Indigenous Entrepreneurship in Nigeria and International Trade: Travails and Resilience, 1918-1940

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Abstract

Apart from the short period of trade boom of 1918 to 1921, the period between 1918 and 1940wastraumatic for business operators – European and African alike. It is well known that for any commercial activity to thrive, the conduciveness of its environments at the domestic and international levels are key factors. Between 1918 and 1940, overseas trade by colonial territories came under stresses and strains because the international commercial environment put serious check on export expansion, which contracted the frontier of market economy. Both the expatriate and African commercial interests as well as the colonial governments experienced financial set-back. The worst affected group was the indigenous commercial class who from the onset of colonial rule had been considerably limited by economic policies, which hindered their accessibility to the international markets. Largely, colonial commercial policies tilted in favour r of its strategic partners, namely, the European firms. As the struggle for survival of all stake-holders became inevitable during the depression, the prospects of the indigenous business group in overseas trade continued to fade out. The Lagos, Kano, Calabar and Port Harcourt Chambers of Commerce that protected European mercantile in various ways during the depression years continued to co-ordinate policies in the private sector in favour of their members. The commercial activities of the Levantines as well as the Indians and Japanese in the distributive trade further obfuscated the environment of operation for Africans. The paper aims to critically examine the factors that stunted the growth of indigenous entrepreneurship in the inter-war years. The resilience of the indigenous commercial group is equally discussed in terms of its ingenuity and making the colonial government to recognize its relevance.

Keywords: Commercial activities, travails, resilience, foreign firms, indigenous entrepreneurship

Introduction

In Nigeria, there were several business interests as well as cleavages on the basis of differences in nationalities and competing interests during the inter-war years. The indigenous entrepreneurs emerged and operated side by side the European merchant class in the early days of international trade (Okuntola, 2005). The European commercial class was not monolithic as there were different nationalities with varied business interests – trading, shipping, banking and mining. These firms also varied in sizes, from small sole proprietorship to joint stock companies.

Both the European and African merchants were subjected to the same vagaries of international commercial environment, but the ability of each group to overcome commercial strains varied. Since revenue earnings depended on the terms of overseas trade, revenue from custom duties also fluctuated with the variation in prices of import and export products. The economic crises of the 1880s and 1890s swept many early indigenous and European merchants off overseas trade, however, new ones emerged with the post First World trade recovery. It was also the period when the government formulated commercial policy in order to increase revenue base to finance recovery and development projects.

Commercial Groups in Nigeria

European firms did not only monopolize trading, but were ensconced in the shipping, banking and mining sectors of the Nigerian colonial economy. The Niger Company was dominant in the Tin mining industry, while the Shipping industry was dominated by Elder Dempster. Indeed, Elder Dempster and Woermann Linie, a German shipping Company had firm control of West African shipping industry because of their deferred rebates and control of lighter age services, which effectively eliminated competitors, specially tramp shipping (Olukoju, 1992).The banking business was dominated by the Bank of British West Africa, which was established in 1894 by the African Banking Corporation, London under the auspices of Messrs Elder Dempster and Co., Liverpool. The objective of the bank since inception was to provide financial facilities for British business enterprises in the colonies. It was the sole supplier of coinage until 1912 when the West African Currency Board was established. Its other competitors were the Bank of Nigeria and the Colonial Bank.

The trade boom at the end of the First World War made it possible for the indigenous business group to be brought into the mainstream of international trade, either as merchants or farmers. A greater deal of specialization occurred in the export production as the amount of land put into cultivation in the export producing region increased. Unlike in the pre First World War period when the Nigerian business environment was dominated by Europeans, the composition of the business community in the Inter-war years became wider as many new competing interests found their ways into the economy. Some of the new entrants were the Levantines –Syrians, Lebanese and Greeks as well as some Japanese and American merchants. From the 1930s, merchants from Lebanon, Syria, India and Tripoli gradually entrenched themselves in the economy having been encouraged by the post-war commercial policy of the colonial government. However, they operated in retail businesses and encroached into the traditional areas of operations of the African businessmen because of their inability to compete with the European firms.

The period under review represented a time of commercial stress and strains and characterized by the struggle for survival of the different commercial groups. It should be noted that the commercial interests of each group differed and so the struggles and strategies for survival within the harsh economic environment. While the expatriate business group was mainly confronted by the slump in the external environment, and to some extent government policy in colonial Nigeria, the situation of the indigenous enterprises was compounded by both the external factors and stiff competitions from foreign firms. However, the European business community was able to considerably cope with the slump through market strategy dictated by availability of funds and business acumen. Similarly, the networking machinery of its Chambers of Commerce in the domestic economy, with strong link with its parents Chambers of Commerce in the metropolis to a large extent, sometimes cushioned the effects of many of the adverse commercial policies by influencing government policy initiatives in its favour.

It should be noted that the colonial Chambers of Commerce were appendages of the metropolitan ones and had limited scope for independent action, nevertheless they collaborated on issues of mutual interests in order to strengthen their views. The indigenous business class lacked all these privileges enjoyed by its European counterparts, but it gradually evolved many of these methods used by the Europeans as hardship persisted. However, members of the indigenous business group lacked the financial muscles to easily overcome both the internal and external shocks because they operated on small scale compared to their European and Levantines counterparts. While these constituted part of the group's weaknesses, its strength was in protesting andforcing the colonial government to recognize the group.

Economic Slump, European Market Capitalization and African Grievances

The 1880s and 1890s economic depressions and the outbreak of the First World War had significant impacts on the activities of European firms on the West African coast. The two developments made the firms to consolidate their activities in a manner that they could withstand shocks from economic slumps. The firms therefore expanded and re-strategized their business operations after the First World War. The dynamics of international trade after the First World War made the import-export trade in the inter-war years to be characterized by the consolidation of the weak units of European firms. This gave rise to a period of monopoly and oligopoly as market strategies.

However, they were achieved *de facto* through negotiations between potential rivals or through fear of the weaker rivals to challenge their competitors.

Between 1929 and 1940, the world economy experienced a more severe depression. Mars estimated that out of the 197 expatriate commercial companies in Nigeria between 1921 and 1936, only 14 of them enjoyed unbroken existence (Mars, 1948:52.). Many of the firms were absorbed by the more powerful ones through market capitalization. The Niger Company and Lever Brothers became the largest exporter of palm oil from Nigeria. Lever Brothers acquired W. B. Maclver and Company, a leading firm in the oilseeds trade and two other firms operating in Sierra Leone, thereby created vertically integrated business concerns in West African overseas trade. Similarly, the Elder Dempster Shipping Line combined with a number of trading firms to establish the African and Eastern Trading Corporation in 1919. By 1929, John Holt was the only surviving independent British firm that was not absorbed. These companies along with the Dutch Margarine Company, Jurgens, also monopolized the groundnuts export trade during the inter-war year.

In 1919the African Association Ltd., which had been operating since1889, changed its name to the African and Eastern Trade Corporation, Ltd., as it was considered not strong enough to cope with the wide scope of its new business and the challenges in the business environment. The firm had three river steamers, namely, the *Ida* with carrying capacity of 350 tons, the *Ibeno* of 250 ton capacity and *Alice* for towing purposes, which went up to Ikom in Cross River during the rainy season. The corporation also had a fleet of lighters capable of carrying 25 tons (Macmillan, 1968).

In 1920, the Lever Brothers, under Lever hulme entered the Nigerian trade and bought over the assets of the liquidated Niger Company (Wilson, 1970). It also took over the Royal Niger Limited in 1920 and increased its trading stations from 42 to 54 it operated in 1900. It also spread its operations to Ilorin, Yola and Garua in Cameroon, and taking advantage of the railway, it extended its operations to Zaria, Kano and the Bauchi Plateau (Macmillan, 1968). In April, 1929, the United African Company Ltd (UAC), the leading British Company in Nigeria was formed through the amalgamation of the African & Eastern Trading Company, the Niger Company, the Margarine Union Ltd. and the N. V. Margarine Unie (Macmillan, 1968).At the Annual Meeting of the Company in 1919, its Chairman, Mr. Harry Cotterell announced that the Board had in the interest of the British shareholders and the business, decided to merge with Messrs Miller Brothers of Liverpool, Messrs Miller Ltd. of London and Messrs F. and A. Sawnzy Ltd. of London, thereby increased its capital to ₤10,000,000. The African Association

Ltd. operated beyond West Africa to include Mesopotamia, Syria and East Africa (Mars, 1946).

The maximization of profit and minimization of losses became the driving principle of business organization as low prices were offered for both exports and imports at the world markets. In the 1931/32 season, when the depression worsened, currency circulation, which attained a peak of £15 million in mid-1928, fell to £8 million (Mars, 1946). In order to sustain operations, UAC in particular, either engaged in competition with its rivals or succeeded in reaching agreements with them to fix the prices of imported and exported goods as well as determined the areas of operation. At the outset of the depression in 1929, UAC had shares in 37 companies and controlling interests in 20 other companies, which made the company the largest European conglomerate (Mars, 1946).

The UAC and its subsidiaries therefore dominated the European sub-sector of the private sector and the Lagos Chamber of Commerce, which was formed in 1888 to influence colonial commercial policies in the interest of the European firms. The extent of UAC's operations made it difficult to estimate its commitment to produce and merchandise trades. The capital investment of the firm also indicated its predominant position not only in produce buying and imports, but also in shipping, manufacturing, plantations and even mining. Frankel estimated the total amount of capital invested by the companies controlled by the UAC from 1870-1936 at about £25million, excluding all shipping, manufacturing plants, cold storage plant and plantations. In mining, UAC was the agent of Shell Company, the first British Oil Company in Nigeria (Mars, 1946). This estimate was about 62 per cent of the total foreign investments by all foreign private enterprises during the period under review.

The predominance of foreign firms in the Nigerian economy was also evident in the amount of their investments. The Cocoa Commission Report of 1938, otherwise known as the 'Nowell Report' put the figure of the total capital invested by the firms at £13 million out of which 72 per cent was invested in the produce business and import trade. According to Hancock, £7,834,498 was invested in merchandise trade, mainly import (NAE, 1918).These firms enlarged the irimport and export trades through massive financial resources. In terms of capital outlay and market strategy, no indigenous business operations, collectively or individually could match the European firms. Their only area of operation, however remained limited to the distributive sector, which again was also seriously competed for by the Lebanese and Indian merchants.

This period witnessed a short trade boom, followed by long period of global economic slump, which affected both the foreign and indigenous commercial classes. Many of the big firms decided to cut down on their expenditures, especially the overheads as one of the coping strategies. Also the UAC, which had about 80 out-stations in Kano area alone, reduced them to 25 in the 1930s (Hopkins, 1974). Similarly, the import trade of the slump period was divided among the leading companies by the Staple Lines Agreement of 1934, and by a more comprehensive agreement, which replaced it in 1937. In the produce market, sharing arrangements were made through the formation of 'pools' in which members aggregated their individual purchases and then divided them according to previously agreed proportions. The mining industry was also affected and the Nigerian tin output was controlled by the terms of the International Tin Agreement as from 1931.

The Nigerian commercial environment became difficult for the indigenous commercial class due to the competition from the Levantine businessmen. The situation was made more difficult for the indigenous merchants due to the effect of the previous commercial policies. On the part of the government, fluctuation in produce prices affected the whole structure of the colonial administration, which informed a commercial policy regime in favour of its strategic partner, the European firms. In fact, the colonial government was careful not to incur the resistance of European firms in its effort to increase duties, while the indigenous merchants did not enjoy the same luxury or privilege.

One of the challenges of this period was the organization of trade by African merchants in the Eastern Nigeria where women played dominant rolein the palm oil trade. The small traders were also faced with the impacts of monopolistic and oligopolistic market strategies of the big firms. These challenges were compounded by unfavourable colonial banking and shipping policies that made it difficult for the indigenous merchants to compete with foreign capital who consolidated against the former. On some occasions, the indigenous merchants protested against either the exploitation of the big European firms or government's policy enacted to increase their hardship. For example, women rioted in Aba in 1929 due to the wide fluctuation of prices of produce in the 1928/29 period and changes in the system of measuring produce. Another serious protest by women over produce prices also occurred in Oron in Calabar Province in 1933 where many market women staged a boycott of trade and broke up surrounding markets to enforce the boycott (Mba, 1982). Their grouse centered on the low prices that UAC wanted to pay for produce in these markets, while the traders demanded for increase in the price of palm oil. Indeed, the disturbances spread to other Ibibio towns, each of which sent women delegates to Oron Council, which met to mediate in the dispute (Mba, 1982).

The Challenge of Government's Inter-War Commercial Policies

The excesses of the European firms was a major concern to the indigenous merchants, a situation compounded by some government policy initiatives. Most government commercial policies had never favoured the indigenous merchants because it was less concerned about the socio-economic development of its dependencies. Policy initiatives of the colonial government were to create the enabling environment for its strategic partners, namely foreign capital, to survive. The colonial government then embarked on international promotional strategies to boost Nigeria's export trade as depression deepened. This was due to the unstable economy during the period of depression, which called for the vigorous marketing of Nigerian produce in a number of world markets, particularly in Europe and North America. In 1928, Nigeria in conjunction with other British West African colonies, namely Gambia, Sierra Leone and Ghana, participated in the Canadian National Exhibition in Toronto, in order to remain relevant in the world market (LCC, 1928). The exhibition reflected the rapid growth of cash-crops in Nigeria and their importance to the economy. Also in 1930, on the occasion of the Internal Maritime and Colonial Exhibition at Antwerp in celebration of the centenary of Belgium's independence, the colonial government staged an exhibition, though on British pavilion, to advertise Nigeria's raw materials to manufacturers. Despite the benefits of both exhibitions, no indigenous business group participated in them because it was on a small scale, compared to their European counterparts.

The indigenous business groups were not represented in policy making, because they had no members in the existing Chambers of Commerce in Lagos, Kano, Calabar and Port-Harcourt during the inter-war years. The 1903 toll issues in the Yoruba hinterland had compelled all the African members of Lagos Chamber of Commerce to withdraw their membership and it was not until 1929 that the association produced its first African President. Although these Chambers of Commerce were designed to represent members' commercial interests and co-ordinate policy in the private sector, they were preoccupied with British interests in local commerce. In fact, they were practically linked with the Chambers of Commerce in Liverpool, Manchester and London and by extension, British investments in the international markets. They were also in regular communications with other British Chambers of Commerce on the Western African Coast, namely, Sierra Leone, Gambia and Ghana as well as other foreign investors.

In 1930, the colonial government proposed the Native Authorities and Native Courts Ordinance, in which European residents were to be brought under the jurisdiction of the Native Courts. However, the Lagos Chamber of Commerce brought its networking mechanism to bear on the Association of West African Merchants of Liverpool by which the objectionable clauses of the Native Courts (Amendment No.2) Bills were quickly suspended and are presentation was made to the Colonial Office in London for its ratification. The affiliation of these local Chambers of Commerce with the Federation of Chambers of Commerce of the British Empire, formed in 1918strengthened their international networking mechanisms. While the Colonial Office relied on the colonial administrators for daily information about the colonies, the Federation of Chambers of Commerce made the local Chambers of Commerce veritable sources of data collection on trade. The reports by the local Chambers of Commerce provided the day-to-day information on British trade upon which informed decisions were made for policy advocacy and initiative in Britain (LCC, 1921).

During the depression, the colonial government was forced to introduce new taxes in order to increase its revenue generation. This led to mass commercial protests in Eastern Nigeria against colonial taxes that did not take into consideration falling prices of produce in the international markets. Prices of produce, the main source of revenue in the region fell drastically, and the Acting Secretary of the Southern Provinces insisted on the payment of taxes without giving allowance for the effects of trade decline. Indeed, the residents of Owerri Province strongly pointed out that the taxation was a burden in view of the fall in produce prices, and therefore should be reduced. The women suffered the more when in 1937, the Royal West African Frontier Force troops stationed at Okigwe were removed to Enugu, thus denying them a large clientele for their foodstuffs (LCC, 1921). The family heads that the colonial government had charged with the responsibility of tax collection also became reluctant to discharge such duty, despite government’s threats. The women in Okigwedid not only refused to pay the taxes, but also joined women in other districts of Isuochi, Otanzu, Otanchara, Nneato and Uturu to stage various ant-tax campaigns and protests (LCC, 1921).

Other fiscal measures such as the revised *ad valorem* and specific duties on assorted goods were also enforced in collaboration with the Lagos Chamber of Commerce (Iyanda, 1989).In fact, the Chamber assisted the West African Produce Control Board, formed in 1941, in organizing a monopoly in collaboration with the big European firms in the purchase of cocoa, rubber, palm oil, palm kernels and groundnut. The support given by the Chambers and the European merchants to the operations of the Board further gave credence to the feeling among the African merchants that the Chamber was the official agent of the Board and indeed, the colonial government.[i]
Similarly, Africans in the retail business were faced with stiffer competitions from the Lebanese, Greeks, Indians and Syrians merchants, who seized the opportunity of the ‘open economy’ strategy of the British government for other nationals, to operate

in the West African markets. Many of these other foreign merchants penetrated the hinter lands, where they engaged in export of produce as well as operating shops in large towns, thereby competing against African merchants. These other foreign interests were moved by the economic boom that followed the First World War to enter into the Nigerian market. The involvement of this group of merchants in the Nigerian economy did not only increase the number of foreign businessmen, but also changed their ethnic composition. In 1921, the Lebanese numbered 143, while there were just 17 Indians and 26 Greek immigrants. The Lebanese and Syrian merchants concentrated on the importation of textiles and exports of cocoa and groundnuts. A prominent Lebanese, the El-Khalil started business as retailer and later moved into semi-wholesale and some of the Lebanese went into transport business. In the 1920s, some of them operated transport services in Lagos and Ibadan through which they were linked to produce and import trade (Falola, 1990).Besides their importance in transport business, they were also involved in money-lending and petty pawn-broking. By 1938, the Lebanese had increased to 818and constituted the largest number of immigrant group in the Nigerian private sector (Forrest, 1995).

One of the first Lebanese to become prominent in commercial activities in Lagos was Michael Elias, a cattle breeder and produce merchant, who operated between Lagos and Kano. Apart from trading in livestock, he was an exporter of hides and skins and employed men with salaries of up to £1,000 per annum (Macmillan, 1968; Falola, 1990). He dominated the cattle trade between Lagos and Kano; supplying over 15,000 heads of cattle to Lagos annually. The relative low cost of their merchandise and the preparedness to compromise comfort in preference for trade as well as collective support for each other's' businesses, the Levantine, particularly the Lebanese not only acted as intermediaries between the European import-export houses, but also competed with Africans in the shop-retail business and in street peddling. Other prominent non-European merchants included Mandilas and Karibaris, Nassars, Arab Brothers, S. Raccah and A. G. Leventis, a Cypriot Greek who began business in Nigeriaas a produce trader in 1938. He arrived at Abeokuta and began his produce trade as an agent of A. J. Tangalakis (Forrest, 1995). The value of his import business was calculated to be over £15million per annum, ranking next to the United Africa Company and John Holt (Kilby, 1969).The leading Syrian business interest in Nigeria was C. Zard & Co. Enterprise, which operated dairies in Lagos and Ibadan and supplied fresh milk to the region as well as exported cocoa and palm kernels (Mars, 1948).There were also Indian merchants such as K. Challeram and Sons, J.T. Chanrai and Co., Bhojson, India Emporium and Inlaks. Others were the Sindi textile traders, who traded in cloth in West Africa. By 1939, K. Challeram had eleven branches in Nigeria and was the fifth largest importer of textiles into Nigeria (Kilby, 1969).

The Ingenuity and Resilience of African Merchants

The indigenous entrepreneurs that emerged during the inter-war period spread out more than the ones in the pre-First World War years, which were restricted to few commercial cities, particularly the coastal regions of Lagos and Niger Delta. The growth and spread of the indigenous entrepreneurs corresponded with the rapid spread of European firms into the hinterland and the growth of overseas trade. The pattern of emergence of these new entrepreneurs was similar to those of the defunct African middlemen in Lagos and the Niger Delta coasts in the 1880s. The emerging merchants started their commercial activities as clerks in some of the European firms, similar to the middlemen of the past. However, they later established their own businesses and joined the produce trade in the 1920s and by the beginning of the Second World War, they were already well established.

In a curious twist of circumstances during the inter-war period, African businessmen were admitted into the Lagos Chambers of Commerce in the 1920s, when the applications of S.H. Pearse and P.J.C. Thomas were approved. Mr. Thomas was elected into the executive as the first African President of the Chamber in the 1929/30 year, while Mr. Pearse became the second indigenous President. They were admitted into the Chambers of Commerce during the period of trade boom and when new crops of indigenous merchants began to be involved in the overseas trade. Probably the purpose was to convince the Lagos business community that indeed the Chamber was no longer wholly European as it was since 1903 when all the indigenous members withdrew their membership over the issue of toll collection in the hinterland. Although, S.H. Pearse and P.J.C. Thomas occupied high executive positions in the Chamber, the number of indigenous members was insignificant to influence the decision on any matter that touched on indigenous commercial interests. It was not after the Second World Warthat other Africans began to join the Chamber. In fact, the inter-war period did not record any fundamental role of these two Africans in policy advocacy.

Some influential members of the indigenous merchants' class who were not members of the Chambers of Commerce emerged during the inter-war years. Notable among these emergent members included Christopher Tagbo Onyekwelu, Mobolaji Bank Anthony, Shafi Lawal Edu and Odumegwu Ojukwu. Others were Festus Sam Okotie-Eboh, S. O. Gbadamosi, Lawrence Omole, Haruna Kassim, and Adeola Odutola, who was in joint ventures with the Leventis Company. Most of these indigenous entrepreneurs were not success at the beginning. For example, Tagbo Onyekwelu became an importer and exporter after a brief engagement in farm work. He started as an agent of the Niger Company in in 1926 on palm produce Onitsha and later became importer of Rangoon rice, but competitions from foreign firms forced him out of import business in 1929 (Forrest, 1995). He thereafter diversified into the importations of bicycles and sewing machines spare parts from Birmingham. Again, competition from another British firm, John Walkden forced him out of business. Tagbo eventually became an importater of gramophones and gramophone records from a Liverpool firm, Messrs Herchells and Co. Ltd.

Shafi Lawal Edu was another successful indigenous merchant, unlike Tagbo, he began his commercial activities as a clerk with the African Oil and Nuts, a Unilever Subsidiary in 1929. He later moved into shipping business and joined the Holland West Africa Lines in 1931 where he became the Head Manager of the firm in 1946. Edu was the sole agent of the shipping firm in Epewith branches in Badagry, Warri and Sapele. His experience in shipping made him to diversify into export trade and became a ship's chandler, supplying provisions to shipping lines. He later went into stevedoring and later transport where he established the S.L.E. Transport Ltd and became the sole haulage for British Petroleum in the Western Region (Forrest, 1995).

In the hinterland, there was a distributive chain of buying process, which involved petty traders such as 'pans' or 'baskets' buyers, otherwise called 'sub-brokers'. For example, they were part of the distributive chain in the cocoa region from whom the large African traders bought and sold directly to the expatriate firms. Some successful brokers also became big producers such as Chief J.A. Obisesan of Ibadan who started as cocoa buyer in 1914 and reinvested his profits in farms, which was managed by agents (Hopkins, 1973).Similarly, groundnut businesses were carried out through chains of buyers who acted as agents of the prosperous Hausa merchants in northern Nigeria, typical of indirect commercial operation.

African commercial groups, especially in Lagos, the seat of colonial government, wanted their voices to be recognized by the government for meaningful policy advocacy. They realized that grouping themselves into commercial associations could enhance their relations with the colonial government and influence the commercial environment in their favour as well as act as counterpoise against the European-dominated commercial associations. This decision was influenced by the realization that protests and strike actions used to express their disenchantments with price fluctuations, tax increases and the unfavourable competitions from foreign firms, were not enough to drive home their points.

The indigenous business class therefore realized that it could ventilate its views and grievances through membership of commercial associations (Olukoju, 1992).For example, in 1919, a group of Nigerian exporters combined to form a committee known as the West African Federation of Native Shippers and Traders in order to mitigate the difficulties in shipping at the end of the First World War. The committee was a type of trade association used as platform by its members to promote African export and import capacities. Some members of the committee were sent as representatives to London to request for the improvement in shipping facilities. The association had members such as J.H. Doherty, Fred E. Williams, a prominent cocoa trader, Salami Agbaje, a wealthy Ibadan merchant and J.K. Coker (Coleman, 1986). J.H. Doherty started his commercial career as a clerk in an African firm in Lagos. Although his business suffered some setbacks, in the 1920s, it was revived under his son who modernized it by forming a limited liability company in 1930 (Hopkins, 1973).

In the 1930s, some members of the Nigerian educated elite as a group demand for better opportunities for participation in politics and economic affairs under colonial rule as some of them were even into produce trade. The Nigerian Produce Trader's Association was formed in the late 1930s by Obafemi Awolowo, a frontline nationalist in order to protect the interests of its members. Indigenous lorry owners also established the Nigerian Motor Transport Union in order to serve the interests of the members. In the 1920s, two other indigenous commercial associations, namely, the Ijebu Aborigine Society, a socio-economic association and the Ibadan Native Traders' Association stood out as they were well recognized by the Lagos Chambers of Commerce. Lagos became the hotbed for these commercial pressure groups, due to the commercial and cosmopolitan nature of the city.

Most of the indigenous associations were able to ventilate their views and grievances, sometimes using their relationship with the local Chambers of Commerce thereby minimizing conflicts. Matters rising from meetings of these associations were sometimes put forward to the Lagos Chamber of Commerce for consideration and prompt attention. For example, in 1926,the Ibadan Native Traders' Association requested the Lagos Chamber of Commerce to prevail on the government on its behalf so that arailway branch line could be laid in Ijebu area. The Chamber quickly contacted the General Manager of the Nigerian Corporation, who quickly reported that the project was not feasible at that time (Iyanda, 1989).Again in 1927, the Ibadan Native Traders' Association in a letter to the Lagos Chamber of Commerce complained bitterly of the insufficient produce inspectors for cocoa in Ibadan and the failure of the Director of Agriculture to heed to its appeals. The Chamber discussed the matter and noted that even in Lagos, similar problem occurred. It then suggested to the government that the solution was an amendment of the existing Produce

Inspection Ordinance. Members of the Chamber on the Produce Inspection Advisory Board therefore took the matter to the government to be resolved. The outcome was that more produce inspectors were employed and deployed not only to Ibadan, but also other cocoa grading stations (Iyanda, 1989).

Between 1932 and 1942 there were other nine indigenous commercial associations formed in Lagos alone (Coleman, 1985). These included Lagos Fishermen's Association (1937), Alakoro Union Women's Trading Company (1939), Farina Women Sellers' Union (1940) and Lagos Wholesale Butchers' Union (1939). Others included Taxi Driver's Association (1938),Lagos Canoe Transport Union (1938), and the Lagos Union of Auctioneers (1932). The forming of associations was not limited to the merchants, farmers also formed their union in order to promote their welfare. For example, the Ibibio Farmers' Association, an auxiliary of the Ibibio Welfare Union was formed in 1932 to influence policies relating to produce and its exports. The unions began to agitate for direct representation in the Legislative Council (NEM, 1941). This is understandable because the indigenous business class realised that the views of pressure groups can be tabled at the Legislative Council where they can get sympathy from representatives of business communities.

Conclusion

The paper has examined the multi-dimensional challenges in the domestic and international commercial environments of business operation in the colonial economy that the indigenous business class had to contend with. The travails of the class were obvious and varied, with one reinforced by the other. While the European firms and their cohort, the Lebanese, exerted pressure, government through its commercial policies compounded the situation. These challenges were created within the structure of colonialism in which the colonial economy must be self-sufficient to sustain the administration. Furthermore, strategic partners of the colonial officials, namely the European merchants, must be supported with government policies, while the indigenous merchants received little or no support.

However, African ingenuity and resilience were well demonstrated during the inter-war years in a manner that made some indigenous businesses to survive. The period witnessed the emergence of formidable economic nationalists or class who laid the foundation for indigenous entrepreneurs. This group formed the nucleus of the Nigerian nationalists, and supported as well as strengthened the agitations for political representations. Beyond organising protests and strike actions, they constituted themselves into commercial associations for policy advocacy and became recognized by the government. For example, the Lagos Chamber of Commerce – the falcon of all the European Chambers in Nigeria recognized many of them, thereby defining the development and direction in Afro-European commercial relations that was sustained till the post Second World War. The policy advocacy mechanism of these associations were not only built upon in post-Second World War era, but used by the nationalists in the demand for independence.

End Notes and Reference

[i] With gradual boom in trade in 1936/37, government became well disposed to implement the provision of the Colonial Development Act of 1929. The Act provided for a colonial development fund to finance certain welfare schemes on a yearly basis to promote commerce, relieve economic depression in the United Kingdom and, stimulate agricultural and industrial activity. Representatives of the Chamber served on a number of advisory committees that deliberated on certain schemes recommended by government. The Chamber's memoranda were replete with questions relating to progress reports on the schemes.

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