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FEDERAL REPUBLIC OF NIGERIA

Federal Military Government views on the Report of the Judicial Commission of Inquiry into Shortage of Petroleum Products

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**GOVERNMENT VIEWS ON THE REPORT OF THE
JUDICIAL COMMISSION OF INQUIRY INTO SHORTAGE OF
PETROLEUM PRODUCTS**

DECEMBER 1975

On 14th October, 1975, the Federal Military Government set up a Judicial Commission of Inquiry to "inquire into the cause or causes of the current inadequate supply of Petroleum products in different parts of the country, in spite of the recent measures taken by the Government to remove the various constraints in the supply and distribution of these products".

The Commission's Terms of Reference were as follows :—

(a) To assess the effectiveness or otherwise of the remedial measures taken by Government to deal with the prior and periodic shortages in the supply of petroleum products to different parts of the country.

(b) To investigate the cause or causes of the shortage in supply and sale of petroleum products to the public in some parts of the country from about Friday, 10th October, 1975.

(c) To investigate whether the shortage was precipitated by acts of inefficiency, negligence of duty, sabotage or other deliberate acts and if so, to determine and identify the persons or institutions, or establishments responsible.

(d) Recommend appropriate remedial measures.

2. The Federal Military Government has given careful consideration to the Commission's Report and its views and decisions are as follows :

Provision of Adequate Internal Refining capacity for our Local Crude Oil (Chapter 5, Paragraph 58)

3. The Government agrees with the Commission's observation that if we expect to have a substantial and sustained improvement in the supply and distribution of petroleum products to meet and match our ever increasing demand and our rapidly expanding economy, the highest priority should be placed upon building more refineries.

4. In this respect, Government explains that action was in progress in respect of the two refineries to be built at Warri and Kaduna. The contract in respect of the Warri refinery has been awarded to Snamprogetti of Italy with a completion period of 33 months. Bids have been invited from reputable companies in the field for the execution of the Kaduna refinery project.

Port Harcourt Refinery Expansion and Improvement (Chapter 5, Paragraph 60)

5. On the Commission's recommendation for the purchase and installation of skid-mounted units in Port Harcourt Refinery to increase its refinery capacity, Government notes that as the skid-mounted refinery would take much longer to complete than was envisaged, the units would therefore not serve the emergency purposes for which they were intended. The idea had accordingly been dropped. But action is being taken to increase the refinery capacity of the Port Harcourt Plant from 60,000 barrels to 80,000 barrels per day.

6. Government accepts the Commission's proposals designed to check constant power failures at the Nigerian Petroleum Refining Company which failures constitute another serious constraint resulting in sizeable loss of production of petroleum products. Necessary directives had already been given for the installation of stand-by generators at the refinery.

Pipelines and Storage Depots (Chapter 5, Paragraph 61)

7. As regards the Commission's recommendation for the building of Storage Depots and Pipelines, Government wishes to point out that the construction of storage depot installations throughout the country will commence in January 1976 ; the pipeline project is also being actively pursued.

Urgent provision of suitable Jetty facilities at Okrika (Chapter 5, Paragraph 62)

8. On the recommendation that a second Jetty be built at Okrika, Government wishes to make it known that the Federal Ministry of Transport had already given approval for the construction of a second Jetty at Okrika.

The Atlas Cove Project and Dredging the Apapa Jetties and the approaches to the Apapa Harbour (Chapter 5, Paragraph 63)

9. On the recommendation that the Atlas Cove site be developed immediately, Government wishes to make it known that this was already being done. Action had also commenced on building an additional jetty in Lagos.

The increase by the Oil Marketers of their level of importation and demurrage charges (Chapter 5, Paragraph 64)

10. Government agrees with the Commission's recommendation that the seven oil marketing companies be directed to increase their level of importation in order to build up reserve stock and the public may wish to know that the recommendation is already being implemented.

11. For the time being the payment of demurrage is inevitable because of the need to have a tanker at hand to supply fuel in the event of failure of supply normally brought in from the Okrika Jetty. However, arrangements will be made for the Government to possess a tanker of its own to obviate the payment of demurrage.

Retail outlet storages (Chapter 5, Paragraph 65)

12. Government accepts the Commission's recommendation that efforts should be made by each marketer to expand its retail outlet storage facilities where necessary.

The M.R.X. Lightening Scheme and utilisation of Cotonou for Petroleum importation to Nigeria (Chapter 5, Paragraph 66)

13. Government accepts the Commission's recommendation that the M.R.X. Scheme in which medium-size tankers are suitably lightened at Bonny, instead of the utilisation of Cotonou Port for larger parcels of Petroleum importation into Nigeria, should be introduced particularly as every aspect of that scheme, unlike the latter, can be achieved within Nigeria and in Nigerian territorial waters.

Road Building Programme (Chapter 5, Paragraph 67)

14. Government accepts the Commission's recommendation to give top priority to the reconstruction or at least repair of the roads and bridges in the East-Central State and parts of the Rivers State to facilitate the movement of Petroleum Products. However, Government notes that action had already been taken in respect of the repair of roads in the three Eastern States. Contracts had been awarded for the repairs of war-damaged bridges. All emergency repairs to roads are being undertaken as a matter of priority.



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THE ATTACK ON INFLATION

Government Views on the First Report of the Anti-Inflation Task Force

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THE ATTACK ON INFLATION

GOVERNMENT VIEWS ON THE FIRST REPORT ON THE ANTI-INFLATION TASK FORCE

On the 15th of August, 1975, the Federal Military Government, against the background of high and increasing inflationary pressures and tendencies in the economy, appointed an Anti-Inflation Task Force to, among other things, examine these tendencies, identify their causes and make recommendations that would effectively contain them. The Task Force was to submit its First Report by 31st October, 1975. The Report was duly completed and submitted. The Government has given careful consideration to the analysis, conclusions and recommendations contained in the Report and its views on these recommendations are set out hereunder.

General Remarks

2. In arriving at its recommendations, the Task Force analyses the causes of the inflationary tendencies as well as the anti-inflationary policies and measures being pursued. The analysis, by systematically laying bare the causes and course of the inflationary pressures, will contribute to greater general understanding of, and the search for lasting solutions to, the problem of inflation. The Government subscribes to the view that a very high rate of inflation may inhibit the attainment of the major economic objectives of the nation. It is in realisation of the adverse impact of a high rate of inflation that the Government decided to set up the Task Force to recommend measures to contain the high inflationary pressure. Government intends to take the appropriate measures to ensure that the nation achieves its main economic and social goals in an environment of general price stability.

Monetary and Fiscal Policies

3. The Task Force recommends that:—

(i) The Central Bank of Nigeria should revert to the system of imposing ceilings on total and sectoral increases in commercial bank credit to the private sector. As banks operate in different markets the Central Bank should set separate guidelines to reflect the differences and apply sanctions to banks that exceed the specified ceilings. (Paragraph 240).

Comment :

Government accepts this recommendation. However, in designing the ceilings care will be taken to ensure that they properly reflect the social priorities of the nation. Furthermore, it is not obvious that, at this particular juncture, the best approach to maximizing the contributions of commercial banks to monetary stability is to set separate guidelines for the various types.

(ii) The Central Bank should introduce cash reserve requirements into the Nigerian Banking system in addition to the prescribed liquidity ratios. The Bank should exercise now its power of issuing stabilization securities and determine how much of such securities to issue to each bank and what percentage of the reserves should apply to the various categories of banks. The reserve requirements should be defined to exclude cash-in-till. (Paragraph 241).

Comment :

Government accepts this recommendation.

(iii) There should be a flexible interest rate structure such that loans for non-directly productive purposes will attract higher interest rates than they now do. (Paragraph 242).

Comment :

Government accepts this recommendation. In formulating and operating the two-tier interest rate structure, care will be taken to eliminate the abuses that often characterise such structures.

(iv) Specialised Financial Institutions such as the Nigerian Bank for Commerce and Industry (NBCI), the Nigerian Building Society (NBS), the Nigerian Industrial Development Bank (NIDB) and the Nigerian Agricultural Bank (NAB), should be allowed to raise part of their funds from the public through the issue of bonds at attractive interest rates to be subsidized by Government. (Paragraph 243).

Comment :

Government has given careful consideration to this recommendation and is of the view that the issues that are involved are such that the recommendation—possibly in a more generalized form—requires further detailed study, especially as the institutions listed have at present substantial liquid assets at their disposal, from Government.

(v) An excess profit tax should be imposed. (Paragraph 244).

Comment :

Government notes this recommendation ; whose implications for resource allocation and utilization have to be further examined.

(vi) A compulsory savings scheme for those in paid-employment as well as the self-employed should be introduced, at 5 per cent for earnings or income up to ₦2,000 and 10 per cent for those above ₦2,000. (Paragraph 245).

Comment :

While conceptually the introduction of a compulsory-savings scheme is an acknowledged anti-inflationary measure, in the particular circumstances of the Nigerian economy, its incidence will be highly discriminatory and its coverage limited. It is therefore unrealistic in the prevailing circumstances of the Nigerian economy.

(vii) (a) The existing level of duties, particularly on essential goods, should be reviewed with a view to further reduction. (Paragraph 246).

(b) There should be a comprehensive review of recurrent and capital expenditures with a view to changing their structures and curtailing their levels especially in the non-directly productive sectors. (Paragraph 247).

Comment :

The Government notes these recommendations as possible anti-inflationary devices.

Price Control, National Supply and Distribution

4. The Task Force recommends that :—

(i) A Price Intelligence Agency (PIA) should be established and located in the Federal Ministry of Co-operatives and Supplies, to perform some regulatory, research and monitoring functions with respect to price movements. (Paragraph 248).

Comment :

Government accepts this recommendation but considers that the Agency should be located in the Federal Ministry of Trade to monitor price movements generally except those relating to petroleum products which will be dealt with separately.

(ii) A resale price maintenance arrangement should be established whereby domestic manufacturers and importers could have an effective sanction on defaulting distributors. (Paragraph 249).

Comment :

Government accepts this recommendation and will provide the necessary publicity and legal backing that will ensure the efficient operation of a resale price maintenance arrangement.

(iii) The Nigeria National Supply Company should be confined to the role of supplementing the existing sources of supply and all sole agencies held by it should be abolished. The Company should lay down clear criteria for the appointment of its distributors, and publish periodically the list of all its distributors, indicating their names and shop addresses. (Paragraph 250).

Comment :

It has never been the Government's intention to have the Nigerian National Supply Company play a role other than a supply-supplementing one. The Company is to relinquish any sole agency it may be holding as recommended.

(iv) (a) The implementation of the recommendations of the Commission of Enquiry into the affairs of the Nigerian National Supply Company should be effected with despatch so that the obstacles in the way of achieving the laudable objectives for which the company was established will be removed. (Paragraph 251).

(b) The Federal Ministry of Co-operatives and Supplies in co-operation with the appropriate State Ministries should work out a policy for the rapid development of the various types of co-operatives particularly in the field of distribution. (Paragraph 252).

(c) The Federal and State Governments should encourage the formation of consumer co-operatives in factories, Ministries and various centres of employment so that this could be registered for the regular supply of essential commodities to their members direct from the sources of supply. (Paragraph 253).

(d) The Federal and State Governments should construct co-operative shopping centres in urban and rural areas as a means of encouraging the activities of co-operative societies in the field of distribution. (Paragraph 254).

(e) The Federal and State Governments should provide the basic infrastructures necessary for the full participation of the co-operatives in distributive trade. (Paragraph 255).

Comment :

Government accepts these recommendations.

(v) A National Co-operative Bank should be established and the States should be encouraged to establish specialised financial institutions devoted to the financing of co-operative organisations. (Paragraph 256).

Comment :

As already indicated in the Third National Development Plan, Government plans to establish a National Co-operative Bank.

(vi) (a) A National Co-operative Insurance Company should be established as a matter of priority. (Paragraph 257).

(b) The Federal Government should legislate against all monopolistic and restrictive trade practices and stop the current practice whereby the same firms are the producers, wholesalers and retailers of certain commodities. (Paragraph 258).

(c) The Federal Government should ensure that all local industries are made to distribute substantial percentages of their products and those imported by the N.N.S.C. through co-operative organisations. (Paragraph 259).

Comment :

Government accepts these recommendations. In addition, consideration is being given to the establishment in the Ministry of Trade of a Consumers' Complaints Bureau to deal with consumers' complaints against undesirable trade practices.

(vii) The present price control mechanism should be phased out when some of the recommendations regarding supply and distribution, resale price maintenance arrangements, the establishment of the Price Intelligence Agency, and the use of the co-operative system for the marketing and distribution of essential items, have been put into effect. (Paragraph 260).

Comment :

Government accepts this recommendation in principle and notes that the list of commodities subject to price control is being reviewed.

Rent, Housing and Land

5. The Task Force recommends that :

(i) Rents should be frozen for the next two years and advance payment of rent by new tenants for residential accommodation should cover a maximum period of three months at the expiration of which rents should be on a monthly basis. Tenants whose landlords refuse to accept the rent freeze should pay the rents due at the end of each period to a government treasury. (Paragraph 261).

Comment :

In view of the many problems including that of effective enforcement, that would arise in the implementation of this recommendation, Government is unable to accept it. However, Government realises that the complex problem of rent control deserves the closest study. A Rent Panel will therefore be set up to examine further the problem of rent and rent control in all its ramifications and make appropriate recommendations.

(ii) Government should announce its intention to allocate FESTAC houses to members of the public if the FESTAC will not be held before January 1977. The houses should be allocated to those who do not now own any house of their own ; who are resident in the places where the houses are located ; who have not benefited from loans for any subsidized housing schemes provided by public or private sources and who will physically reside in the houses and will not sub-let them. (Paragraph 262).

Comment :

In accepting this recommendation, Government notes that the criteria for allocating to members of the public houses constructed under the Federal Housing Programme were already being worked out.

(iii) Import and excise duties on building materials and Commercial vehicles and their spare parts should be reviewed with a view to further reduction or abolition. Manufacturers, importers and distributors of these items should be consulted and agreement reached on new and lower prices before this tax concession is granted. (Paragraph 263).

Comment :

Government notes this recommendation and has already started to examine critically the pricing practices in certain lines of business.

(iv) The exportation of timber, sawn or unsawn, should be abolished with immediate effects, and licences for saw-mills should be more freely granted. (Paragraph 264).

Comment :

Government accepts this recommendation subject to all existing contractual obligations being honoured. The Federal Ministry of Co-operatives and Supply will, in consultation with its state counterparts, establish saw-mills to avert possible depression which might be caused in the log industry by the abolition of exportation of timber. The Ministry will also arrange for the purchase of timber available for processing locally or abroad.

(v) The approval procedure for building plans should be thoroughly overhauled and streamlined such that approval or non-approval is communicated to the applicant within 30 days of submission of plans. This recommendation should take effect from 1st of April, 1976, if accepted. (Paragraph 265).

Comment :

Government accepts this recommendation. All government institutions having functions in the housing area will streamline their procedures so that applicants for loans could have their applications considered within the shortest possible time.

(vi) (a) The implementation of the housing estates listed for development in the Third Plan should be speeded up and every effort should be made to overcome all legal and financial problems that may be holding back more rapid development. (Paragraph 266).

(b) In order to maximise the impact of government capital expenditures on housing, equal emphasis should be given to direct construction of residential units and to the provision of basic infrastructures in various layouts on which individuals can build their own houses. (Paragraph 267).

Comment :

Government accepts these recommendations.

(vii) In view of the quantitative inadequacy of the housing programme as contained in the Third Plan, the Governments of the Federation and the housing agencies should without further delay, acquire large acreages of land in the various urban centres for purposes of laying out housing estates complete with water, electricity, roads and drains. While most of these estates should be made available to individuals for development, a few could be put at the disposal of big employers (in the public and private sectors) who may be willing to develop housing estates for the use of their employees. (Paragraph 268).

Comment :

Government accepts this recommendation. However, in acquiring land in the rural areas for purposes of laying out housing estates, account will be taken of the problems of inheritance, fragmentation, consolidation, re-settlement patterns, and the traumatic effect which the policy in respect of land acquisition in the rural areas may have and their likely impacts on the culture and the occupation of the people.

(viii) (a) To encourage housing construction and home ownership, government should set up an agency which will prepare standard residential building designs and make them available to members of the public at nominal charges. (Paragraph 269).

(b) Co-operative marketing organisations should set up temporary building materials depots in or near the various housing estates and lay-outs as a means of assuring steady supplies on building sites and at reasonable prices. Government should encourage the formation of Housing Co-operatives and where plans by such bodies are already in existence, arrangements should be made to provide them with necessary finance. (Paragraph 270).

(c) In order to make a positive impact on housing supply in the shortest possible time, the Nigerian Building Society should, in playing its new role of Mortgage Bank, encourage employers in the public and private sectors to establish housing loan schemes for their employees. (Paragraph 271).

(d) The Nigerian Building Society and the various housing corporations should be enabled through the provision of additional funds and manpower to extend to the public at large, easier terms and conditions. The interest rate should be reduced to 3 per cent and calculated on a discount basis, and only a deposit of 10 per cent of total building cost should be required before a housing project can be financed. (Paragraph 272).

Comment :

Government accepts these recommendations.

(ix) (a) A comprehensive national policy on land should be put into effect as a matter of urgency, by the promulgation of a Decree that will have the effect of vesting all land in principle in the State Government. Under such a policy, all future transactions in land will require the approval of the respective State Governments and will be on a leasehold basis ; Government will have power to acquire land for its own use and to ensure that the community obtains the maximum benefit from rising land values. (Paragraph 273).

(b) An appropriate machinery should be set up to work out the implications of the recommendation in 273 above, and to examine some of the questions that are likely to arise. (Paragraph 274).

Comment :

Government does not accept these recommendations which would result in vesting all private land in all parts of the country in the State.

(x) All State capitals, other major towns and cities and the areas immediately adjoining major industrial projects, major highways, educational institutions, etc. should be declared "designated areas" and in all such areas, the policy on the leasing of land should be "one person one plot". (Paragraph 275).

Comment :

Government accepts this recommendation. The details will be worked out by the respective State Governments in consultation with the Federal Military Government.

(xi) A Federal Ministry of Lands should be established to execute and monitor the various policies on land. The Ministry will define and review from time to time what is meant by a "plot". (Paragraph 276).

Comment :

Government does not accept the proposal to establish a Federal Ministry with executive responsibility in land matters reserved for the States and the traditional communities.

Food Production and Marketing

6. The Task Force recommends that :

(i) The National Grains Production Company and the National Root Crops Production Company which the government proposes to set up should be commercialised. Government should provide leadership in such commercialised large-scale agricultural production through joint ventures under private and public management. The formation of food production companies in all the States of the Federation should follow this approach. (Paragraph 277).

Comment :

Government accepts this recommendation ; both the National Grains Production and the National Root Crop Company are already commercialised.

(ii) The plan of the Federal Government to subsidize the prices of fertilizers up to 50 per cent should be reviewed with a view to increasing the subsidy to at least 75 per cent, and the prompt and timely delivery of fertilizers at farm level. To this end, clearance of imports of fertilizers should be given priority and a system of delivery through the extension services, private firms and co-operative organisations should be employed. (Paragraph 278).

Comment :

Government accepts this recommendation. Adequate priority will be given to the off-loading and clearance of fertilizer cargo at the ports.

(iii) Immediate attention should be given to providing improved seeds and seedlings to farmers at subsidised rates. To this end, the National Accelerated Food Production Programme should be required to operate its input delivery system through the extension services and the co-operative system. (Paragraph 279).

Comment :

Government accepts this recommendation. The need to improve input delivery systems has been realised and methods of improving the efficiency of the systems have been receiving close study.

(iv) The Government should stimulate the formation of agricultural companies through the extension to them of pioneer status, and encourage agricultural co-operatives to engage in food production. (Paragraph 280).

Comment :

Government accepts this recommendation ; proposals along these lines were already under study.

(v) In each local district Government should make tractors, ploughs and other agricultural implements available to farmers for hire at subsidized rates. (Paragraph 281).

Comment :

Government accepts this recommendation.

(vi) Since the effort and expense devoted to land preparation have risen substantially owing to rural-urban migration and rising cost of farm labour, Government should assist farmers to open up new lands particularly with respect to tree felling, stumping and up-rooting. Immediate attention should be given to implementing this recommendation at both the divisional and local levels where farmers are in great need of this assistance. (Paragraph 282).

Comment :

Government accepts this recommendation.

(vii) The ban on the exportation of feed meals such as groundnut cake, palm kernel cake, cotton seed, meal and other farm offals should continue and Government should subsidize the prices of these products to Nigerian farmers. (Paragraph 283).

Comment :

Government accepts this recommendation in principle but since there are other and more appropriate ways of ensuring adequate supply of cattle feed, these will be examined in detail and appropriate steps taken to protect further the interests of the Nigerian farmers affected.

(viii) Government should open negotiations with Chad, Dahomey and Niger with a view to arriving at a co-ordinated policy that will assist cattle production in these countries and at the same time encourage them to resume exportation of cattle to Nigeria. (Paragraph 284).

Comment :

Government notes this recommendation and observes that plans are at advanced stages for establishing cattle ranches in Nigeria.

(ix) Government should review the situation, such as seems now exist with respect to palm oil and groundnut oil, whereby agricultural products that are in short supply in the domestic market are exported and even sold at prices lower than the domestic prices of these commodities. A marketing system that leads to this type of situation seems clearly to be in need of a basic review. (Paragraph 285).

Comment :

Government accepts the recommendation that the exportation of edible Palm Oil and edible Groundnut Oil be banned.

(x) The construction work which has already started on the Sokoto Rima Valley and the South Chad Basin Projects should be accelerated and extended to all the main river basins in the country before the end of the present Plan period and immediate steps should be taken to activate the existing dams especially for irrigation purposes. (Paragraph 286).

Comment :

In accepting this recommendation, Government notes that the establishment of more River Basin Authorities in the country is under review to avoid undue encroachment on the constitutional functions of the States.

(xi) A large number of the National Youth Corps members, a number of the Nigerian army personnel soon to be demobilised, and young school leavers should be deployed more productively in agriculture within a well organised scheme permitting effective training and direction. (Paragraph 287).

Comment :

Government intends to study this recommendation in greater detail.

(xii) (a) The Nigerian Crop Storage Research Institute should now concentrate on food crop storage at farm level in co-operation with the International Institute for Tropical Agriculture (I.I.T.A.). The techniques already developed by the Nigerian Stored Product Research Institute (N.S.P.R.I.) should be applied to the provision of basic storage facilities at the farm level. (Paragraph 288).

(b) Government should set up storage facilities at strategic centres in the chain of distribution from the production level to the major consuming centres throughout the country. (Paragraph 289).

Comment :

Government accepts these recommendations.

(xiii) The Agricultural Research Institute and related institutions in Nigerian Universities should be encouraged to conduct regular research into pests in order to minimise their destructive effects on young seedlings. (Paragraph 290).

Comment :

Government accepts this recommendation and will intensify its efforts in monitoring developments in this area.

(xiv) The proposed National Seeds Services to be established by the Federal Government should be set up without delay. Well-equipped agricultural extension locations should be established to guide and help the farmer adopt modern methods in agricultural production and to supply the necessary inputs at highly subsidized prices. (Paragraph 291).

Comment :

Government accepts this recommendation and observes that the National Seed Service has been set up.

(xv) The Agricultural Mechanisation Centre to be established under the Third Development Plan should focus attention on finding new simple and improved farm implements to help in clearing, heaping and harvesting. (Paragraph 292).

Comments :

Government accepts this recommendation and notes that the Agricultural Mechanisation Centre would also be engaged in adapting imported technology to Nigerian needs and environment.

(xvi) (a) More ranches in line with ones being established with the assistance of the World Bank in Western, North-Eastern and North-Central States of Nigeria, should be established. (Paragraph 293).

(b) Immediate steps should be taken to increase poultry production by increasing the importation of day-old-chicks and by subsidizing the price of chicken feeds. Arrangements should also be made for the distribution of chicks to poultry farmers throughout the country. (Paragraph 294).

Comment :

Government accepts these recommendations.

(xvii) In order to bridge the gap between the supply of fish and the increasing demand for fish, production from Rivers Niger and Benue should be increased through improved extension services and the use of co-operative organisations in credit administration of fishermen, and in the processing and marketing of fish. (Paragraph 295).

Comment :

Government notes that this recommendation was already being implemented.

(xviii) The Federal Government should give priority consideration to implementing the proposed integrated rural development scheme planned for Gombe, Gusau and Funtua in the Northern States. The scheme should be extended to other rural areas throughout the country. (Paragraph 296).

Comment :

Government notes that the Gombe, Gusau and Funtua projects were operating on schedule while two more projects are in the pipeline.

(xix) (a) The Co-operative Societies should be made the main distributors of certain agricultural in-puts such as fertilizers and animal feeds to ensure that these commodities reach the farmers in time and at reasonable prices. (Paragraph 297).

(b) Refrigerated wagons and aerated vans should be provided by the railways and the co-operatives and other major distributors for the distribution of meat, fresh fruits, onions, vegetables and other perishable agricultural products to the major consuming centres. (Paragraph 298).

(c) The establishment of large-scale processing industries in various parts of the country proposed in the Third National Development Plan should be accelerated. (Paragraph 299).

Comment :

Government accepts these recommendations.

(xx.) (a) Co-operatives should encourage commercial distribution of frozen fish through the vendor system and by the use of a well-organised transport system, including refrigerated trucks. Government should take immediate steps to build more storage facilities for fish products in Lagos, Port Harcourt and in the smaller ports in the South. (Paragraph 300).

(b) The activities of guilds should be restricted so that the producer can obtain a fair price for his product and the consumer fair value for his money. (Paragraph 301).

(c) Immediate construction of foodstuff markets should be pursued and they should be provided with adequate stalls and stores. These should be located at strategic areas in major towns throughout the country and adequate motor parks should be provided near each of these markets. (Paragraph 302).

Comment :

Government accepts these recommendations.

Transportation Problems

7. The Task Force Recommends that:

(i) (a) Government should expedite negotiations with Shipping Lines so that arrivals of ships can be scheduled, according to a roster to be prepared by the Nigerian Ports Authority, which will take account of national priorities and the capacity of Nigerian Ports. If the Shipping Lines should prove uncompromising, consideration should be given to declaring a national economic emergency and closing the Nigerian Ports to all ships except those carrying essential commodities, until the present congestion has been cleared. (Paragraph 303).

(b) Shipping Lines found guilty of malpractices should be severely dealt with. (Paragraph 304).

(c) The necessary cargo handling equipment for midstream discharge should be made available at the various jetties to avoid congestion at these points. (Paragraph 305).

(d) An adequate supply of cargo handling equipment and their spare-parts should be made available while the appointment of the firm of Maintenance Engineers now being considered by the Ministry of Transport should be speeded up. (Paragraph 306).

Comment :

Government observes that these recommendations are already being implemented.

(ii) The 21-day rule which allows cargo to remain in the transit sheds for up to twenty-one days should be changed to a 7-day rule. Warehouses should be put up very speedily on the Mainland, along the rail, say at Ikeja, to which all cargo not cleared within seven days of discharge should be removed by rail at consignees' expense. (Paragraph 307).

Comment :

Government notes that the 21-day rule is already being modified in practice where practicable and large warehouses are being provided away from the port area for the purpose recommended.

(iii) (a) A motor park should be developed at the Apapa area for vehicles awaiting their turns at transit sheds, warehouses or the quay. (Paragraph 308).

(b) A better arrangement for traffic control within the ports is necessary for a freer flow of traffic. (Paragraph 309).

(c) The circuitous Ports Authority and Customs release procedures should be quickly reviewed and shortened. (Paragraph 310).

(d) The attachment of a Railway representative to the Ports Authority to accelerate the documentation and despatch of Railway loaded waggons, as used to be the case, should be resuscitated. The representative will look after Railway interest and forestall the unique preference allegedly being given to the loading of road haulers for monetary incentives. (Paragraph 311).

(e) Adequate water, toilets and canteens should be provided at convenient points for dockworkers. (Paragraph 312).

Comment :

Government observes that these recommendations are already being implemented.

(iv) Accommodation should be arranged close to the ports for dockworkers at reasonable rents and transport provided to convey them to and from the ports. Until such accommodation can be arranged transport should be provided to convey dockworkers from various central locations around Lagos at scheduled times. (Paragraph 313).

Comment :

Immediate implementation of this recommendation is impracticable, but it will be given due attention for possible implementation in the future.

(v) (a) Dockworkers should be more vigorously screened by Labour Officers to ensure that only able-bodied adult persons are employed. (Paragraph 314).

(b) Basic training should be organised for new dock employees. (Paragraph 315).

Comment :

Government observes that these recommendations are being implemented.

(vi) Young graduates should be employed by the Ports Authority to be trained in ports administration while normal in-service training for the supervisory staff should be improved. (Paragraph 316).

Comment :

Government accepts this recommendation.

(vii) (a) There should be a Standing Committee, on Ports Evacuation as used to be the case, to review the situation at the ports constantly and advise on solutions to problems. (Paragraph 317).

(b) Immediate consideration should be given to hiring experienced international Managers and Consultants to assist with the active decongestion of our ports and with the problems of containers and lighterage operations. (Paragraph 318).

Comment :

Government observes that these recommendations are already being implemented.

(viii) (a) The restructuring of the railway management which seems to have been embarked upon by the dissolution of the Statutory Corporation Service Commission and the Statutory Corporation Tenders Board and the granting of executive powers to the General Manager

should be pursued to remove any constraints to the speedy execution of policy decisions. More qualified and experienced personnel need to be employed in top management posts while at lower levels the Corporation can do with more young graduates. (Paragraph 319).

(b) Welfare, morale and discipline of railway staff have to be improved to raise productivity. Management and technical training should be arranged for all grades of staff. (Paragraph 320).

(c) Projects for the strengthening, realignment and regauging of railings in the 1970-74 Development Plan and those concerned with the installation of modern communication equipment should be implemented expeditiously. (Paragraph 321).

Comment :

Government accepts these recommendations. The possibility of providing radio communication for the Nigerian Railway Corporation was already being examined.

(ix) (a) Express Liner trains should be developed for bulk cargo traffic from the ports to the North for commodities like cement and other building materials and perishable agricultural produce and distributors compelled to use these facilities. (Paragraph 322).

(b) Rolling stock and locomotives should be increased in accordance with the requirements of traffic. (Paragraph 323).

Comment :

Government observes that these recommendations are already being implemented.

(x) (a) An improvement of passenger services is needed both for decongesting the road and for improving the public image of the Nigerian Railway Corporation. (Paragraph 324).

(b) The Planning and Research Unit of the Nigerian Railway Corporation provided for in the Third Development Plan should be implemented without delay. (Paragraph 325).

Comment :

Government accepts these recommendations.

(xi) The projected Highway Management Authority should be set up immediately under the Ministry of Works. (Paragraph 326).

Comment :

Government does not accept this recommendation, as the Ministry of Works can perform its functions efficiently without any such Authority.

(xii) Requirements for issuing driving licences should be made more stringent. Driving Schools should be established throughout the Federation and the attendance of such schools by commercial drivers should be a condition for the renewal of their driving licences. (Paragraph 327).

Comment :

Government accepts this recommendation.

(xiii) The vehicle inspection system should be reorganised such that all public passenger and cargo vehicles are required to obtain quarterly inspection licences of road worthiness and the inspecting officers should be carefully screened for integrity and competence. (Paragraph 328).

Comment :

Government does not accept this recommendation as it is impracticable now to organise quarterly vehicle inspection ; the yearly vehicle inspection arrangement will therefore continue.

(xiv) Automatic traffic control lights should be set up for safety and orderliness at road intersections in urban areas. Road signs and reflections should be mounted where necessary to warn road users of hazards, and adequate street lighting should be installed in urban areas. (Paragraph 329).

Comment :

Government accepts this recommendation and notes that work was already at an advanced stage for the installation of Automatic Control lights in Lagos.

(xv) Touting in motor parks should be banned. (Paragraph 330).

Comment :

Although Government will study ways of checking touting in motor parks, it finds it difficult from considerations of practicability to accept the recommendation.

(xvi) Federal, State and Local Governments, should invest massively in passenger bus transport running urban and suburban services as well as those inter and intra State services. These services should be in competition with private investors in order to promote efficiency and keep down fares. (Paragraph 331).

Comment :

Government accepts this recommendation.

(xvii) (a) Co-operative organisations should be encouraged to invest in trucks for the transportation of food products from producing areas to consuming centres. (Paragraph 332).

(b) There should be free or subsidized school bus services in urban areas and similar arrangements should be made for groups of rural communities where distances from pupils' homes to school justify them. (Paragraph 333).

Comment :

Government accepts these recommendations and notes that action along these lines are already being taken.

(xviii) In township areas, generous parking spaces should be provided at convenient intervals for vehicles which would otherwise park along the roads and obstruct the free flow of traffic. (Paragraph 334).

Comment :

Government accepts this recommendation in principle but notes that, at our stage of development, its full implementation will necessarily take quite some time.

(xix) In each municipal area, a study should be carried out of the feasibility of providing special lanes during rush hours for commercial passenger transport. (Paragraph 335).

Comment :

Government does not accept this recommendation as it would be impossible to implement it at this juncture.

(xx) (a) Work should be expedited on the refineries now under construction to ensure a steady supply of petroleum products for the increasing fleet of vehicles in service. (Paragraph 336).

(b) Strategic reserves of petroleum products should be built up that would be sufficient to last the nation for 120 days in case of a sudden short-fall of supply. The depots for such reserves should be constructed in the State Headquarters. (Paragraph 337).

(c) The ferry services in Lagos should be extended to include services from Marina to Ijora, Iddo, Ebute Metta, Mainland Hotel and Alagbon Close in Ikoyi. (Paragraph 338).

(d) A study should be made of the possibility of re-establishing shallow draught river-craft service on the River Niger for evacuation of produce to Warri and for the distribution of imports from Warri to the hinterland. (Paragraph 339).

(e) Management of the Nigerian Airways should be improved so that it will be more commercial in outlook. (Paragraph 340).

(f) Passengers services should be improved through more effective scheduling of flights, more effective booking arrangements, courteous and orderly reception and handling of passengers at airports, and the improvement of passenger facilities at air terminals. (Paragraph 341).

(g) There should be an increase in the number of aircraft available, for local and international cargo services and an expansion of cargo handling facilities at airports. (Paragraph 342).

(h) There should be improvement of airport terminal facilities and all airports should have the night landing equipment provided for in the Development Plan and adequate navigation and communication equipment. (Paragraph 343).

Comment :

Government observes that these recommendations are already being implemented.

(xxvi) (a) The Planning and Research Unit of the Nigeria Airways provided for in the Development Plan should be set up as soon as possible. (Paragraph 344).

(b) A Nigerian Shippers' Council funded by the Nigerian Government and consisting of consignees and consignors of cargo should be formed. Such a council should be able to negotiate freight and sur-charges effectively with Shipping Lines and Conference Lines. (Paragraph 345).

(c) New Ships should be bought by the NNSL to give the Company the capability of handling 50 per cent of Nigerian cargo traffic by 1980. (Paragraph 346).

Comment :

Government accepts these recommendations.

(xxvii) An institutional arrangement should be set up under the Federal Ministry of Transport for planning the co-ordination of road, rail and water transport. (Paragraph 347).

Comment :

Government observes that this recommendation is already being implemented.

Institutional Arrangement for Prices and Incomes Policy (Chapter 11)

The Task Force recommends :—

The Productivity, Prices and Incomes Board recommended by the Adebo Wages and Salaries Review Commission should be established. As a first step, the Federal Military Government should enter into immediate consultations, with representatives of trade unions, employers organisations, manufacturers and importers with a view to getting all sides of industry to accept restraint on wages and prices. (Paragraph 348).

Comment :

Government accepts this recommendation.

Government assistance to bulk lorry owners (Chapter 5, Paragraph 69)

15. Government accepts the Commission's recommendation that substantial assistance should be given to indigenous bulk lorry owners by making available to them the facilities provided by the Nigerian Bank for Commerce and Industry, taking steps to reduce the rather high insurance premium on road tankers, and issuing directives to tanker dealers to have adequate supply of road tankers and to stock essential spare parts. The point has been made about the prohibitive cost of insurance and the general reluctance of insurance companies to insure tankers. Government is looking into ways and means of removing such difficulties.

16. Government, however, rejects the Commission's recommendation that Government should insist that oil marketers should own and operate not less than 10 per cent of the total road tanker fleet required for the distribution of their products throughout the country; there are plans to build up a fleet of Government-owned road tankers. Some of the tankers would be made available to State Governments for deployment to ensure efficient distribution within each State. The major and long distance distribution routes will however be left to private tanker owners.

Penalty for Registering Nil Stock (Chapter 5, Paragraph 70)

17. Government accepts the Commission's recommendation that a penalty of ₦5,000 (Five thousand naira) be imposed on any oil marketing Company for each day it registers nil stock (non pumpable stock). The Government also approves the penalty of ₦100.00 per metric ton for any company that borrowed products and failed to repay such borrowed stocks within a fortnight.

Liquefied Petroleum Gas (Chapter 5, Paragraph 71)

18. Government accepts the Commission's recommendation that Government should grant an import subsidy on the importation of liquefied petroleum gas (cooking gas) and also agrees that the regulators installed by the various Companies selling gas should be standardised so that consumers might easily use the gas cylinder of one company to obtain gas from another if the supply situation made that necessary.

Other Recommendations as contained in Chapter 6 Paragraph 83, Sub-paragraph XV, XVI, XVII, XVIII, XIX and XX of the Report

19. Government accepts the Commission's recommendation that all vehicles authorised to transport petroleum products across Nigerian borders should be specially registered and all registration particulars and authorization should be submitted to the Board of Customs and Excise and the Police Authorities. In addition, Government has also decided that vehicles authorised to carry petroleum products across Nigerian borders should be painted in an agreed colour for easy identification.

20. Government agrees with the Commission's recommendation that periodic raids should be mounted by the Police and Army on suspected hoarders' premises or hide-outs to reduce the incidence of hoarding. Government wishes to inform the public that this was already being done.

21. Government accepts the Commission's recommendation that to ensure quick turn-around of tanker wagons, factories using petroleum products should construct adequate storage tanks.

22. Government accepts the Commission's recommendation that licences or permits issued to surface tank dealers should be meticulously scrutinized and no such licences or permits should be issued in areas sufficiently served by underground storage tanks.

23. Government accepts the Commission's recommendation that efficient telephone receivers should be installed in the houses and offices of key men in the oil industry and at the Port Harcourt refinery.

24. Government accepts the Commission's recommendation that Government directive requiring the Nigerian Airways Corporation to give its fuel contractors two months' notice of its fuel needs for the Hajj operations should be strictly enforced. It also accepts the recommendation that the Nigerian Pilgrims Welfare Board should supply the Nigerian Airways Corporation in good time the number of intending pilgrims in order to enable the Airways give their contractors two months' notice of their fuel needs.

25. Government accepts the recommendation that oil marketers be required to keep, at least, skeleton staff to man essential supply points on Sundays and public holidays to ensure a steady and uninterrupted flow of petroleum products.