local food products can be expanded is probably sufficient, up to 1975 anyway, to influence public policy against a rapid inflow of imported agricultural commodities, save possibly those for which no close Nigerian substitute exists to satisfy both a real need and a substantial demand.

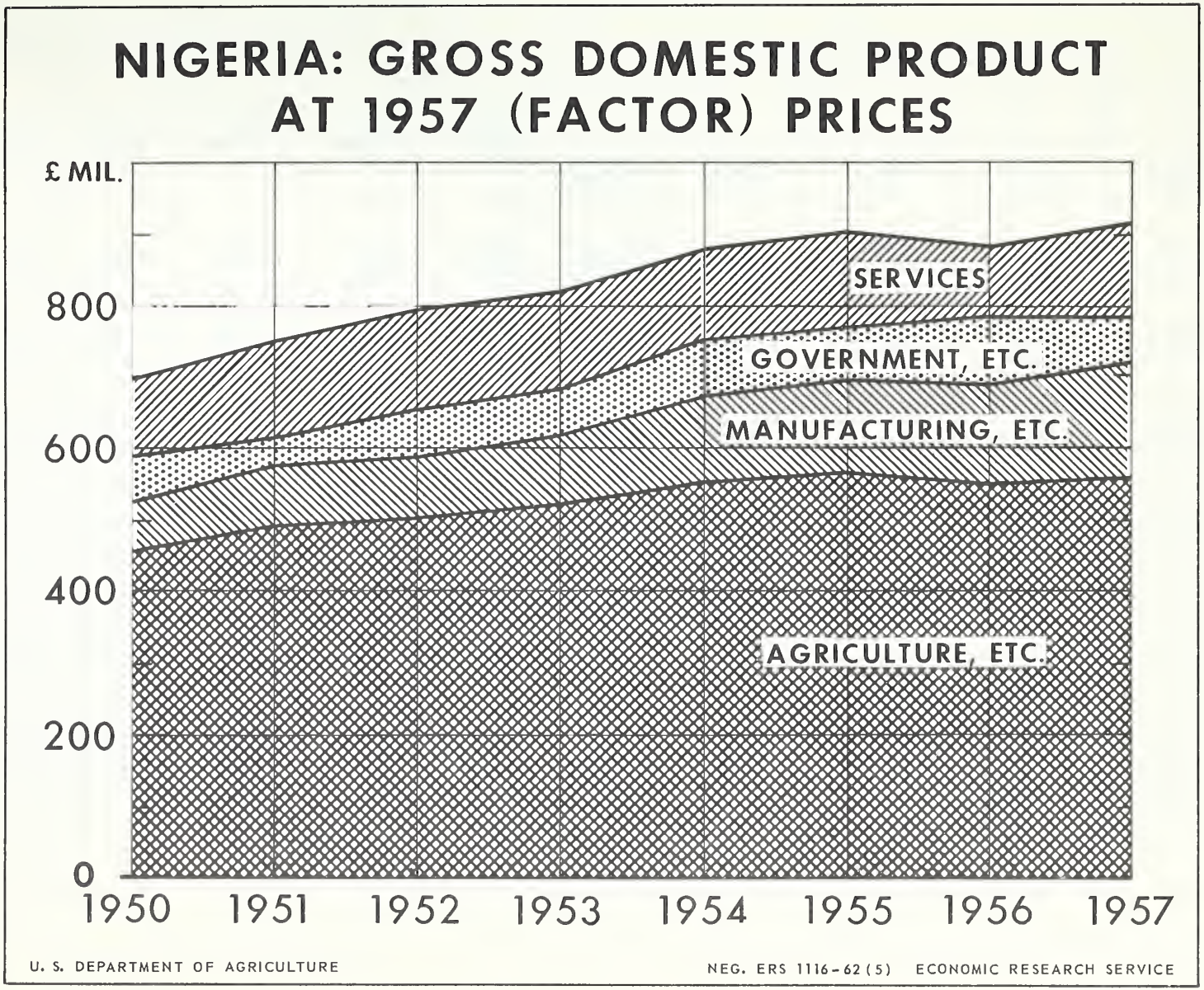
NIGERIA: GROSS DOMESTIC PRODUCT
AT 1957 (FACTOR) PRICES
£ MIL.
800
600
400
200
0
SERVICES
GOVERNMENT, ETC.
MANUFACTURING, ETC.
AGRICULTURE, ETC.
1950
1951
1952
1953
1954
1955
1956
1957
U. S. DEPARTMENT OF AGRICULTURE
NEG. ERS 1116-62(5) ECONOMIC RESEARCH SERVICE

TABLE 1.--QUANTITY, VALUE, AND AVERAGE PRICE OF MAJOR EXPORTS, 1952-1960

		1952	1953	1954	1955	1956	1957	1958	1959	1960
GROUNDNUTS	Tons	260444	326725	427868	396905	448084	302389	513179	497232	331913
£	Value	22113591	24928293	29899748	23133587	27764351	20139337	26947945	27471609	21955510
	Price	84.91	76.30	69.89	58.28	61.96	66.60	52.51	55.25	66.15
GROUNDNUT OIL	Tons	9931	18659	30634	33628	35107	38704	39591	47763	46624
£	Value	1567632	2356605	3757149	3151767	4094537	4599707	3747891	4625596	5296289
	Price	157.85	126.30	122.65	93.72	116.63	118.84	94.65	96.84	113.59
PALM OIL £	Tons	167288	201345	208482	182143	185237	166490	170508	183667	183366
(edible + inedible)	Value	17091022	13019744	13431178	13151347	14865902	13800564	12662859	13808417	13181148
	Price	102.17	64.66	64.42	72.20	80.25	82.89	74.27	75.18	71.88
PALM KERNELS	Tons	374163	402872	464111	433234	451070	406198	441223	430408	418040
£	Value	22766969	22184668	22790982	19196153	20439959	17958589	20449817	25970746	25097417
	Price	60.85	55.07	49.11	44.31	45.31	44.22	46.35	60.34	60.03
COCOA	Tons	114731	104671	98373	88413	117133	135300	87244	142804	153925
(raw beans) £	Value	28666151	24857889	39260610	26187068	23984606	26035686	26668379	38289351	35056810
	Price	249.85	237.49	399.10	296.19	204.76	192.43	305.68	268.12	227.15
COTTON	Tons	19296	17707	25959	33174	27852	25196	33705	36884	26865
(raw) £	Value	6733573	5517524	7350407	9380177	7112834	6337046	7844536	7300587	5905075
	Price	348.96	311.60	283.15	282.76	255.38	251.51	232.74	197.93	219.78
RUBBER [x]	Tons	18331	21260	20397	30329	38032	39946	41130	53352	57167
(crude Rubber £	Value	4138746	3286522	2848933	5566859	6382422	7012201	7617019	11602402	14241223
incl. synthetic	Price	225.8	154.6	139.67	183.54	167.82	175.54	185.19	217.47	249.12
& reclaimed + Natural Rubber)										
	Tons					13364	13577	7627	7536	10658
	Value					7222828	7629174	3937264	4214941	6044736
	Price					540.47	561.92	516.23	559.31	567.15
TIN ORE	Tons	10575	12136	10308	11402					
£	Value	7665521	5972219	5171127	5869931					
	Price	724.87	492.11	499.72	514.82					

[x] For years, 1952-1953, the figures include only rubber plantation.

TABLE 2.--HOUSEHOLD EXPENDITURE ON FOOD, DRINK, AND TOBACCO BY FOOD GROUP, BASIC INCOME GROUP AND REGION (all figures are in shillings per household per month and percentages)

FOOD GROUP ETC.,	NORTHERN REGION - Lower Incomes					EASTERN REGION - Lower Incomes--Enugu				EASTERN REGION - Middle and Upper Incomes--Enugu						
	UNDER 100/-	100/- to 149/11	150/- to 249/11	250/- to 349/11	350/- to 650/-	UNDER 100/-	100/- to 149/11	150/- to 249/11	250/- to 650/-	500/- to 599/-	600/- to 799/11	800/- to 999/11	1000/- to 1199/11	1200/- to 1399/11	1400/- to 1799/11	1800/- and above
NO. OF SAMPLE HOUSEHOLDS	363	212	277	150	128	105	76	119	89	44	52	24	14	20	13	15
TOTAL GOODS AND SERVICES	149.0 100.0%	201.8 100.0%	264.5 100.0%	328.8 100.0%	482.1 100.0%	117.0 100.0%	162.7 100.0%	209.0 100.0%	306.1 100.0%	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
BUDGET MEALS *	9.7 6.5%	11.2 5.5%	4.5 1.7%	6.2 1.9%	3.8 0.8%	0.7 0.6%	0.4 0.2%	0.2 0.1%	0.8 0.3%	9.4	7.3	14.6	12.4	18.9	18.2	16.5
TOTAL FOOD	87.0 58.4%	100.6 49.8%	118.7 44.9%	132.5 40.3%	194.7 40.4%	65.4 55.9%	88.0 54.1%	102.0 48.8%	137.6 45.0%	325.2	325.1	336.7	413.1	403.1	361.0	485.7
TOTAL DRINK	4.0 2.7%	8.5 4.2%	17.2 6.6%	30.2 9.2%	53.8 11.2%	13.2 11.3%	21.4 13.2%	22.3 10.7%	35 2 11.5%	95.3	90.1	121.3	110.6	157.6	150.8	155.3
TOTAL TOBACCO AND KOLA	9.8 6.6%	12.4 6.2%	11.9 4.5%	10.8 3.3%	10.5 2.2%	5.7 4.9%	8.1 5.0%	6.6 3.2%	6.2 2.0%	11.5	9.0	10.6	23.3	19.2	21.4	13.6
TOTAL FOOD DRINK TOBACCO & KOLA *	110.5 74.1%	132.7 65.7%	153.0 57.8%	179.6 54.6%	262.8 54.5%	85.0 72.6%	117.9 72.5%	131.1 62.7%	179.8 58.7%	441.4	431.5	483.2	559.4	599.8	551.4	671.1
TOTAL FOOD *	87.0 100.0%	100.6 100.0%	118.7 100.0%	132.5 100.0%	194.7 100.0%	65.4 100.0%	88.0 100.0%	102.0 100.0%	137.6 100.0%	325.2 100.0%	325.1 100.0%	336.7 100.0%	413.1 100.0%	403.1 100.0%	361.0 100.0%	485.7 100.0%
IMPORTABLE FOOD	6.8 7.8%	10.5 10.5%	18.6 15.6%	26.8 20.2%	42.5 21.8%	N.A.	N.A.	N.A.	N.A.	102.4 31.5%	99.4 30.6%	97.0 28.8%	137.1 33.2%	127.0 31.5%	122.9 34.0%	183.4 37.8%
STAPLES	45.9 52.8%	50.1 49.9%	52.5 44.2%	58.4 44.0%	80.4 41.3%	35.4 54.1%	47.7 54.2%	52.5 51.5%	63.5 46.1%	123.3 37.9%	128.2 39.4%	124.9 37.1%	139.9 33.9%	151.5 37.6%	103.7 28.7%	134.3 27.7%
ANIMAL PROTEIN	21.2 24.4%	25.4 25.2%	34.4 28.9%	38.6 29.1%	63.7 32.7	17.4 26.6%	24.6 28.0%	29.4 28.8%	44.8 32.6%	101.2 31.1%	105.9 32.6%	121.7 36.1%	138.7 33.6%	131.7 32.7%	142.4 39.4%	176.0 36.2%
OILS AND FATS	5.9 6.7%	7.2 7.1%	8.6 7.3%	9.0 6.8%	13.2 6.8%	2.8 4.3%	3.1 3.5%	4.1 4.0%	6.8 4.9%	22.1 6.8%	18.6 5.7%	19.6 5.8%	28.7 6.9%	24.1 6.0%	21.2 5.9%	37.7 7.8%
VEGETABLES ETC.,	9.5 10.9%	11.5 11.4%	11.7 9.9%	12.0 9.1%	16.1 8.3%	7.2 11.0%	9.7 11.0%	10.7 10.5%	13.1 9.5%	22.4 6.9%	22.6 7.0%	20.4 6.1%	28.9 7.0%	25.9 6.4%	26.3 7.3%	26.8 5.5%
FRUITS AND NUTS	1.0 1.1%	1.0 1.0%	1.9 1.6%	2.3 1.7%	2.9 1.5%	1.4 2.1%	1.2 1.4%	1.7 1.7%	2.6 1.9%	8.3 2.6%	5.7 1.8%	5.9 1.8%	8.7 2.1%	9.6 2.4%	8.4 2.3%	11.0 2.3%
PRESERVATIVES	2.3 2.6%	2.9 2.9%	2.7 2.2%	3.3 2.5%	3.6 1.9%	3 0.9 1.4%	3 1.4 1.6%	3 1.4 1.4%	3 1.8 1.3%	6.0 1.8%	5.6 1.7%	6.6 2.0%	6.4 1.5%	7.7 1.9%	8.0 2.2%	13.4 2.8%
OTHER FOOD	1.1 1.3%	2.3 2.2%	6.5 5.5%	9.0 6.8%	14.7 7.6%	1.2 1.8%	1.7 1.9%	3.6 3.5%	6.8 4.9%	41.8 12.9%	38.6 11.9%	37.5 11.1%	61.9 15.0%	52.6 13.0%	50.9 14.1%	86.6 17.8%
TOTAL DRINK	4.0 100.0%	8.5 100.0%	17.9 100.0%	30.2 100.0%	53.8 100.0%	13.2 100.0%	21.4 100.0%	22.3 100.0%	35.2 100.0%	95.3 100.0%	90.1 100.0%	121.3 100.0%	110.6 100.0%	157.6 100.0%	150.8 100.0%	155.3 100.0%
IMPORTABLE DRINK	2.2 56.2%	5.0 59.3%	14.3 80.2%	27.5 91.1%	49.8 92.5%	2.0 15.2%	3.2 15.0%	6.9 31.0%	23.1 65.6%	71 3 74.8%	62.3 69.1%	103.5 85.3%	99.6 90.1%	152.2 96.6%	138.3 91.7%	152.3 98.1%
TOTAL TOBACCO & KOLA	9.8 100.0%	12.4 100.0%	11.9 100.0%	10.8 100.0%	10.5 100.0%	5.7 100.0%	8.1 100.0%	6.6 100.0%	6.2 100.0%	11.5 100.0%	9.0 100.0%	10.6 100.0%	23.3 100.0%	19.2 100.0%	21.4 100.0%	13.6 100.0%
IMPORTABLE TOBACCO AND KOLA	4.5 45.5%	6.7 54.0%	8.9 75.1%	8.0 73.6%	8.2 79.5%	4.8 84.2%	7.0 86.4%	5.5 83.3%	4.8 77.4%	8.8 76.5%	6.3 70.0%	8.3 78.3%	20.5 88.0%	17.4 90.6%	19.4 90.7%	12.7 93.4%
TOTAL FOOD DRINK TOBACCO AND KOLA *	110.5 100.0%	132.7 100.0%	153.0 100.0%	179.6 100.0%	262.8 100.0%					441.4 100.0%	431.5 100.0%	483.2 100.0%	559.4 100.0%	599.8 100.0%	551.4 100.0%	671.1 100.0%
IMPORTABLE FOOD DRINK, TOBACCO AND KOLA	13.5 12.2%	22.3 16.8%	41.8 27.3%	62.2 34.6%	100.5 38.2%	N.A.	N.A.	N.A.	N.A.	182.5 41.3%	168.0 38.9%	208.8 48.4%	257.2 46.0%	296.6 49.4%	280.6 50.9%	348.4 51.9%

TABLE 2.--HOUSEHOLD EXPENDITURE ON FOOD, DRINK, AND TOBACCO BY FOOD GROUP, BASIC INCOME GROUP AND REGION (all figures are in shillings per household per month and percentages)--Continued

FOOD GROUP ETC.,	WESTERN REGION and LAGOS												
	- Lower Incomes--Lagos -			- - - - Middle Incomes--Lagos - - - -				- - - - - - - - Middle and Upper Incomes--Ibadan - - - - - - - -						
	UNDER 150/-	150/- to 249/11	250/- to 650/-	600/- to 799/11	800/- to 999/11	1000/- to 1199/11	1200/- to 1399/11	500/- to 599/11	600/- to 799/11	800/- to 999/11	1000/- to 1199/11	1200/- to 1399/11	1400/- to 1799/11	1800/- and above
NO. OF SAMPLE HOUSEHOLDS	564	401	320	24	54	31	40	33	27	19	9	15	19	15
TOTAL GOODS AND SERVICES	158.2 100.0%	238.7 100.0%	375.5 100.0%	854.4 100.0%	884.9 100.0%	724.0 100.0%	1469.0 100.0%	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
BOUGHT MEALS *	7.1 4.5%	7.8 3.3%	8.2 2.2%	10.8 1.3%	21.3 2.4%	33.1 4.6%	28.5 1.9%	12.6	9.9	13.8	9.0	29.0	24.3	2.3
TOTAL FOOD	80.1 50.6%	101.4 42.5%	156.1 41.6%	327.7 38.4%	351.2 39.7%	358.9 49.6%	364.3 24.8%	298.0	277.3	328.1	384.7	402.3	450.5	418.0
TOTAL DRINK	10.7 6.8%	16.6 7.0%	28.4 7.6%	80.7 10.7%	85.6 9.7%	79.0 10.9%	148.3 10.0%	77.5	66.8	85.4	125.2	141.0	117.9	155.2
TOTAL TOBACCO AND KOLA	10.9 6.9%	11.0 4.6%	10.4 2.8%	28.3 3.3%	16.6 1.9%	18.0 2.5%	8.3 0.6%	8.9	4.8	7.9	5.0	2.2	6.4	29.3
TOTAL FOOD DRINK TOBACCO & KOLA *	108.8 68.8%	136.8 57.3%	203.1 54.1%	447.5 52.4%	474.7 53.6%	489.0 67.5%	549.4 37.4%	397.0	358.8	435.2	523.9	574.5	599.1	604.8
TOTAL FOOD *	80.1 100.0%	101.4 100.0%	156.1 100.0%	327.7 100.0%	351.2 100.0%	358.9 100.0%	364.3 100.0%	298.0 100.0%	277.3 100.0%	328.1 100.0%	384.7 100.0%	402.3 100.0%	450.5 100.0%	418.0 100.0%
IMPORTABLE FOOD	N.A.	N.A.	N.A.	90.0 27.5%	91.3 26.0%	93.8 26.1%	91.4 25.1%	83.1 27.9%	68.9 24.8%	98.4 30.5%	125.0 32.5%	120.7 30.0%	144.6 32.1%	143.7 34.4%
STAPLES	39.9 49.8%	45.4 44.8%	63.6 40.7%	124.0 37.8%	117.1 33.3%	127.0 35.4%	128.4 35.2%	128.5 43.1%	115.6 41.7%	123.2 37.5%	121.9 31.7%	134.3 33.4%	131.4 29.2%	94.0 22.5%
ANIMAL PROTEIN	25.3 31.6%	34.2 33.7%	58.0 37.2%	124.4 38.0%	142.3 40.5%	135.1 37.6%	142.9 39.2%	77.7 26.1%	78.6 28.3%	97.0 29.6%	140.0 36.4%	143.9 35.8%	160.4 35.6%	173.6 41.5%
OILS AND FATS	3.8 4.8%	5.3 5.2%	8.9 5.7%	18.3 5.6%	22.6 6.4%	22.4 6.2%	25.6 7.0%	18.8 6.3%	18.7 6.7%	27.9 8.5%	26.4 6.9%	29.9 7.4%	27.5 6.1%	31.9 7.6%
VEGETABLES ETC.,	5.7 7.1%	7.9 7.8%	11.7 7.5%	N.A. 1	N.A. 1	N.A. 1	N.A. 1	16.9 5.7%	16.2 5.8%	17.5 5.3%	17.3 4.5%	29.3 7.3%	25.1 5.6%	25.0 6.0%
FRUITS AND NUTS	1.1 1.3%	0.9 0.9%	1.4 0.9%	26.5 8.1%	35.0 10.0%	36.2 10.1%	35.4 9.7%	4.2 1.4%	3.9 1.4%	4.7 1.4%	5.1 1.3%	3.7 0.9%	15.2 3.4%	11.7 2.8%
PRESERVATIVES	1.4 1.8% .7	1.8 1.8%	2.6 1.7%	N.A. 2	N.A. 2	N.A. 2	N.A. 2	7.2 2.4%	5.9 2.1%	5.4 1.6%	4.8 1.2%	6.3 1.6%	10.5 2.3%	13.2 3.2%
OTHER FOOD	3.0 3.8% .7	6.2 6.1%	10.2 6.5%	34.8 10.6%	33.9 9.7%	37.6 10.5%	32.2 8.8%	44.7 15.0%	38.4 13.8%	52.4 16.0%	69.2 18.0%	54.9 13.6%	80.4 17.8%	68.6 16.4%
TOTAL DRINK				80.7 100.0%	85.6 100.0%	79.0 100.0%	148.3 100.0%	77.5 100.0%	66.8 100.0%	85.4 100.0%	125.2 100.0%	141.0 100.0%	117.9 100.0%	155.2 100.0%
IMPORTABLE DRINK	N.A.	N.A	N.A	74.4 92.2%	84.8 99.1%	74.8 94.7%	139.4 94.0%	67.8 87.5%	57.6 86.2%	78.5 91.9%	119.8 95.7%	136.1 96.5%	106.4 90.2%	147.1 94.8%
TOTAL TOBACCO & KOLA				28.3 100.0%	16.6 100.0%	18.0 100.0%	8.3 100.0%	8.9 100.0%	4.8 100.0%	7.9 100.0%	5.0 100.0%	2.2 100.0%	6.4 100.0%	29.3 100.0%
IMPORTABLE TOBACCO AND KOLA	N.A.	N.A.	N.A.	23.7 81.3%	15.7 94.6%	17.9 99.4%	7.7 92.8%	7.3 82.0%	3.2 66.7%	6.8 86.1%	4.3 86.0%	1.5 68.2%	6.0 93.8%	29.0 99.0%
TOTAL FOOD DRINK TOBACCO AND KOLA *				447.5 100.0%	474.7 100.0%	489.0 100.0%	549.4 100.0%	397.0 100.0%	358.8 100.0%	435.2 100.0%	523.9 100.0%	574.5 100.0%	599.1 100.0%	604.8 100.0%
IMPORTABLE FOOD DRINK, TOBACCO AND KOLA	N.A.	N.A.	N.A	N.A.	N.A.	N.A.	N.A.	158.2 39.8%	129.7 36.1%	183.7 42.2%	249.1 47.5%	258.3 45.0%	257.0 42.9%	319.8 52.9%

NOTES:

* Bought Meals are included in Total Food Drink and Tobacco but not in Total Food nor in Imported Food - they are assumed to be local.

1 These figures include those for Vegetables etc.,

2 These figures include those for Preservatives.

3 Preservatives for the Kmaru Lower Income Survey comprise salt and sugar only and are either included also in some other category or have been omitted from Total food in the tables from which these figures have been calculated.

TABLE 3.--HOUSEHOLD EXPENDITURE ON FOOD, DRINK AND TOBACCO BY TOTAL INCOME GROUP AND REGION (all figures are in shillings per consumption unit per month and percentages)

FOOD GROUPS	WESTERN REGION AND LAGOS — MIDDLE AND UPPER Y. LAGOS							MIDDLE AND UPPER Y. IBADAN							EASTERN REGION — MIDDLE AND UPPER Y. ENUGU						
	Under 100/-	100/- to 149/11	150/- to 199/11	200/- to 299/11	300/- to 399/11	400/- to 599/11	600/- and above	Under 100/-	100/- to 149/11	150/- to 199/11	200/- to 299/11	300/- to 399/11	400/- to 599/11	600/- to above	Under 100/-	100/- to 149/11	150/- to 199/11	200/- to 299/11	300/- to 399/11	400/- to 599/11	600/- and above
C.U.per Y group	52.8	169.8	225.0	243.2	63.4	64.0	8.2	68.2	71.0	35.2	55.3	38.2	35.9	11.2	232	245	165	169	45	44	45
TOTAL FOOD	39.2	53.3	64.9	75.7	78.5	100.0	168.7	52.6	65.1	68.6	85.3	91.5	98.2	150.5	54.2	64.3	57.3	76.5	88.5	102.1	147.8
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
IMPORTABLE FOOD	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	14.1	17.0	22.3	27.7	26.2	36.3	62.6	15.7	18.5	19.7	25.0	30.2	28.1	57.5
								26.8%	26.1%	32.5%	32.5%	28.6%	38.9%	41.6%	29.0%	28.8%	34.4%	32.7%	34.1%	27.5%	38.9%
BREAD *	2.1	2.6	2.7	2.8	2.8	5.3	6.8	2.2	2.8	4.2	3.2	2.8	4.3	6.7	2.9	3.2	3.2	3.9	3.6	3.0	5.6
	5.3%	4.9%	4.2%	3.7%	3.6%	5.3%	4.0%	4.2%	4.3%	6.1%	3.7%	3.0%	4.6%	4.1%	5.3%	5.0%	5.8%	5.1%	4.1%	2.9%	3.8%
DRYFISH & STOCKFISH	3.1	3.0	3.3	4.2	3.2	4.3	5.7	1.7	1.9	2.7	2.2	3.5	1.9	1.9	4.0	4.5	4.2	4.9	6.3	4.4	4.3
	7.9%	5.6%	5.1%	5.5%	4.1%	4.3%	3.4%	2.8%	2.9%	3.9%	2.6%	3.8%	2.0%	1.3%	7.4%	7.0%	7.3%	6.4%	7.1%	4.3%	2.9%
SALT	0.2	0.6	0.3	0.3	0.3	0.4	0.6	0.2	0.3	0.4	0.5	0.3	0.3	2.0	0.3	0.4	0.3	0.4	0.3	0.8	0.4
	0.5%	1.1%	0.5%	0.4%	0.4%	0.4%	0.3%	0.4%	0.5%	0.6%	0.6%	0.3%	0.3%	1.3%	0.5%	0.6%	0.5%	0.5%	0.3%	0.8%	0.3%
SUGAR	0.4	0.5	0.5	0.6	0.6	0.7	1.4	0.7	0.8	0.8	1.1	1.2	1.3	2.1	0.6	0.7	0.8	1.0	0.8	0.9	3.2
	1.0%	0.9%	0.8%	0.8%	0.7%	0.7%	0.8%	1.3%	1.2%	1.2%	1.3%	1.3%	1.4%	1.4%	1.0%	1.1%	1.4%	1.3%	0.9%	0.9%	2.2%
MILK	1.0	1.8	2.2	1.9	2.6	5.1	7.3	3.1	4.2	4.7	6.0	5.3	9.7	10.3	2.8	2.8	3.4	4.4	5.9	6.7	8.4
	2.5%	3.4%	3.4%	2.5%	3.3%	5.1%	4.3%	5.9%	6.4%	6.8%	7.0%	5.8%	10.4%	6.8%	5.1%	4.3%	5.9%	5.7%	6.7%	6.6%	5.7%
TOTAL ORINK	10.3	10.1	16.1	23.1	22.0	25.6	50.5	15.6	15.3	16.5	20.3	32.1	19.4	72.8	14.6	18.4	19.1	26.5	31.0	38.7	49.1
	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
IMPORTABLE ORINK	9.7	8.7	15.3	21.9	21.7	24.2	49.3	14.1	13.5	13.7	19.2	30.0	17.3	71.1	9.2	13.6	16.3	23.9	29.4	37.6	48.3
	94.2%	86.1%	95.0%	94.8%	98.6%	94.5%	97.6%	90.4%	88.2%	83.0%	94.6%	93.5%	89.2%	97.7%	63.0%	73.9%	85.3%	90.2%	94.8%	97.1%	98.4%
TOTAL TOBACCO AND KOLA	1.2	2.1	2.3	2.5	6.2	4.0	10.8	1.5	1.5	1.0	1.3	2.1	0.1	15.4	1.5	2.0	2.6	2.5	5.1	2.1	9.7
	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
IMPORTABLE TOBACCO AND CIGARETTES	1.1	1.9	2.1	2.3	5.9	3.6	10.5	1.2	1.2	0.7	1.1	1.9	0.1	15.3	1.0	1.5	2.2	2.0	4.7	1.8	9.5
	91.7%	90.5%	91.3%	92.0%	95.2%	90.0%	97.2%	80.0%	80.0%	70.0%	84.6%	90.5%	100.0%	99.3%	66.7%	75.0%	84.6%	80.0%	92.1%	85.7%	97.9%
TOTAL FOOD, ORINK, TOBACCO AND KOLA **	51.3	68.6	89.0	105.2	113.1	130.9	233.0	69.6	81.8	66.1	106.9	125.7	112.7	238.7	70.2	84.6	79.0	105.6	124.6	142.8	206.7
	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
TOTAL IMPORTABLE FOOD - ORINK, TOBACCO KOLA	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	29.3	31.7	36.7	47.9	53.1	53.7	149.0	25.9	33.6	38.2	51.0	64.3	67.4	115.3
								42.1%	38.7%	42.6%	44.8%	46.2%	47.6%	62.4%	36.9%	39.7%	48.3%	48.3%	51.6%	47.2%	55.8%

* Bread includes wheat flour.

** Total Food, Orink, Tobacco and Kola includes bought meals away from home, but are not included on Total Food or on Importable Food.

TABLE 4.--NORTHERNERS AND SOUTHERNERS IN THE NORTHERN REGION* (all figures are in shillings per household per month and percentages)

	Tribal Origin	LOWER INCOMES				
		Under 100/-	100/- to 149/11	150/- to 249/11	250/- to 349/11	350/- to 650/-
No. of sample households	(N) (S)	(153) (32)	(71) (52)	(58) (135)	(18) (83)	(5) (94)
Average Cash Receipts	N	170.68	242.51	290.70	431.67	585.97
	S	191.97	240.58	255.78	451.29	637.44
do. as Percentage Average Cash Receipts	N	100.00%	100.00%	100.00%	100.00%	100.00%
	S	100.00%	100.00%	100.00%	100.00%	100.00%
Average Expenditure on Food (1)	N	103.15	129.29	146.69	153.01	169.84
	S	89.14	84.82	112.66	134.87	203.45
do. as Percentage Average Cash Receipts	N	60.43%	53.31%	50.46%	35.45%	28.98%
	S	46.43%	35.26%	44.05%	29.89%	31.92%
Average Expenditure on Drink	N	3.40	3.40	4.75	11.16	27.45
	S	11.92	16.81	25.68	27.13	51.23
do. as Percentage Av. Cash Receipts	N	1.99%	1.40%	1.63%	2.59%	4.68%
	S	6.21%	6.99%	10.04%	6.01%	8.04%
Average Expenditure on Tobacco & Kola	N	11.42	16.43	11.64	17.97	25.23
	S	7.54	8.06	11.40	8.44	10.72
do. as Percentage Av. Cash Receipts	N	6.69%	6.77%	4.00%	4.16%	4.31%
	S	3.93%	3.35%	4.46%	1.87%	1.68%
Average Expenditure on Food, Drink & Tobacco	N	117.97	149.12	163.08	182.14	222.52
	S	108.60	109.69	149.74	170.44	265.40
do. as Percentage Av. Cash Receipts	N	69.12%	61.49%	56.10%	42.19%	37.97%
	S	56.57%	45.59%	58.54%	37.77%	41.64%
Average Expenditure on Import Type Food	N	6.69	11.78	14.48	16.78	22.80
	S	18.20	15.51	24.93	28.93	42.10
do. as Percentage Av.	N	6.49%	9.11%	9.87%	10.97%	13.42%
	S	20.42%	18.29%	22.13%	21.45%	20.69%
Average Expenditure on Import Type Food, Drink and Tobacco (2)	N	13.85	22.66	25.02	37.17	43.35
	S	26.77	28.22	51.36	57.14	94.35
do. as Percentage Av.	N	11.74%	15.20%	15.34%	20.41%	19.48%
	S	24.65%	25.73%	34.30%	33.52%	35.55%

*The calculations are based on the surveys of Kaduna and Zaria 1955-6.
(1)Includes bought meals.
(2)Due to lack of data for the Kaduna and Zaria surveys, these percentages are calculated from the Kano survey only and applied to the Total Expenditure on Tobacco & Kola for Kaduna and Zaria to estimate the absolute value per household per month.

TABLE 5.--EXPENDITURE ON FOOD, DRINK AND TOBACCO, BY TOWN AND OCCUPATION--Lower Incomes (all figures in shillings per household per month and percentages)

TOWN	BASIC INCOME			EXPENDITURE ON ALL GOODS AND SERVICES			EXPENDITURE ON FOOD*			EXPENDITURE ON DRINK			EXPENDITURE ON TOBACCO AND KOLA			EXPENDITURE ON FOOD, DRINK, TOBACCO AND KOLA		
	C	A	L	C	A	L	C	A	L	C	A	L	C	A	L	C	A	L
	Sh./g.s.	Sh./g.s.	Sh./g.s.	Sh./g.s.	Sh./g.s.	Sh./g.s.	Sh./g.s.	Sh./g.s.	Sh./g.s.	Sh./g.s.	Sh./g.s.	Sh./g.s.	Sh./g.s.	Sh./g.s.	Sh./g.s.	Sh./g.s.	Sh./g.s.	Sh./g.s.
				Percent of all														
LAGOS	290.6	248.3	129.0	316.7	275.1	188.1	124.6	128.5	95.6	17.3	18.5	12.4	5.5	11.3	12.1	147.4	158.3	120.1
				100.0%	100.0%	100.0%	39.3%	46.7%	50.8%	5.5%	6.7%	6.6%	1.7%	4.1%	6.4%	46.5%	57.5%	63.8%
ENUGU	287.4	287.1	125.1	292.6	282.2	165.6	108.5	124.7	86.3	26.2	29.4	19.4	4.0	7.8	6.9	138.7	161.9	112.6
				100.0%	100.0%	100.0%	37.0%	44.2%	52.1%	9.0%	10.4%	11.7%	1.4%	2.8%	4.2%	47.4%	57.4%	68.0%
IBADAN	317.6	239.0	102.4	291.6	281.2	153.2	119.1	146.1	87.7	21.0	23.6	12.4	6.9	16.6	12.2	147.0	186.3	112.3
				100.0%	100.0%	100.0%	40.8%	52.0%	57.2%	7.2%	8.4%	8.1%	2.4%	5.9%	8.0%	50.4%	66.3%	73.3%
KADUNA	(1) 406.6	(1) 284.5	(1) 126.4	348.7	333.0	196.6	136.1	145.7	116.5	30.7	34.4	6.1	7.9	14.1	10.6	174.7	194.2	133.2
				100.0%	100.0%	100.0%	39.0%	43.8%	59.3%	8.8%	10.3%	3.1%	2.3%	4.2%	5.4%	50.1%	58.3%	67.8%
ZARIA	314.7	302.3	128.0	290.3	337.6	187.9	126.7	147.5	110.8	20.8	30.1	4.9	10.0	11.8	13.5	157.5	189.4	129.2
				100.0%	100.0%	100.0%	43.6%	43.7%	59.0%	7.2%	8.9%	2.6%	3.4%	3.5%	7.2%	54.3%	56.1%	68.8%
BENIN	N.A.	N.A.	N.A.	220.6	246.5	156.1	113.2	116.6	85.4	16.8	21.4	12.0	6.4	11.2	9.7	136.4	149.2	107.1
				100.0%	100.0%	100.0%	51.3%	47.3%	54.7%	7.6%	8.7%	7.7%	2.9%	4.5%	6.2%	61.8%	60.5%	68.6%
SAPELE	N.A.	N.A.	N.A.	270.0	295.2	170.1	116.1	124.1	87.4	16.9	22.3	12.2	10.8	12.5	9.3	143.8	158.9	108.9
				100.0%	100.0%	100.0%	43.0%	42.0%	51.4%	6.3%	7.6%	7.2%	4.0%	4.2%	5.5%	53.3%	53.8%	64.0%
WARRI	N.A.	N.A.	N.A.	242.7	234.6	167.6	121.4	118.1	94.5	18.1	23.0	12.4	8.9	11.3	10.0	148.4	152.4	116.9
				100.0%	100.0%	100.0%	50.0%	50.3%	56.4%	7.5%	9.8%	7.4%	3.7%	4.8%	6.0%	61.1%	65.0%	69.7%
CALABAR	N.A.	N.A.	N.A.	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
				100.0%	100.0%	100.0%	40.6%	40.1%	52.9%	10.0%	17.8%	11.5%	1.2%	3.5%	2.7%	51.8%	67.4%	67.1%
ILORIN	249.8	192.4	78.9	242.5	229.3	135.1	107.2	98.5	87.4	18.5	20.1	4.0	8.3	13.8	10.1	134.0	132.4	101.5
				100.0%	100.0%	100.0%	44.2%	43.0%	64.7%	7.6%	8.8%	3.0%	3.4%	6.0%	7.5%	55.3%	57.7%	75.1%
KANO	308.4	224.7	102.6	365.9	274.0	157.7	126.2	120.9	107.6	45.0	30.6	4.2	14.3	11.6	8.6	185.5	163.1	120.4
				100.0%	100.0%	100.0%	34.5%	44.1%	68.2%	12.3%	11.2%	2.7%	3.9%	4.2%	5.5%	50.7%	59.5%	76.3%
LAGOS	N.A.	N.A.	N.A.	335.2	315.5	201.6	156.4	130.9	98.9	15.8	24.5	18.1	6.6	20.6	12.7	178.8	176.0	129.7
				100.0%	100.0%	100.0%	44.0%	41.5%	49.0%	4.4%	7.8%	9.0%	1.9%	6.5%	6.3%	50.3%	55.8%	64.3%

* Includes Bought Meals. (1) Includes arrears of 66.0 for clerks; 21.4 for artisans; 11.0 for labourers.

TABLE 6.--EXPENDITURE ON IMPORTABLE FOOD, BY OCCUPATION AND TOWN (all figures are in shillings per month and percentages)

TOWN	EXPENDITURE ON IMPORTABLE FOODS BY								
	CLERKS			ARTISANS			LABOURERS		
	shillings	as% of Tot.food	- of all G.S.	shillings	as% of Tot.food	- of all G.S.	shillings	as% of Tot.food	- of all G.S.
LAGOS	27.0	21.7%	8.5%	23.9	18.6%	8.7%	16.1	16.8%	8.6%
ENUGU	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
IBADAN	25.6	21.5%	8.8%	19.6	13.4%	7.0%	11.2	12.8%	7.3%
ZARIA	22.3	17.6%	7.7%	23.9	16.2%	7.1%	9.3	8.4%	5.0%
BENIN	19.0	16.8%	8.6%	18.5	15.8%	7.5%	12.1	14.1%	7.7%
SAPELE	23.8	20.5%	8.8%	22.6	18.2%	7.7%	16.5	18.8%	9.7%
WARRI	29.8	24.6%	12.3%	23.0	19.5%	9.8%	18.7	19.8%	11.2%
CALABAR	N.A.	21.6%	8.8%	N.A.	18.8%	8.7%	N.A.	15.6%	8.2%
ILORIN	17.6	16.4%	7.2%	14.0	14.2%	6.1%	4.5	5.3%	3.5%
KANO	27.1	21.4%	7.4%	24.6	20.3%	9.0%	6.6	6.1%	4.2%
LAGOS (exc. dried fish)	36.5	23.4%	10.3%	24.6	18.1%	7.8%	19.9	20.2%	9.8%

TABLE 7(i).--MEASURES OF ASSOCIATION BETWEEN INCOME AND EXPENDITURE ON TOTAL FOOD, DRINK, TOBACCO, AND KOLA--INCLUDING BOUGHT MEALS--
(expenditure in shillings per month by income per month and by region)

SECTION 1

LOWER INCOME	BASIC INCOME PER HOUSEHOLD					MARGINAL PROPENSITY TO CONSUME	R^2	
	Under 100/-	100/- to 149/11	150/- to 249/11	250/- to 349/11	350/- to 650/-			
NORTHERN	110.5	132.7	153.0	179.6	262.8	0.3587 ± 0.0450	1.00	***
WESTERN	108.8		136.8		203.1	0.3752 ± 0.5815	0.99	-
EASTERN	85.0	117.9	131.1		179.8	0.4873 ± 0.1616	0.99	***

MIDDLE AND UPPER INCOMES	BASIC INCOME PER HOUSEHOLD									
	500/- to 599/11	600/- to 799/11	800/- to 999/11	1000/- to 1199/11	1200/- to 1399/11	1400/- to 1799/11	1800/- and above			
LAGOS	-	447.5	474.7	489.0	549.4	-	-	0.1706 ± 0.0545	0.98	**
IBADAN	397.0	358.8	435.2	523.9	574.5	599.1	604.8	0.1368 ± 0.0966	0.72	**
ENUGU + ONITSHA	441.4	431.4	483.2	559.1	598.8	551.3	671.3	0.1235 ± 0.0200	0.84	***

SECTION 2

MIDDLE AND UPPER INCOMES	TOTAL INCOME PER CONSUMPTION UNIT									
	Under 100/-	100/- to 149/11	150/- to 199/11	200/- to 299/11	300/- to 399/11	400/- to 599/11	600/- and above			
LAGOS	51.3	68.6	89.0	105.2	113.1	130.9	233.0	0.2189 ± 0.0910	0.89	***
IBADAN	69.6	81.8	86.1	106.9	125.7	112.7	238.7	0.1266 ± 0.0336	0.92	***
ENUGU + ONITSHA	70.2	84.6	79.0	105.6	124.6	142.8	206.7	0.1627 ± 0.0370	0.96	***

*** Represents significance at the 99% level
** " " " " 95% "
* " " " " 90% "
- " not " " " 90% "
All marginal propensities to Consume are shown with their 95% confidence limits.

TABLE 7(ii).--MEASURES OF ASSOCIATION BETWEEN INCOME AND EXPENDITURE ON IMPORTABLE FOOD, DRINK, TOBACCO, AND KOLA (expenditure in shillings per month by income per month and by region)

SECTION 1

LOWER INCOMES	BASIC INCOME PER HOUSEHOLD							MARGINAL PROPENSITY TO CONSUME	R^2	
	Under 100/-	100/- to 149/11	149/11 to 249/11	250/- to 349/11	350/- to 650/-					
NORTHERN	13.5	22.3	41.8	62.2	100.5			0.2143 ± 0.0486	0.99	***
WESTERN	-	-	-	-	-	-	-	-	-	
EASTERN	-	-	-	-	-	-	-	-	-	

MIDDLE AND UPPER INCOMES	BASIC INCOME PER HOUSEHOLD									
	500/- to 599/11	600/- to 799/11	800/- to 999/11	1000/- to 1199/11	1200/- to 1399/11	1400/- to 1799/11	1800/- and above			
LAGOS	-	-	-	-	-	-	-			
IBADAN	158.2	129.7	183.8	249.1	258.3	257.0	319.8	0.0923 ± 0.0490	0.83	***
ENUGU + ONITSHA	182.5	168.0	208.7	256.9	296.6	280.5	348.4	0.0934 ± 0.0464	0.85	***

SECTION 2

MIDDLE AND UPPER INCOMES	TOTAL INCOME PER CONSUMPTION UNIT									
	Under 100/-	100/- to 149/11	150/- to 199/11	200/- to 299/11	300/- to 399/11	400/- to 599/11	600/- and above			
LAGOS	-	-	-	-	-	-	-			
IBADAN	29.3	31.7	36.7	47.9	58.1	53.7	149.0	0.0884 ± 0.0189	0.95	***
ENUGU + ONITSHA	25.9	33.6	38.2	51.0	64.3	67.4	115.3	0.1053 ± 0.0198	0.97	***

*** Represents significance at the 99% level
** " " " " 95% "
* " " " " 90% "
- " not " " " 90% "
All marginal propensities to Consume are shown with their 95% confidence limits.

TABLE 7(iii).--MEASURES OF ASSOCIATION BETWEEN INCOME AND EXPENDITURE ON TOTAL DRINK (expenditure in shillings per month by income per month and by region)

SECTION 1

LOWER INCOMES	BASIC INCOME PER HOUSEHOLD					MARGINAL PROPENSITY to CONSUME	R^2	
	Under 100/-	100/- to 149/11	149/11 to 249/11	250/- to 349/11	350/- to 650/-			
NORTHERN	4.0	8.5	17.9	30.2	53.8	0.1221 ± 0.0180	0.99	***
WESTERN	10.7		16.6	28.4		0.0706 ± 0.0696	0.99	**
EASTERN	13.2	21.4	22.3	35.2		0.1110 ± 0.0671	0.96	**

MIDDLE AND UPPER INCOMES	BASIC INCOME PER HOUSEHOLD									
	500/- to 599/11	600/- to 799/11	800/- to 999/11	1000/- to 1199/11	1200/- to 1399/11	1400/- to 1799/11	1800/- and above			
LAGOS	-	80.7	85.6	79.0	148.3	-	-	0.1004 ± 0.1842	0.98	*
IBADAN	77.5	66.8	85.4	125.2	141.0	117.9	155.3	0.0424 ± 0.0290	0.73	**
ENUGU + ONITSHA	95.3	90.1	121.3	110.6	157.6	150.8	155.3	0.0373 ± 0.0310	0.67	**

SECTION 2

MIDDLE AND UPPER INCOMES	TOTAL INCOME PER CONSUMPTION UNIT									
	Under 100/-	100/- to 149/11	150/- to 199/11	200/- to 299/11	300/- to 399/11	400/- to 599/11	600/- and above			
LAGOS	10.3	10.1	16.1	23.1	22.0	25.6	50.5	0.0530 ± 0.0340	0.77	***
IBADAN	15.6	15.3	16.5	20.3	32.1	19.4	72.8	0.0404 ± 0.0292	0.80	***
ENUGU + ONITSHA	14.6	18.4	19.1	26.5	31.0	38.7	49.1	0.0438 ± 0.0127	0.93	***

*** Represents significance at the 99% level
** " " " " 95% "
* " " " " 90% "
- " not " " " 90% "
All marginal propensities to Consume are shown with their 95% confidence limits.

TABLE 7(iv).--MEASURES OF ASSOCIATION BETWEEN INCOME AND EXPENDITURE ON TOTAL IMPORTABLE DRINK (expenditure in shillings per month by income per month and by region)

SECTION 1

LOWER INCOMES	BASIC INCOME PER HOUSEHOLD					MARGINAL PROPENSITY TO CONSUME	R^2	
	Under 100/-	100/- to 149/11	150/- to 249/11	250/- to 349/11	350/- to 650/-			
NORTHERN	2.2	5.0	14.3	27.5	49.8	0.1177 ± 0.0216	0.99	***
WESTERN	-	-	-	-	-	-	-	
EASTERN	2.0	3.2	6.9	23.1		0.0778 ± 0.0610	0.94	**

MIDDLE AND UPPER INCOMES	BASIC INCOME PER HOUSEHOLD									
	500/- to 599/11	600/- to 799/11	800/- to 999/11	1000/- to 1199/11	1200/- to 1399/11	1400/- to 1799/11	1800/- and above			
LAGOS	-	74.4	84.8	74.8	139.4	-	-	0.1113 ± 0.3647	0.76	-
IBADAN	67.8	57.6	78.5	119.8	136.1	106.4	147.1	0.0470 ± 0.0310	0.76	**
ENUGU + ONITSHA	71.3	62.3	103.5	99.4	152.2	138.3	152.3	0.0499 ± 0.1224	0.69	-

SECTION 2

MIDDLE AND UPPER INCOMES	TOTAL INCOME PER CONSUMPTION UNIT									
	Under 100/-	100/- to 149/11	150/- to 199/11	200/- to 299/11	300/- to 399/11	400/- to 599/11	600/- and above			
LAGOS	9.7	8.7	15.3	21.9	21.7	24.2	49.3	0.0530 ± 0.0340	0.76	***
IBADAN	14.1	13.5	13.7	19.2	30.0	17.3	71.1	0.0402 ± 0.0256	0.80	***
ENUGU + ONITSHA	9.2	13.6	16.3	23.9	29.4	37.6	48.3	0.0501 ± 0.0180	0.91	***

*** Represents significance at the 99% level
** " " " " 95% "
* " " " " 90% "
- " not " " " 90% "

All marginal propensities to Consume are shown with their 95% confidence limits.

TABLE 7(v).--MEASURES OF ASSOCIATION BETWEEN INCOME AND EXPENDITURE ON TOTAL FOOD (expenditure in shillings per month by income per month and by region)

SECTION 1.

LOWER INCOMES	BASIC INCOME PER HOUSEHOLD					MARGINAL PROPENSITY TO CONSUME	R^2	
	Under 100/-	100/- to 149/11	150/- to 249/11	250/- to 349/11	350/- and above			
NORTHERN	87.0	100.6	118.7	132.5	194.7	0.2532 ± 0.3162	0.99	*
WESTERN	80.1		101.4	156.1		0.3021 ± 0.5572	0.98	*
EASTERN	65.4	88.0	102.0	137.6		0.2531 ± 0.1037	0.98	*

MIDDLE AND UPPER INCOMES	BASIC INCOME PER HOUSEHOLD									
	500/- to 599/11	600/- to 799/11	800/- to 999/11	1000/- to 1199/11	1200/- to 1399/11	1400/- to 1799/11	1800/- and above			
LAGOS	-	327.7	351.2	358.9	364.3	-	-	0.0211 ± 0.1500	0.25	-
IBADAN	298.0	277.3	328.1	384.7	402.3	450.5	418.0	0.0887 ± 0.0700	0.68	**
ENUGU + ONITSHA	325.2	325.1	336.7	412.8	403.1	361.0	486.0	0.0773 ± 0.0410	0.83	***

SECTION 2

MIDDLE AND UPPER INCOMES	TOTAL INCOME PER CONSUMPTION UNIT									
	Under 100/-	100/- to 149/11	150/- to 199/11	200/- to 299/11	300/- to 399/11	400/- to 599/11	600/- and above			
LAGOS	39.2	53.3	64.9	75.7	78.5	100.0	168.7	0.1505 ± 0.0600	0.89	***
IBADAN	52.6	65.1	68.6	85.3	91.5	93.2	150.5	0.0780 ± 0.0320	0.89	***
ENUGU + ONITSHA	54.2	64.3	57.3	76.5	88.5	102.1	147.8	0.1104 ± 0.0270	0.96	***

*** Represents significance at the 99% level
** " " " " 95% "
* " " " " 90% "
- " not " " " 90%
All marginal propensities to Consume are shown with their 95% confidence limits.

TABLE 7(vi).--MEASURES OF ASSOCIATION BETWEEN INCOME AND EXPENDITURE ON IMPORTABLE FOOD (expenditure in shillings per month by income per month and by region)

SECTION 1

LOWER INCOMES	BASIC INCOME PER HOUSEHOLD					MARGINAL PROPENSITY TO CONSUME	R^2	
	Under 100/-	100/- to 149/11	150/- to 249/11	250/- to 349/11	350/- to 650/-			
NORTHERN	6.8	10.5	18.6	26.8	42.5	0.0879 ± 0.2060	0.98	-
WESTERN	-	-	-	-	-	-	-	
EASTERN	-	-	-	-	-	-	-	

MIDDLE AND UPPER INCOMES	BASIC INCOME PER HOUSEHOLD									
	500/- to 599/11	600/- to 799/11	800/- to 999/11	1000/- to 1199/11	1200/- to 1399/11	1400/- to 1799/11	1800/- and above			
LAGOS	-	90.0	91.3	93.8	91.4	-	-	-0.0012 ± 0.0169	0.09	-
IBADAN	83.1	68.9	98.4	125.0	120.7	144.6	143.7	0.0418 ± 0.0280	0.76	***
ENUGU + ONITSHA	102.4	99.4	97.0	137.1	127.0	122.9	183.4	0.0390 ± 0.1740	0.87	-

SECTION 2

MIDDLE AND UPPER INCOMES	TOTAL INCOME PER CONSUMPTION UNIT									
	Under 100/-	100/- to 149/11	150/- to 199/11	200/- to 299/11	300/- to 399/11	400/- to 599/11	600/- and above			
LAGOS	-	-	-	-	-	-	-			
IBADAN	14.1	17.0	22.3	27.7	26.2	36.3	62.6	0.0398 ± 0.0124	0.93	***
ENUGU + ONITSHA	15.7	18.5	19.7	25.0	30.2	28.1	57.5	0.0464 ± 0.0112	0.96	***

*** Represents significance at the 99% level
** " " " " 95% "
* " " " " 90% "
- " not " " " 90% "

All marginal propensities to Consume are shown with their 95% confidence limits.

TABLE 7(vii).--MEASURES OF ASSOCIATION BETWEEN INCOME AND EXPENDITURE ON TOTAL TOBACCO AND KOLA (expenditure in shillings per month by income per month and by region)

SECTION 1

LOWER INCOMES	BASIC INCOME PER HOUSEHOLD					MARGINAL PROPENSITY TO CONSUME	R^2	
	Under 100/-	100/- to 149/11	150/- to 249/11	250/- to 349/11	350/- and above			
NORTHERN	9.8	12.4	11.9	10.8	10.5	0.0001 ± 0.1363	0.21	-
WESTERN	10.9		11.0	10.4		-0.0019 ± 0.0323	0.66	-
EASTERN	5.7	8.1	6.6	6.2		-0.0001 ± 0.0368	0.00	-

MIDDLE AND UPPER INCOMES	BASIC INCOME PER HOUSEHOLD									
	500/- to 599/11	600/- to 799/11	800/- to 999/11	1000/- to 1199/11	1200/- to 1399/11	1400/- to 1799/11	1800/- and above			
LAGOS	-	28.3	16.6	18.0	8.3	-	-	-0.0274 ± 0.0414	0.81	*
IBADAN	8.9	4.8	7.9	5.0	2.2	6.4	29.3	0.0063 ± 0.0096	0.37	-
ENUGU + ONITSHA	11.5	9.0	10.6	23.3	19.2	21.4	13.6	0.0018 ± 0.0072	0.48	-

SECTION 2

MIDDLE AND UPPER INCOMES	TOTAL INCOME PER CONSUMPTION UNIT									
	Under 100/-	100/- to 149/11	150/- to 199/11	200/- to 299/11	300/- to 399/11	400/- to 599/11	600/- and above			
LAGOS	1.2	2.1	2.3	2.5	6.2	4.0	10.8	0.0106 ± 0.0086	0.66	**
ABADAN	1.5	1.5	1.0	1.3	2.1	0.1	15.4	0.0082 ± 0.0078	0.60	**
ENUGU + ONITSHA	1.5	2.0	2.6	2.5	5.1	2.1	9.7	0.0085 ± 0.0054	0.82	***

*** Represents significance at the 99% level
** " " " " 95% "
* " " " " 90% "
- " not " " " 90% "
All marginal propensities to Consume are shown with their 95% confidence limits.

TABLE 7(viii).--MEASURES OF ASSOCIATION BETWEEN INCOME AND EXPENDITURE ON IMPORTABLE TOBACCO AND KOLA (expenditure in shillings per month by income per month and by region)

SECTION 1

LOWER INCOMES	BASIC INCOME PER HOUSEHOLD					MARGINAL PROPENSITY TO CONSUME	R^2	
	Under 100/-	100/- to 149/11	150/- to 249/11	250/- to 349/11	350/- and above			
NORTHERN	4.5	6.7	8.9	8.0	8.2	0.0395 ± 0.0125	0.76	***
WESTERN	-	-	-	-	-	-	-	
EASTERN	4.8	7.0	5.5	4.8		-0.0023 ± 0.0244	0.08	-

MIDDLE AND UPPER INCOMES	BASIC INCOME PER HOUSEHOLD									
	500/- to 599/11	600/- to 799/11	800/- to 999/11	1000/- to 1199/11	1200/- to 1399/11	1400/- to 1799/11	1800/- and above			
LAGOS	-	23.7	15.7	17.9	7.7	-	-	-0.0222 ± 0.0315	0.82	*
IBADAN	7.3	3.2	6.9	4.3	1.5	6.0	29.0	0.0079 ± 0.0089	0.52	*
ENUGU + ONITSHA	8.8	6.3	8.3	20.5	17.4	19.4	12.7	0.0046 ± 0.0089	0.28	-

SECTION 2

MIDDLE AND UPPER INCOMES	TOTAL INCOME PER CONSUMPTION UNIT									
	Under 100/-	100/- to 149/11	149/11 to 199/11	200/- to 299/11	300/- to 399/11	400/- to 599/11	600/- and above			
LAGOS	1.1	1.9	2.1	2.3	5.9	3.6	10.5	0.0102 ± 0.0088	0.64	**
IBADAN	1.2	1.2	0.7	1.1	1.9	0.1	15.3	0.0085 ± 0.0075	0.63	**
ENUGU + ONITSHA	1.0	1.5	2.2	2.0	4.7	1.8	9.5	0.0088 ± 0.0054	0.84	***

*** Represents significance at the 99% level
** " " " " 95% "
* " " " " 90% "
- " not " " " 90% "

All marginal propensities to Consume are shown with their 95% confidence limits.

TABLE 8(i).--ORIGIN OF TOTAL IMPORTS INTO NIGERIA (the values for any year as a percentage of the total value for that year)

YEAR	TOTAL VALUE £mn.	BRIT. COMMONWEALTH U. K.	BRIT. COMMONWEALTH OTHERS	U. S. A.	E. E. C.*	OTHER	TOTAL
1953	108.3	N. A.	N. A	N. A.	N. A.	N. A.	
1957	152.5	43.4%	7.6%	5.3%	18.1%	25.6%	100.0%
1958	166.3	43.8%	7.3%	5.9%	18.5%	24.5%	100.0%
1959	179.4	45.7%	6.1%	4.4%	19.2%	24.6%	100.0%
1960	215.2	42.5%	6.2%	5.4%	20.4%	25.5%	100.0%

TABLE 8(ii).--ORIGIN OF TOTAL IMPORTED FOOD, S.I.T.C. TOTAL SECTION 0 PLUS 272-050 (the values for any year as a percentage of the total value for that year)

YEAR	TOTAL VALUE £mn.	BRIT. COMMONWEALTH U. K.	BRIT. COMMONWEALTH OTHERS	U. S. A.	E. E. C.*	OTHER	TOTAL
1953	10.9	35.4%	4.8%	9.8%	9.9%	40.1%	100.0%
1957	20.0	24.1%	5.0%	11.6%	10.0%	49.3%	100.0%
1958	20.0	30.3%	4.1%	11.1%	11.2%	43.3%	100.0%
1959	22.6	N. A.	N. A.	N. A.	N. A.	N. A.	
1960	25.8	N.A.	N.A.	N. A.	N. A.	N. A.	

TABLE 8(iii).--ORIGIN OF TOTAL IMPORTED DRINK, S.I.T.C. 111-010, 112-011, 112-012, 112-013, 112-020, 112-030, 112-041, 112-042, 112-043, 112-044, 112-045, 112-049 (the values for any year as a percentage of the total value for that year)

YEAR	TOTAL VALUE £mn.	BRIT. COMMONWEALTH U. K.	BRIT. COMMONWEALTH OTHERS	U. S. A.	E. E. C.*	OTHER	TOTAL
1953	2.9	36.4%	0.5%	-	54.9%	8.2%	100.0%
1957	3.8	34.0%	0.2%	-	59.3%	6.5%	100.0%
1958	4.0	44.4%	0.3%	-	49.2%	6.1%	100.0%
1959	4.3	N.A.	N.A.	N.A.	N.A.	N.A.	
1960	4.8	N.A.	N.A.	N.A.	N.A.	N.A.	

TABLE 8(iv).--ORIGIN OF TOTAL IMPORTED MANUFACTURED AND UNMANUFACTURED TOBACCO, S.I.T.C. 121-010, 122-010, 122-020, 122-030 (the values for any year as percentage of the total value for that year)

YEAR	TOTAL VALUE £mn.	BRIT. COMMONWEALTH U. K.	BRIT. COMMONWEALTH OTHERS	U. S. A.	E. E. C.*	OTHER	TOTAL
1953	1.5	8.4%	18.5%	73.0%	+	0.1%	100.0%
1957	1.7	6.5%	21.7%	70.9%	0.4%	0.5%	100.0%
1958	1.6	7.6%	18.9%	72.6%	0.8%	0.1%	100.0%
1959	1.3	-	22.9%	77.0%	-	0.1%	100.0%
1960	1.2	-	16.6%	83.3%	-	0.1%	100.0%

* includes Eastern Germany.
- percentage is less than 0.05%
+ percentages for these trading groups are included in the "OTHER" column.
N.A. denotes NOT Available.

TABLE 9(i).-- ESTIMATED REGIONAL CONSUMPTION OF IMPORTED BREAD, WHEATEN FLOUR AND BISCUITS, 1952-53 TO 1957-58. (£000 c.i.f. values 1952-55, retail prices 1956-58 and % ages)

YEAR		LAGOS	WESTERN REGION	NORTHERN REGION	EASTERN REGION	SOUTHERN CAMEROONS	TOTAL
1952 - 3	FLOUR	584		212	266		1062
%	c.i.f.	55.0%		20.0%	25.0%		100.0%
1952 - 3	CABIN BISCUITS	93		8	28		129
%	c.i.f.	72.1%		6.2%	21.7%		100.0%
1953 - 4	FLOUR	534		324	422		1280
%	c.i.f.	41.7%		25.3%	33.0%		100.0%
1953 - 4	CABIN BISCUITS	124		24	64		212
%	c.i.f.	58.5%		11.3%	30.2%		100.0%
1954 - 5	FLOUR	731		429	576		1736
%	c.i.f.	42.1%		24.7%	33.2%		100.0%
1954 - 5	BISCUITS	117		26	59		202
%	c.i.f.	57.9%		12.9%	29.2%		100.0%
1956 - 7	BREAD						
%	RSP	22.8%	23.6%	22.6%	27.8%	3.3%	100.0%
1957 - 8	BREAD						
%	RSP	19.3%	22.8%	23.7%	31.3%	2.8%	100.0%

TABLE 9(ii).-- ESTIMATED REGIONAL CONSUMPTION OF IMPORTED REFINED SUGAR, 1952-3 TO 1957-58 (£000 c.i.f. values 1952-55, retail prices 1956-58 and % ages)

YEAR		LAGOS	WESTERN REGION	NORTHERN REGION	EASTERN REGION	SOUTHERN CAMEROONS	TOTAL
1952 - 3		428		384	210		1022
%	c.i.f.	41.9%		37.7%	20.5%		100.0%
1953 - 4		603		507	260		1370
%	c.i.f.	44.0%		37.0%	19.0%		100.0%
1954 - 5		633		1096	380		2109
%	c.i.f.	30.0%		52.0%	18.0%		100.0%
1956 - 7							
%	RSP	17.3%	17.9%	34.8%	26.1%	3.9%	100.0%
1957 - 8							
%	RSP	18.0%	17.4%	30.6%	30.8%	3.1%	100.0%

TABLE 9(iii).-- ESTIMATED REGIONAL CONSUMPTION OF IMPORTED MANUFACTURED SALT, 1952-53 TO 1957-58
(£000 c.i.f. values 1952-55, retail prices 1956-58 and % ages)

YEAR		LAGOS	WESTERN REGION	NORTHERN REGION	EASTERN REGION	SOUTHERN CAMEROONS	TOTAL
1952 - 3		291		728	436		1455
%	c.i.f.	20.0%		50.0%	30.0%		100.0%
1953 - 4		368		614	382		1364
%	c.i.f.	27.0%		45.0%	28.0%		100.0%
1954 - 5		310		690	409		1409
%	c.i.f.	22.0%		49.0%	29.0%		100.0%
1956 - 7							
%	RSP	6.2%	9.7%	67.9%	15.4%	0.8%	100.0%
1957 - 8							
%	RSP	8.3%	11.4%	60.4%	18.4%	1.5%	100.0%

TABLE 9(iv).-- ESTIMATED REGIONAL CONSUMPTION OF IMPORTED FISH, FISH PRODUCTS ETC., 1952-53 TO 1957-58 (£000 c.i.f. values 1952-55, retail prices 1956-58 and % ages)

YEAR		LAGOS	WESTERN REGION	NORTHERN REGION	EASTERN REGION	SOUTHERN CAMEROONS	TOTAL
1952 - 3	CANNED FISH	107		8	88		203
%	c.i.f.	52.7%		3.9%	43.3%		100.0%
1952 - 3	DRIED FISH	1160		58	1731		2949
%	c.i.f.	39.3%		2.0%	58.7%		100.0%
1953 - 4	CANNED FISH	240		45	145		430
%	c.i.f.	55.8%		10.5%	33.7%		100.0%
1953 - 4	DRIED FISH	1649		40	2332		4021
%	c.i.f.	41.0%		1.0%	58.0%		100.0%
1954 - 5	CANNED FISH	203		46	122		371
%	c.i.f.	54.7%		12.4%	32.9%		100.0%
1954 - 5	STOCK FISH	1476		53	3704		5233
%	c.i.f.	28.2%		1.0%	70.8%		100.0%
1956 - 7	FISH						
	RSP	20.2%	18.6%	2.2%	53.6%	5.3%	100.0%
1957 - 8	FISH						
	RSP	15.2%	23.1%	2.9%	53.7%	5.1%	100.0%

TABLE 9(v).-- ESTIMATED REGIONAL CONSUMPTION OF IMPORTED PRESERVED MILK 1952-1953 to 1957-1958 (£000 c.i.f. values 1952-55, retail prices 1956-58 and % ages)

YEAR		LAGOS	WESTERN REGION	NORTHERN REGION	EASTERN REGION	SOUTHERN CAMEROONS	TOTAL
1952 - 3		126		29	62		217
%	c.i.f.	58.1%		13.4%	28.6%		100.0%
1953 - 4		187		45	102		334
%	c.i.f.	56.0%		13.5%	30.5%		100.0%
1954 - 5		224		62	146		432
%	c.i.f.	51.9%		14.4%	33.8%		100.0%
1956 - 7	MILK PRODUCTS						
%	RSP	25.9%	11.2%	18.0%	42.8%	2.0%	100.0%
1957 - 8	MILK PRODUCTS						
%	RSP	26.8%	10.5%	16.0%	44.8%	2.0%	100.0%

TABLE 9(vi).--- ESTIMATED REGIONAL CONSUMPTION OF IMPORTED BEER, 1952-53 TO 1957-58 (£000 c.i.f. values 1952-55, retail prices 1956-58 % ages)

YEAR		LAGOS	WESTERN REGION	NORTHERN REGION	EASTERN REGION	SOUTHERN CAMEROONS	TOTAL
1952 - 3		912		307	528		1747
	c.i.f.	52.2%		17.6%	30.2%		100.0%
1953 - 4		1181		389	820		2390
	c.i.f.	49.4%		16.3%	34.3%		100.0%
1954 - 5		1178		408	679		2265
	c.i.f.	52.0%		18.0%	30.0%		100.0%
1956 - 7							
	RSP	33.3%	24.4%	19.5%	19.9%	2.9%	100.0%
1957 - 8							
	RSP	27.0%	19.8%	19.2%	31.1%	2.9%	100.0%

TABLE 10(i).--MEASURES OF ASSOCIATION BETWEEN INCOME AND CONSUMPTION OF BREAD AND WHEAT FLOUR (expenditure in shillings per month by income per month and by region)

SECTION 1											
LOWER INCOMES	BASIC INCOME PER HOUSEHOLD							MARGINAL PROPENSITY TO CONSUME		R^2	
	Under 100/-	100/- to 149/11	150/- to 249/11	250/- to 349/11	350/- to 650/-						
NORTHERN (a)	1.6	2.1	3.2	5.8	9.3			0.0192	± 0.0475	0.98	-
WESTERN	-	-	-	-	-				-		-
EASTERN	-	-	-	-	-				-		-
MIDDLE AND UPPER INCOMES	BASIC INCOME PER HOUSEHOLD										
	500/- to 599/11	600/- to 799/11	800/- to 999/11	1000/- to 1199/11	1200/- to 1399/11	1400/- to 1799/11	1800/- and above				
LAGOS	-	17.0	17.0	16.1	15.8	-	-	-0.0024	± 0.0094	0.86	-
IBADAN	14.0	13.4	15.8	23.4	21.0	16.0	16.8	0.0020	± 0.0076	0.17	-
ENUGU + ONITSHA	14.4	17.1	17.4	22.6	16.3	10.9	19.9	0.0012	± 0.0040	0.07	-
SECTION 2											
MIDDLE AND UPPER INCOMES	TOTAL INCOME PER CONSUMPTION UNIT										
	Under 100/-	100/- to 149/11	150/- to 199/11	200/- to 299/11	300/- to 399/11	400/- to 599/11	600/- and above				
LAGOS	2.1	2.6	2.7	2.8	2.8	5.3	6.8	0.0065	± 0.0051	0.74	**
IBADAN	2.2	2.8	4.2	3.2	2.8	4.3	6.7	0.0033	± 0.0024	0.70	**
ENUGU + ONITSHA	2.9	3.2	3.3	3.9	3.6	3.0	5.6	0.0027	± 0.0018	0.71	**

*** Represents significance at the 99% level
** " " " " 95% "
* " " " " 90% "
- " not " " " 90% "

(a) Bread and biscuits.
All Marginal Propensities to Consume are shown with the 95% Confidence Limits.

TABLE 10(ii).--MEASURES OF ASSOCIATION BETWEEN INCOME AND CONSUMPTION OF SUGAR (expenditure in shillings per month by income per month and by region)

SECTION 1

LOWER INCOMES	BASIC INCOME PER HOUSEHOLD					MARGINAL PROPENSITY TO CONSUME	R^2	
	Under 100/-	100/- to 149/11	150/- to 249/11	250/- to 349/11	350/- and above			
NORTHERN	1.2	1.8	2.0	2.1	2.5	0.0044 ± 0.0443	0.77	**
WESTERN	-	-	-	-	-	-	-	
EASTERN	0.4	0.6	0.7	1.1		0.0025 ± 0.0009	0.98	***

MIDDLE AND UPPER INCOMES	BASIC INCOME PER HOUSEHOLD									
	500/- to 599/11	600/- to 799/11	800/- to 999/11	1000/- to 1199/11	1200/- to 1399/11	1400/- to 1799/11	1800/- and above			
LAGOS	-	2.9	3.4	2.9	2.7	-	-	-0.0009 ± 0.0032	0.40	-
IBADAN	4.5	3.6	3.6	3.2	3.9	7.5	5.6	0.0012 ± 0.0041	0.30	-
ENUGU + ONITSHA	3.7	3.7	4.4	4.9	4.4	5.5	7.7	0.0019 ± 0.0005	0.95	***

SECTION 2

MIDDLE AND UPPER INCOMES	TOTAL INCOME PER CONSUMPTION UNIT									
	Under 100/-	100/- to 149/11	150/- to 199/11	200/- to 299/11	300/- to 399/11	400/- to 599/11	600/- and above			
LAGOS	0.4	0.5	0.5	0.6	0.6	0.7	1.4	0.0009 ± 0.0005	0.78	***
IBADAN	0.7	0.8	0.8	1.1	1.2	1.3	2.1	0.0012 ± 0.0004	0.90	***
ENUGU + ONITSHA	0.6	0.7	0.8	1.0	0.8	0.9	3.2	0.0027 ± 0.0012	0.86	***

*** Represents significance at the 99% level
** " " " " 95% "
* " " " " 90% "
- " not " " " 90% "

All Marginal Propensities to Consume are shown with the 95% Confidence Limits.

TABLE 10(iii).--MEASURES OF ASSOCIATION BETWEEN INCOME AND CONSUMPTION OF SALT (expenditure in shillings per month by income per month and by region)

SECTION 1

LOWER INCOMES	BASIC INCOME PER HOUSEHOLD					MARGINAL PROPENSITY TO CONSUME	R^2	
	Under 100/-	100/- to 149/11	150/ to 249/11	250/- to 349/11	350/- to 650/-			
NORTHERN	1.1	1.1	1.1	1.2	1.2	0.0001 ± 0.0126	0.27	-
WESTERN	-	-	-	-	-	-	-	
EASTERN	0.5	0.8	0.8	0.8		0.0009 ± 0.0029	0.44	-

MIDDLE AND UPPER INCOMES	BASIC INCOME PER HOUSEHOLD									
	500/- to 699/11	600/- to 799/11	800/- to 999/11	1000/- to 1199/11	1200/- to 1399/11	1400/- to 1799/11	1800/- and above			
LAGOS	-	1.4	1.4	1.9	1.4	-	-	0.0001 ± 0.0037	0.01	-
IBADAN	2.1	1.8	1.0	1.6	2.0	1.9	3.2	0.0006 ± 0.0013	0.38	-
ENUGU + ONITSHA	1.7	1.6	1.7	1.3	2.3	1.7	2.7	0.0005 ± 0.0008	0.61	*

SECTION 2

MIDDLE AND UPPER INCOMES	TOTAL INCOME PER CONSUMPTION UNIT									
	Under 100/-	100/- to 149/11	150/- to 199/11	200/- to 299/11	300/- to 399/11	400/- to 599/11	600/- and above			
LAGOS	0.2	0.6	0.3	0.3	0.3	0.4	0.6	-0.0002 ± 0.0013	0.02	-
IBADAN	0.2	0.3	0.4	0.5	0.3	0.3	2.0	0.0011 ± 0.0010	0.69	**
ENUGU + ONITSHA	0.3	0.4	0.3	0.4	0.3	0.8	0.4	0.0003 ± 0.0006	0.24	-

*** Represents significance at the 99% level
** " " " " " 95% "
* " " " " " 90% "
- " not " " " 90% "

All Marginal Propensities to Consume are shown with the 95% Confidence Limits.

TABLE 10(iv).--MEASURES OF ASSOCIATION BETWEEN INCOME AND CONSUMPTION OF DRYFISH AND STOCKFISH (expenditure in shillings per month by income per month and by region)

SECTION 1

LOWER INCOMES	BASIC INCOME PER HOUSEHOLD					MARGINAL PROPENSITY TO CONSUME	R^2	
	Under 100/-	100/- to 149/11	150/- to 249/11	250/- to 349/11	350/- to 650/-			
NORTHERN	1.6	2.7	4.8	6.9	11.6	0.0243 ± 0.0051	0.99	***
WESTERN	-	-	-	-	-	-	-	
EASTERN	-	-	-	-	-	-	-	

MIDDLE AND UPPER INCOMES	BASIC INCOME PER HOUSEHOLD									
	500/- to 599/11	600/- to 799/11	800/- to 999/11	1000/- to 1199/11	1200/- to 1399/11	1400/- to 1799/11	1800/- and above			
LAGOS	-	22.4	20.3	20.3	19.0	-	-	-0.0005 ± 0.0075	0.80	-
IBADAN	4.5	4.4	3.9	8.6	4.2	6.1	4.5	0.0004 ± 0.0022	0.03	-
ENUGU + ONITSHA	23.7	24.2	21.4	22.3	23.0	30.7	15.3	-0.0026 ± 0.0016	0.23	-

SECTION 2

MIDDLE AND UPPER INCOMES	TOTAL INCOME PER CONSUMPTION UNIT									
	Under 100/-	100/- to 149/11	150/- to 199/11	200/- to 299/11	300/- to 399/11	400/- to 599/11	600/- and above			
LAGOS	3.1	3.0	3.3	4.2	3.2	4.3	5.7	0.0037 ± 0.0051	0.50	-
IBADAN	1.7	1.9	2.7	2.2	3.5	1.9	1.9	0.0003 ± 0.0021	0.33	-
ENUGU + ONITSHA	4.0	4.5	4.2	4.9	6.3	4.4	4.3	0.0007 ± 0.0036	0.06	-

*** Represents significance at the 99% level
** " " " " 95% "
* " " " " 90% "
- " not " " " 90% "

All Marginal Propensities to Consume are shown with the 95% Confidence Limits.

TABLE 10(v).--MEASURES OF ASSOCIATION BETWEEN INCOME AND CONSUMPTION OF MILK (expenditure in shillings per month by income per month and by region)

SECTION 1

LOWER INCOMES	BASIC INCOME PER HOUSEHOLD					MARGINAL PROPENSITY TO CONSUME	R^2	
	Under 100/-	100/- to 149/11	150/- to 249/11	250/- to 349/11	350/- to 650/-			
NORTHERN	0.4	0.8	2.7	3.6	6.5	0.0078 ± 0.0185	0.37	-
WESTERN	-	-	-	-	-			
EASTERN	-	-	-	-	-			

MIDDLE AND UPPER INCOMES	BASIC INCOME PER HOUSEHOLD							MARGINAL PROPENSITY TO CONSUME	R^2	
	500/- to 599/11	600/- to 799/11	800/- to 999/11	1000/- to 1199/11	1200/- to 1399/11	1400/- to 1799/11	1800/- and above			
LAGOS (a)	-	14.7	11.7	13.8	12.2	-	-	-0.0018 ± 0.0150	0.11	-
IBADAN	22.5	15.2	28.1	34.3	23.8	38.1	29.8	0.0045 ± 0.0234	0.35	-
ENUGU + ONITSHA	17.8	16.7	17.2	21.0	22.1	24.1	29.7	0.0063 ± 0.0024	0.93	***

SECTION 2

MIDDLE AND UPPER INCOMES	TOTAL INCOME PER CONSUMPTION UNIT							MARGINAL PROPENSITY TO CONSUME	R^2	
	Under 100/-	100/- to 149/11	150/- to 199/11	200/- to 299/11	300/- to 399/11	400/- to 599/11	600/ and above			
LAGOS (a)	1.0	1.8	2.2	1.9	2.6	5.1	7.3	0.0085 ± 0.0051	0.79	***
IBADAN	3.1	4.2	4.7	6.0	5.3	9.7	10.3	0.0071 ± 0.0054	0.69	**
ENUGU + ONITSHA	2.8	2.8	3.4	4.4	5.9	6.7	8.4	0.0076 ± 0.0018	0.92	***

*** Represents significance at the 99% level
** " " " " 95% "
* " " " " 90% "
- " not " " " 90% "

(a) Excluding dry milk

All Marginal Propensities to Consume are shown with the 95% Confidence Limits.

TABLE 10(vi).--MEASURES OF ASSOCIATION BETWEEN INCOME AND CONSUMPTION OF BEER AND STOUT (expenditure in shillings per month by income per month and by region)

SECTION 1

LOWER INCOMES	BASIC INCOME PER HOUSEHOLD					MARGINAL PROPENSITY TO CONSUME	R^2	
	Under 100/-	100/- to 149/11	150/- to 249/11	250/- to 349/11	350/- to 650/-			
NORTHERN	1.5	3.5	13.1	22.3	41.4	0.0989 ± 0.0190	0.99	***
WESTERN	-	-	-	-	-	-	-	
EASTERN	1.9	2.9	5.9	17.3		0.0568 ± 0.0399	0.95	**

MIDDLE AND UPPER INCOMES	BASIC INCOME PER HOUSEHOLD									
	500/- to 599/11	600/- to 799/11	800/- to 999/11	1000/- to 1199/11	1200/- to 1399/11	1400/- to 1799/11	1800/- and above			
LAGOS	-	-	-	-	-	-	-			
IBADAN	53.1	33.6	40.5	75.9	72.2	46.7	87.9	0.0203 ± 0.0282	0.47	*
ENUGU + ONITSHA	60.3	54.6	82.7	76.1	119.5	79.3	85.0	0.0187 ± 0.0340	0.30	-

SECTION 2

MIDDLE AND UPPER INCOMES	TOTAL INCOME PER CONSUMPTION UNIT									
	Under 100/-	100/- to 149/11	150/- to 199/11	200/- to 299/11	300/- to 399/11	400/- to 599/11	600/- and above			
LAGOS	-	-	-	-	-	-	-			
IBADAN	11.4	7.9	9.4	9.7	17.6	7.6	38.1	0.0180 ± 0.0180	0.57	**
ENUGU + ONITSHA	8.0	11.4	13.0	17.7	23.6	26.5	27.3	0.0268 ± 0.0168	0.77	***

*** Represents significance at the 99% level
** " " " " 95% "
* " " " " 90% "
- " not " " " 90% "

All Marginal Propensities to Consume are shown with the 95% Confidence Limits.

TABLE 11(i).--ORIGIN OF IMPORTED WHEAT FLOUR, S.I.T.C. 046-010 (the values and quantities for any year as percentage of the total value and quantity for that year)

Year	Total Value £mn.	Total Quantity in mn. cwt.	BRITISH COMMONWEALTH				U.S.A.		E.E.C.*		OTHER		TOTAL	
			U.K.		OTHERS									
			Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity
1953	1.28	0.40	0.2%	0.2%	16.3%	16.5%	83.4%	83.3%	0.1%	-	-	-	100.0%	100.0%
1957	2.33	0.89	0.9%	0.6%	8.1%	8.0%	90.7%	91.3%	0.3%	0.1%	-	-	100.0%	100.0%
1958	2.12	0.81	2.0%	1.7%	3.0%	2.9%	94.8%	95.2%	0.1%	0.1%	0.1%	0.1%	100.0%	100.0%
1959	2.64	1.01	1.2%	1.0%	10.3%	10.8%	88.4%	88.1%	+	+	0.1%	0.1%	100.0%	100.0%
1960	3.15	1.21	1.4%	1.1%	16.3%	16.4%	82.2%	82.4%	+	+	0.1%	0.1%	100.0%	100.0%

TABLE 11(ii).--ORIGIN OF IMPORTED SUGAR, S.I.T.C. 061-020, 061-XX0 (the values and quantities for any year as percentage of the total value and quantity for that year)

Year	Total Value £mn.	Total Quantity in mn. cwt.	BRITISH COMMONWEALTH				U.S.A.		E.E.C.*		OTHER		TOTAL	
			U.K.		OTHERS									
			Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity
1953	1.37	0.45	99.1%	99.2%	-	-	-	-	0.9%	0.8%	-	-	100.0%	100.0%
1957	2.58	0.65	93.9%	93.9%	0.1%	-	-	-	+	+	6.0%	6.1%	100.0%	100.0%
1958	3.35	1.14	91.5%	92.2%	-	-	-	-	8.4%	7.8%	0.1%	-	100.0%	100.0%
1959	3.21	1.15	90.0%	90.8%	+	+	+	+	+	+	10.0%	9.2%	100.0%	100.0%
1960	3.81	1.33	86.2%	85.8%	+	+	+	+	+	+	13.8%	14.2%	100.0%	100.0%

TABLE 11(iii).--ORIGIN OF IMPORTED SALT (INCLUDING TABLE SALT), S.I.T.C. 272-050 (the values and quantities for any year as a percentage of the total value and quantity for that year)

Year	Total Value £mn.	Total Quantity in mn. cwt.	BRITISH COMMONWEALTH				U.S.A.		E.E.C.*		OTHER		TOTAL	
			U.K.		OTHERS									
			Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity
1953	1.38	1.72	77.5%	77.8%	-	-	-	-	22.5%	22.2%	-	-	100.0%	100.0%
1957	1.63	1.84	71.2%	71.5%	-	-	-	-	28.8%	28.5%	-	-	100.0%	100.0%
1958	1.80	2.08	67.9%	67.9%	-	-	-	-	32.1%	32.1%	-	-	100.0%	100.0%
1959	1.77	2.00	67.1%	67.0%	-	-	-	-	32.9%	33.0%	-	-	100.0%	100.0%
1960	1.86	2.08	68.8%	68.4%	-	-	-	-	31.0%	31.0%	0.2%	0.6%	100.0%	100.0%

TABLE 11(iv).--ORIGIN OF IMPORTED MEAT AND FISH (INCLUDING CANNED AND SALTED), S.I.T.C. 001-020, 001-040, 001-XX1, 001-XX9, 011-XX0, 012-011, 012-019, 012-XX0, 013-021, 013-029, 013-XX0, 031-021, 031-029, 031-030, 032-XX0 (the values for any year as percentage of the total value for that year)

Year	Total Value £mn.	BRITISH COMMONWEALTH		U.S.A.	E.E.C.*	OTHER	TOTAL
		U.K.	OTHERS				
1953	4.60	2.0%	2.6%	-	3.1%	92.3%	100.0%
1957	9.00	2.7%	3.1%	-	1.6%	92.6%	100.0%
1958	8.04	2.9%	3.1%	-	1.4%	92.6%	100.0%
1959	9.42	0.9%	+	+	+	99.1%	100.0%
1960	9.67	0.4%	+	+	+	99.6%	100.0%

TABLE 11(v).--ORIGIN OF IMPORTED PRESERVED MILK, S.I.T.C. 022-011, 022-012, 022-020 (the values and quantities for any year as a percentage of the total value and quantity for that year)

Year	Total Value £mn.	Total Quantity mn.cwt.	BRITISH COMMONWEALTH				U.S.A.		E.E.C.*		OTHER		TOTAL	
			U.K.		OTHERS									
			Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity
1953	0.40	0.05	1.3%	0.6%	1.2%	0.1%	-	-	96.2%	98.1%	1.3%	1.2%	100.0%	100.0%
1957	0.94	0.11	12.7%	7.6%	-	-	0.3%	0.3%	85.4%	91.3%	1.6%	0.8%	100.0%	100.0%
1958	1.05	0.12	15.9%	9.0%	-	-	0.9%	0.9%	81.9%	89.1%	1.3%	1.0%	100.0%	100.0%
1959	1.30	0.16	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.		
1960	1.89	0.23	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.		

TABLE 11(vi).--ORIGIN OF IMPORTED BEER AND STOUT, S.I.T.C. 112-030 (the values and quantities for any year as a percentage of the total value and quantity for that year)

Year	Total Value £mn.	Total Quantity mn.Imp.Gal.	BRITISH COMMONWEALTH				U.S.A.		E.E.C.*		OTHER		TOTAL	
			U.K.		OTHERS									
			Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity
1953	2.39	5.09	31.7%	30.3%	0.3%	0.2%	-	-	62.8%	64.3%	5.2%	5.2%	100.0%	100.0%
1957	3.16	6.16	32.7%	27.6%	-	-	-	-	61.4%	66.5%	5.9%	5.9%	100.0%	100.0%
1958	3.32	6.27	43.8%	37.4%	0.2%	0.1%	-	-	49.8%	56.0%	6.2%	6.5%	100.0%	100.0%
1959	3.60	6.83	34.9%	29.9%	-	-	-	-	49.2%	55.4%	15.9%	14.7%	100.0%	100.0%
1960	3.90	7.19	42.5%	37.5%	-	-	-	-	42.0%	50.4%	15.5%	12.1%	100.0%	100.0%

TABLE 11(vii).--ORIGIN OF IMPORTED UNMANUFACTURED TOBACCO, S.I.T.C. 121-010 (the values and quantities for any year as percentage of the total value and quantity for that year)

Year	Total Value £mn.	Total Quantity mn. cwt.	BRITISH COMMONWEALTH				U.S.A.		E.E.C.*		OTHER		TOTAL	
			U.K.		OTHERS									
			Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity
1953	1.35	0.05	-	-	20.2%	35.2%	79.6%	64.7%	-	-	0.2%	0.1%	100.0%	100.0%
1957	1.62	0.05	-	-	23.4%	33.4%	76.4%	66.4%	-	-	0.2%	0.2%	100.0%	100.0%
1958	1.50	0.05	-	-	20.6%	31.4%	79.4%	68.6%	-	-	-	-	100.0%	100.0%
1959	1.31	0.04	-	-	22.9%	36.7%	77.0%	63.2%	-	-	0.1%	0.1%	100.0%	100.0%
1960	1.18	0.04	-	-	16.6%	31.1%	83.3%	68.8%	-	-	0.1%	0.1%	100.0%	100.0%

TABLE 11(viii).--ORIGIN OF IMPORTED MANUFACTURED TOBACCO, S.I.T.C. 122-010, 122-020, 122-030 (the values and quantities for any year as percentage of the total value and quantity for that year)

Year	Total Value £mn.	Total Quantity mn. lbs.	BRITISH COMMONWEALTH				U.S.A.		E.E.C.*		OTHER		TOTAL	
			U.K.		OTHERS									
			Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity
1953	0.12	0.23	98.3%	99.5%	-	-	-	-	1.3%	0.3%	0.4%	0.2%	100.0%	100.0%
1957	0.12	0.23	95.0%	97.0%	0.4%	0.1%	2.3%	1.7%	1.2%	0.7%	1.1%	0.5%	100.0%	100.0%
1958	0.14	0.19	95.4%	95.0%	0.6%	0.7%	0.1%	-	3.0%	4.0%	0.9%	0.3%	100.0%	100.0%
1959	0.12	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.		
1960	0.19	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.		

TABLE 11(ix).--ORIGIN OF IMPORTED FRUIT JUICES, S.I.T.C. 053-040 (the values and quantities for any year as percentage of the total value and quantity for that year)

Year	Total Value £mn.	Total Quantity mn. Imp.Gal.	BRITISH COMMONWEALTH				U.S.A.		E.E.C.*		OTHER		TOTAL	
			U.K.		OTHERS									
			Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity
1953	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.		
1957	0.07	0.09	70.9%	62.3%	24.0%	33.9%	-	-	3.2%	2.3%	1.9%	1.5%	100.0%	100.0%
1958	0.08	0.10	73.8%	64.2%	22.1%	31.8%	-	-	1.1%	0.7%	3.0%	3.3%	100.0%	100.0%
1959	0.11	0.13	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.		
1960	0.12	0.13	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.		

TABLE 11(x).--ORIGIN OF IMPORTED FRESH FRUIT, S.I.T.C. 051-XX0 (the values and quantities for any year as percentage of the total value and quantity for that year)

Year	Total Value £mn.	Total Quantity mn. cwt.	BRITISH COMMONWEALTH				U.S.A.		E.E.C.*		OTHER		TOTAL	
			U.K.		OTHERS									
			Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity
1953	0.015	N.A.	49.6%	N.A.	25.7%	N.A.	-	N.A.	6.5%	N.A.	18.2%	N.A.	100.0%	
1957	0.033	0.004	23.0%	21.4%	45.2%	45.5%	0.8%	0.7%	9.5%	9.3%	21.5%	23.1%	100.0%	100.0%
1958	0.041	0.006	16.6%	13.5%	47.3%	52.6%	0.4%	0.4%	13.8%	13.0%	21.9%	20.5%	100.0%	100.0%
1959	0.055	0.008	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.		
1960	0.062	0.009	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.		

KEY:- *E.E.C. includes Eastern Germany.
-percentage is less than 0.05%.
+percentages for trading groups are included in the "OTHER" column.
N.A. denotes 'Not Available'.

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