

## THE BRITISH MINING & OIL REGULATIONS IN COLONIAL NIGERIA C. 1914-1960S: AN ASSESSMENT

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### ABSTRACT

*The British colonial authority ran an elaborate administration in Nigeria up to 1960. The strong nature of the colonial economy accounted for the success of the British administration in Nigeria, and an important element of the economy was mining. As expected, the mining and oil exploration activities by multinational companies in colonial Nigeria were guided by certain regulations. This paper examines some selected British mining and oil regulations in Nigeria from 1914 up to the era of decolonization. It employs both primary and secondary sources to examine the motive behind the British colonial government's decision to embark on mining exploration and later on the search for crude oil in the country. The study focuses on the processes of enactment of certain Ordinances like the 1906 and 1907 mining rights, and particularly the 1914 and other subsequent oil legislations. It argues that the mining and oil rights were passed into law as part of the processes of amalgamation of the three protectorates by Lugard even though the colonial administration was not yet ready at that time to finance crude oil exploration which had not yet been found in commercial quantity. It was meant to secure the British easy administration as well as to make the exploration a wholly British monopoly. The paper further argues that the British mining and oil rights at the time were not made for the protection of the Nigerian environment because the oil industry in other parts of the world had not really established what constitutes pollution or damage to any environment. The authors argue that this notwithstanding, certain environmental laws were established by the British colonial government in Nigeria to safeguard the rights of the local land owners as well as the oil or mining operators. While the study suggests that the British exploration policy on mining and oil, had laid a solid foundation for the future growth and development of the oil sector in Nigeria, it concludes that Nigeria's post-colonial governments could tap and use the revenue accruing from petroleum resources for the socio-economic transformation of the Nigerian society, particularly the Niger Delta oil-producing region.*

**Keywords:** British Ordinances, Environment, Mining & Oil Exploration, Amalgamation, Niger Delta.

### INTRODUCTION

There were several ethnic groups, each with its own system of politically independent form of government before the creation of the Nigerian state by the colonial regime (Eluwa; 1987). They included the Kanem-Bornu Kingdom, the Fulani Emirates (Sokoto Caliphate) of Northern Nigeria, the Ife Kingdom, the Benin Kingdom, Yoruba Empire of Oyo, and the city states of the

Niger Delta, such as Nembe, Bonny, New Kalabar and its hinterland, and the Igbo people of the Eastern region. These sovereign territories were culturally diverse, until the British established colonial rule over the region from 1900 onwards (Nmadi & Martins, 1992; Greene; 1968). The period 1900 to 1906 witnessed multiple acts of resistance to occupation, conquest and establishment of colonial administration in the Nigerian territories. The drive of British colonial power at that time was linked with economic expediency and dictated by industrial capitalism. The economy imposed on Nigeria between 1914 and 1960 was structured in a way to satisfy the needs of the British economy and political hegemony and solve the contradictions within the capitalist system, and explains the motivation behind the promotion and production of cash crops by the British to meet their industrial needs, notably palm oil, cocoa, groundnuts, rubber and later coffee (Lasisi: 1994). Mineral resources, such as tin and coal, also became important exports.

The process of unification of Nigeria began in 1906, and was aimed at securing a central direction of policy and pooling resources for administrative purposes. This would in turn allow the southern part of the country to cover the cost of administration and development of the financially weak protectorate of the north (Abejide, 2009; Ige, 1994). According to Ekundare (1973), the unification of the northern protectorate, Lagos colony and the southern protectorate "... was considered desirable and expedient in order to centralize the administrative control of the country and thus facilitate better utilization of resources and coordination of social and economic development project." Despite that, the amalgamation of those protectorates in Nigeria by the British had failed to consider the views of Nigerians on whether the decision for lumping them together was acceptable. As was the norm during the early colonial period, the views of Nigerians were not sought on even the most basic issues. Unification was pushed through for the administrative convenience of the colonial government as well as to utilise the existing and strong export markets of the south, as well as to pay for the colonial administration and economic development in the financially weak north (Greary, 1977). Clearly, the British search for easy administration encompasses the formulation of policy that would permit early exploration of mineral exploration in Nigeria. Colonial Annual report has revealed that the direct involvement of the British in the history of oil exploration in Nigeria was directly link to the successes recorded by its Anglo Persian Oil Company in the Gulf before 1909 (National Archives Enugu, NAE; 4645/1908; NAE, 422/1914). Amongst other factors, the British were encouraged to conduct similar seismic survey in the entire colony of Nigeria, particularly around the Lekki Peninsula in Lagos.

### **STATEMENT OF THE PROBLEM**

This paper is primarily concerned with the development of oil and mining regulations in British Colonial Nigeria. Few scholarly publications exist on this issue. Scholars like Sampson, (1975), Owen, (1975), Carland, (1985) Macbeth, (1985) Oremade, (1986) Pearson (1970) Ikelegbe, (2006) and Aghalino, (2009) have express concern over the early European exploration for oil colonial Africa, particularly the involvement of the British company in the Gulf, and how similar explorations started in Nigeria. That the British colonial office was unwilling to embark on the exploration for oil in Nigeria is clear. The financial cost and the uncertainty that oil may either be discovered or not equally put them in a serious dilemma. Using both primary and secondary sources, this paper attempts to address some pertinent questions namely: What was the motive behind the 1906 and 1907 Mining Ordinances? How did the British manage a distinct oil policy from mining exploration in Nigeria? And, how did the 1914 oil regulations imposed British ownership over Nigerian land and mineral resources particularly, as part of the process of

amalgamation? It will be shown how the British oil regulations of the 1940s led to protests by the local people of the Niger Delta region. The British oil ordinances to a large extent lay the basis for future industrial development of the oil sector that the post-colonial Nigeria government is expected to tap and use for socio-economic transformation of the country.

### ***British Mineral Rights in Nigeria***

Explorations and geological surveys of the mineral resources formed an integral part of the British colonial economic policy in Nigeria. Prior to the 1914 Mineral Ordinance, legal guidelines under which mining companies could operate in a particular concession was passed in 1906 and 1907. This entailed permission being given to the company involved to conduct geological surveys in specific areas (Shell-BP, 1983). The mining and oil companies had concessionary rights to commence their geological and geophysical investigations in the area allocated under the 1907 ordinance to explore parts of the north, south as well as the coastal waters within three mile limit. We should note that Mining legislations had a direct link to metallic, carbon, earth and other precious minerals as contain in the 1906 Ordinance. Precious Minerals include precious stones, diamond, Emerald, Garnet, Opal and Sapphire, while precious metallic minerals include Gold, Iridium, Silver, Platinum, and Iron ores, Lead and Zinc (National Archives Ibadan, NAI, 0094/196). The mining legislations were also required to clarify certain mining ordinance and oil regulatory laws. The latter was also necessary in order to reach an agreement with John Simon Bergheim a British Engineer and businessman, who had worked for Persian Gulf oil exploratory companies and eventually formed the Bitumen Oil Corporation (Carland, 1985). He convinced the British Colonial Office to grant his corporation the right for crude oil exploration.

Bergheim approached the Colonial Office for financial assistance in the search for oil, but the Colonial Office did not approve this, because the government was not willing to be involved with private partnership. He however informed the permanent officials like Butler, Strachey and Fiddes, that the existing mining regulations were not suitable and that oil laws should be treated differently (Colonial Office CO, CO502/40/28382). This explains the beginning of the development of oil legislation in Nigeria. It should be noted that the drilling for crude oil involves different skills from mining and was capital intensive. The Southern Nigerian Mining Laws on mineral extractions did not make provision for huge capital investment on mining, whereas the search for oil resources was very expensive (CO502/28382). Bergheim's idea was rejected by the Colonial Office on the ground that it would be applicable to all oil prospective companies. The Bitumen Corporation was more concerned about its own prospect and wanted a clear distinction to be made between a pioneer oil company and those that would come at a later date (Carland, 1985). The Bitumen Company proposed that the amendment should permit the pioneer oil company to pay seven and half percent as rent and royalties on land, while those who would join after the oil discovery to pay more rent (CO502/28382). We can argue that the Colonial Office was considerate in their response to the company, as some of their demands were accepted. As a consequence, the Colonial Office made certain amendments in the existing mining rights in 1906. The amendment was very vital in order to secure mining rights for the prospective multinational oil companies in the south-western part of the colony of Lagos. The amendment specifically differentiates the mining of Tins and Gold, Lead and Iron ore from the oil mining laws. Evidence from a colonial report shows that, the Colonial Office approved the reduction of the rent or royalties payable on land concession of seven and half percent to fifteen and half percent, from five percent to twelve and half percent (NAE,1290/1906). This was a step taken by the British government to adopt a separate mining rights from the oil regulations, just as

the Southern Nigeria Mining Regulation (oil) Ordinance was passed in 1907 (NAI, C80/1290). A colonial report shows that the Colonial Office was willing to finalize the amendment process to incorporate the oil regulations as a result of the successes recorded by Bergheim's geological survey of untapped petroleum resources along Lekki-Lagos Lagoon (NAE 1290/1906).

As expected, the 1907 Ordinance stimulated internal resistance within the Lagos colony. Steyn (2009) points out that the ordinance was drafted without the consent of the Lagos elites and particularly the traditional rulers. An un-official member that represented the people in the British legislative council, Sapara William, noted that section (5) of the 1907 ordinance has granted the Governor the rights to enter into agreement with the traditional rulers on the sale of both the surface and sub-surface mineral without the payment of rent on oil. He tried to convince the legislative council for the amendment of this clause, and to permit the rulers access to the proceeds found on their land. This was turned down by the official members of the British legislative council in favour of the Governor (Lagos Standard, 1907).

Governor Walter Egerton had also by 1907 granted John Bergheim's Bitumen Oil Corporation exclusive right over oil mineral exploration in the South-Western Nigeria. The governor did this based on the 1907 mineral ordinance that empowered him to grant licenses to the prospective oil multinational companies registered in Britain and in the British citizens (NAI, CSO/1907/C80). The Bitumen Oil Corporation was therefore privileged to have a cordial oil business relationship with the Governor of Lagos whose development programme in the colony also featured in the exploration of crude oil. His immediate attention revolved around the economic growth of the colony, provision of infrastructure facilities, transportation and education, as well as oil mineral exploration. Clearly, Governor Egerton supported Berghiem's application for loan towards its exploration activity in the lagoon area of Lekki. According to Schatzl (1969), the licences for prospecting for minerals and oil permitted the companies the right to start geological and geophysical investigations, to drill and extract samples as well as export to Europe. We argue that though, the colonial administration was in general very open to most mineral exploration activities, it was not yet ready at that stage to spend funds on petroleum exploration, which had not yet been found in commercial quantities in the Nigerian region.

#### ***Lugard's Oil Regulations & the 1914 Amalgamation***

Evidence has revealed that all minerals found on land belonging to the crown in Nigeria were vested in the Crown while the non-Crown land belonged to the surface owners, individual owners and the native communities (PRO/CSO/PAD/2688). It should be noted that the Crown also retained the mineral rights on all lands alienated before that date, as they had passed to the surface owners. This explicitly shows that all mineral rights found in the earth belonged to the colonial government, while the native landowners had rights to compensation. As a result of this, the 1900 Land Proclamation Act was enacted to protect the interest of the colonial government over all land where oil and minerals are found in Nigeria.

The British colonial government commenced the implementation of rights over land, particularly as stipulated in the Land and Native Rights Proclamation of 1910: "...that the whole land should be under the control of the Nigerian government while the colonial government may grant certificates of occupancy to both Nigerians and non-Nigerians" Evidence has revealed that the Proclamation was repealed and re-enacted as contained in 1916 Ordinance to ensure compliance. Matters actually changed under the Lugard administration. By 1914, Fredrick Lugard, the Governor-General of Nigeria, passed a legislation to secure easy administration over mining and oil rights, replacing the 1907 Mineral Ordinance and making it a wholly British concern. The terms of section 6 (1) of the 1914 Ordinance read, in part, that:

*No lease or license shall be granted except to a British subject or to a British company registered in Great Britain or in a British colony and having its principal place of business within her majesty's dominion, the chairman and managing director (if any) and the majority of the directors of which are British subjects. (NAI, 29/1914)*

This principle also allowed non-British directors in the newly integrated nation by 1914, since the director, chairperson and the majority of other directors were British subjects (NAE, CSO/1914, 95). According to Okonmah (1997), the Mineral Oil Ordinance of 1914, “vested the right to search for, win and work mineral oils exclusively in British subjects or companies controlled by them.” The granting of sole concessionary rights over mining and oil empowered the Governor General to grant licences and leases only to British companies and subjects, and which to a large extent facilitated the concession given to the two British oil companies two decades later.

More specifically, the mining and oil leases permitted the company the right:

*...at all reasonable times to enter into and upon any part of leased area for all or any of the following purposes; (a) to examine boreholes, wells, chattels, plant, appliances, buildings, installations works and effects used for the operation... (b) to inspect the samples of strata, petroleum or water which the lease is required to keep in accordance with the provision of the lease...(Schatzl,1969)*

This implies that the landowners had no right to challenge the occupier of the leased land while the agreement was still binding. The mining company had the sole right to start exploration and extract any resources found on such land.

The 1916 Mineral Ordinance re-affirmed the control and ownership by the British Crown over mining and oil rights found in the Nigerian environment (NAI, CSO, 1290/1916). Section 3(1) of the Ordinance clearly states:

*The entire property in and control of the minerals, and mineral oils, in under or upon any land in Nigeria, and of all Rivers, streams and water courses, throughout Nigeria, is and shall be vested in the Crown, save in so far as such rights may in any case have been limited by the express grant made before the commencement of this ordinance (NAE, CSO, 422/1916)*

We should note that the above legislation has been repealed and replaced by the Petroleum Act of 1969, which reaffirmed the ownership of mineral resources in the federal government of Nigeria.

Sequel to the above provision, Section 22 of the 1916 Mineral Ordinance, specifically on mining rights, stated that:

*...the holder of a mining right shall continuously and regularly carry on mining operations on the lands the subject of the mining right to the satisfaction of the Government Inspector of mines, and shall furnish such reports and returns and shall keep such books as may be prescribed (NAI, Min Ordinance1916).*

Moreover, Section 34 (1) of the mining right, as contained in the 1916 ordinance, also stated that:

*The mining lease shall pay compensation to the owner of any building, or of any economic trees, or crops removed, destroyed or damaged by the lessee, his agents workmen: provided that compensation shall not be payable in respect of any building*

*erected or trees or crop planted on land in respect of which surface rent is paid by the lessee under section 32 after the date of which such rent commences to be payable (NAE, CSO, 422/1916).*

These provisions are clear manifestations of the British colonial government's consideration for the local landowners as well as protection of their own companies in the colony. This was contrary to what many authors on colonial development in Africa and Nigeria have written so far, in that they contend that the British colonial rule was merely exploitative (Rodney, 1972). A memorandum on the British colonial mining policy reveals that the British saw minerals as an important economic asset to its colony Nigeria, and also as a gift of nature (ONDIST, 2688). This then implies that the benefit had to be shared with the community where such minerals were found. The right over the proceeds did not belong to the private company alone, nor to a particular group of people who were alien to the local community.

Being conscious of the problems associated with mineral exploration in a colonial territory such as Nigeria, the British in a confidential report required that mining operations be carried out in accordance with a planned programme in order to determine its social effects beforehand, and in an attempt to counteract the evils of unregulated development and its attendant social distress and effects on agricultural village life and diversion of manpower (ONDIST, 2688). The above stated mineral Ordinance of 1914/1916 played a vital role in the British search for natural resources in colonial Nigeria. By implication, the provision of these ordinances guided the conduct of geological surveys or seismic drilling on any environment involving line cutting, detonation of explosives, site preparation and dredging, which according to Ashton (1995), would "...damage human, plant, marine and wild life habitat and affects soil structure and acidity" This also explains the precautionary measures which oil corporations were expected to take during the course of exploration into any part of Nigerian environment. We argue that the post-colonial Nigerian government was expected to adopt and consolidate these environmental regulations in order to protect the Niger Delta oil-producing communities. Evidence shows that the oil communities have been neglected by Nigeria's successive governments in terms of constant pollution of their rivers and land without being adequately compensated.

Based largely on the above Mining and Oil Ordinances, two mining companies namely; the Niger Company and later the Champion (Nigeria) Tin Field Company, obtained licences between 1902 and 1909 to start their mining operation in the southern and Jos plateau of northern Nigeria (Maphee, 1926). The Niger Company's licence covered approximately 900 square miles along the Plateau and Bauchi area. The licences also required the mining companies to consider the protection of agricultural lands, forests and rivers, and, the mining lease agreement required the restoration of land to a state suitable for agricultural operation after mining had stopped, particularly if such land had previously been of pastoral value (PRO/CSO/1808). The miners had to comply with the payment of rents and royalties to the colonial government in Nigeria, as well as the native community (CO/5102).

The mining for tin actively began with the improvement on transportation and communication facilities and the construction of roads to reach the centres of production (Ekundare, 1973). As Mcphee (1926:58) also argues such improved communication had a great impact on the opening up of areas, particularly railway construction in the north from Baro-Kano-Lagos across the Jebba bridge. We argue that the discovery of tin was made in the Jos area of the Plateau and Bauchi in the north by the two mining companies partly as a result of large capital investment by the industry. The economic importance of tin and other minerals to the British colonial administration also informed the extension of the rail lines to Jos area in the north.

The question arises, however, as to why Nigerians were being excluded from owning mining licences? The answer is perhaps that the mines owned by Europeans originated from large foreign capital investment, which Nigerian entrepreneurs did not have access to in the early years of the colonial rule. Section 14 of the Mineral Proclamation of 1910 stated that: “An applicant for a mining lease was required to show that he has sufficient capital to “ensure proper development and working of the mines”

The huge capital investment which mining required actually contributed the marginalisation of Nigerian indigenous mineral resource investors at that period. The mining operation also required labour potentials which European investors believed could be generated from the indigenous population. This helps to explain that the, local African communities were essential to the operation of the mines, with around 15,000 people employed by the mining companies. They also benefitted from the royalties paid on the sales of tin ore (Mcphee, 1926).

The table below reveals the output of tin within the period 1910 to 1914. The capital investment by the London Company increased output from 739 tons in 1910 to 6,174 tons in 1914. Mcphee (1926) claims that the output of tin also rose to 9,996 tons in 1917, but had fallen to about 7,000 tons by the 1920s.

**Table 1: Output of Tin, 1910-1914**

Year	Tin Exported(Tons)	Ore Worth (£)
1910	739	77, 310
1911	1,529	181, 759
1912	2,803	336, 330
1913	4, 142	568,428
1914	6,174	706, 987

Source: Nigeria Handbook (1922, p.198) Cited in Mcphee (1926).

The table below equally reveals the rapid increase in the output of tin in tons to 1915, with about 6,535 tons valued at 723,840 pound sterling. There was a sharp decrease in the output of tin ore before 1918 and the 1920s as a result of the First World War, but the revival of the industry in the 1930s resuscitated the volume from 12,069, valued at 1,737, 578 pounds to 15, to 166 tons in 1945, valued at 3,129,265 pound sterling.

**Table 2: Export of Tin, 1915-45**

Year	Volume (Tons)	Value(£)
1915	6,535	723,840
1918	8,294	1,770, 003
1920	7,913	1,785, 724
1925	9,293	1,737, 578
1930	12,069	1,373, 466
1935	8, 949	1,456,753
1940	14, 843	2, 726, 911
1945	15,166	3,129, 265

Source: Nigerian Handbook; Annual Report of the Mines Department, Lagos Government Printers (Cited in Ekundare, 1973, p.179)

Coal was perhaps the most important mineral resource to be discovered in colonial Nigeria since it provided the much needed fuel for the local rail network and could also be exported. Although, fragments of coal existed in Enugu area during the 19<sup>th</sup> century, coal was discovered in large quantity by the Mineral Survey Department in 1909 along the Enugu-Udi escarpment, and full-scale production started in 1915. It was consumed locally and exported during the colonial era. Obogu (1979) asserts that:

*Coal deposits were discovered for the first time in Nigeria in the early 19<sup>th</sup> Century near Udi in Anambra state. This discovery created further incentives to intensify the search for coal, bearing in mind the increasing market in other West African countries"*

It should be noted that, in the past, many mineral deposits in the world were discovered by prospecting work of private companies, however, the colonial government's geological surveys have proved effective through the discovery made in some British colonies such as Gold Coast Ghana, Sierra Leone, and Nigeria (PRO/CSO/46). This would help to explain that the exploration for coal in British colonial Nigeria had remained a government funded programme from its inception.

Coal was in high demand as a result of its usefulness to the railway company, the electricity generating plants and for export to other West African countries such as Ghana and Sierra Leone. Coal was also the main fuel resource the British knew at the time they entered Nigeria, and one on which their technology was largely based. Therefore, the search for coal was linked with the operation of the railways to the production centres in Enugu. Evidence has revealed that the intensification in the search for coal led to more discoveries in Kabba Province of southern Nigeria (Colonial Annual Report CAR/1936). The Nigerian coal was found to contain sub-bituminous class with high ash content useful in the production of tar and synthetic fertiliser, generation of steam, electricity, and the manufacturing of chemicals and liquid fuels. The extension of the railways to Udi in Enugu by 1916 enhanced the extraction and production of coal, demonstrating the important role played by the railways in reducing the cost of transporting raw coal from Udi to Lagos, particularly with the construction of a new railway from Port Harcourt to Enugu, and the construction of a purpose-built harbour at Port Harcourt (Ekundare, 1973). As a result of the British funding and provision of easy means of transportation, there was increased output of coal. Between 1930 and 1937 Nigeria exported an annual average of about 34,687 tons to Ghana, and there is evidence that by 1956 and 1957 the mining companies had contributed as much as 10 percent of the value of tin ore mined and which added to the colonial government annual revenue (CAR, 1957).

From 1921, the British Colonial Government had begun to implement its policy over oil concessions. Oil exploratory rights to any British oil company was granted with a condition that the oil multinationals operating in Nigeria was registered in Britain and owned by the British subject (NAE, 1290/). Two British oil companies namely D'Arcy Exploration Company and Whitehall Petroleum Company, were granted such concessions. According to Oremade (1986) and Oguniyi (2010), these two corporations were granted the licenses to explore and produce oil in the Niger Delta area, while all other foreign companies were to own concessions at a later date in the 1950s. In particular, the D'Arcy concession extended from the border of Dahomey in the west to the Niger River, at Akassa North of the East, and about fifty miles from the sea.

By 1937, the entry of Shell D'Arcy Exploration parties into the search for oil in the entire colony of Nigeria marked a watershed in the history of oil and gas resources in the Niger Delta region. According to a report in the British Petroleum Archive (BPA), Shell D'Arcy's exploration



eventually resulted into large commercial oil discovery in the Niger Delta area. Seismic survey started in the whole of Nigeria with Enugu in the eastern region as the temporary headquarters for the Shell Company. The British government had also granted the company about 15,000 square miles of the landmark to the coast of Lagos, and the company as from the 1930s began oil exploration activities in places like Nsukka, Okigwi-Afikpo, Port-Harcourt, Benin City, Cross River and Forcados (Aghalino, 2009; Steyn, 2009).

### ***Local Resistance to Oil Exploration***

It should be noted that there were oppositions from the local land owners over non-consultation by the government and the oil companies. This was particularly the case with the mineral oil ordinance of 1945. The local landowners and the NCNC stalwarts believed that the provision of the mineral ordinance in 1945 would bring out marginalization of the indigenous land owners and control of oil fields in the entire country by the British Government. Colonial intelligence report reveals that the agitation was intensified by the local protesters because the mineral ordinance did not require the joint venture to take any permission from the local landowners before starting their operation (NAI, 55/84/45; NAI, 328/123/46). The British Government however, was less confrontational to the local resistance particularly the NCNC. The colonial authority used peaceful means at managing the resistance. The local landowners were assured that the joint venture (Shell/D'Arcy) had no right to acquire any land without the permission of the colonial office and that compensation would be paid on such land (CO, Letter No 317766/49). For example the Niger Delta people showed resentment to the British regulations, particularly their reaction to the colonial welfare and development plan on agricultural land and oil ordinances on the local land owners and farmers in 1946.

Stiff opposition equally came from the Zikist Movement in the 1940s to the colonial government's proposed amendment to the existing laws,<sup>1</sup> pioneered by Nnamdi Azikwe, a newspaper editor and founder of the *West African Pilot* that had aroused national consciousness on emerging Nigeria (Akinsuroju, 1953). The Zikist movement was aimed at addressing the journalistic criticism vis-a-vis jealousy and tribalism found among the various nationalist groups in Nigeria. This movement infused a radical action into the liberation struggle toward independence of Nigeria (West African Pilot, 1946). The colonial government under Governor General Richards proposed an amendment to the Crown Land Ordinance, the Mineral Ordinance, and the Appointment and Deposition of Chiefs Ordinance in 1945 (CAR, A677/46). The Zikist Movement argued that the public land and mineral ordinances, if amended, would protect the interests of foreign powers while the local shareholders would reap no benefit. The nationalists called these the 'obnoxious ordinances' (Ehiedu, 1996). In the same vein, Kaniye (2001) considers such Ordinances to be unjust because it deprived the colonised people of the benefit of their natural property.

As a result of resentment to the proposed amendment bills, the new Governor General, John Macpherson reviewed the bills in 1947, bearing in mind the nationalist demands before it was passed into law (CAR, NO 37/1948-49). It should be noted that the Zikist Movement represented a revolutionary break with colonialism that expressed a reformist evolutionary way toward freedom in Nigeria. The movement exerted a great influence on all ethnic groups in the country, but in particular in the East and the Niger Delta region where their support base was located. Interestingly, the Yoruba people had started to organize themselves in the West at this time and

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<sup>1</sup>The Zikist Movement serves as a cause of the Ijaw and the entire Niger Delta people and the eastern Igbos revolting against the obnoxious ordinance of 1945. The Ijaws became actively involved in pressing home certain demands.

was in competition with the Zikist Movement. The North also started to catch up soon afterwards, especially when negotiations started again in 1949.

Despite the above resentment, after shifting its exploratory focus on the tertiary area of the Delta, Shell-BP struck its luck in January 1956, when oil was discovered in large commercial quantities at Oloibiri in the Ijaw area at a total depth of 12,008 feet (Pearson, 1970, Owen, 1975). This site was located at about 72km west of the Port-Harcourt in Niger Delta (Korvenoja, 1993). Shell BP's further exploration into the Delta led to more oil discoveries in Afam, which was 40km east of the Port-Harcourt, Bomu and Ebubu (Ogoni) areas of the Niger Delta (Augustine, 2006, OPEC, 2000). The discovery of oil in commercial quantity by Shell BP was a huge success both for the company and the British Colonial Government in Nigeria. More importantly, the discovery had encouraged the development of the petroleum sector in Nigeria, especially by the foreign multinational companies that became major role players in the country's upstream oil sector. Thus, petroleum production and exportation had begun in the Oloibiri site in 1958 as a result of the successful installation of several oil pipelines from the oil fields in Ijaw area to Port-Harcourt. Infrastructural facilities for effective operation and transportation of crude oil were also put in place. For example, about 6-10 diameters welded steel oil pipelines was built and laid across the land from the Umualogu, Egbema and Obeakpu villages to Port-Harcourt where the refinery was located. Subsequently, about 8, 500 tons of crude oil was exported to Rotterdam by the 8<sup>th</sup> of March 1958 with an average daily production of 5, 000 barrels. The rate of exploration increased in subsequent years, with greater crude oil output after independence. The higher demand which crude oil commanded in the international market during the 1970s brought more profits for the multinational oil companies, and also greater revenue for the country.

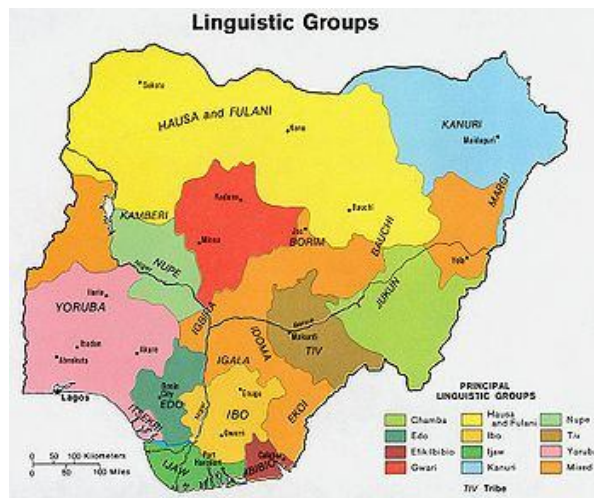
## CONCLUSION

The paper has examined the nature of British oil and mining regulations in colonial Nigeria. The fact presented in this paper demonstrates that the Mining Ordinances of 1906 and 1907 as well as those of 1914 and 1916, virtually transferred ownership of all land with the minerals underneath the earth to the British Crown. The British government was also conscious of the need to satisfy the indigenous people in terms of adequate compensation for any damage done to crops during mining and oil explorations. Evidence shows that the British through the 1914 amalgamation proceedings equally favoured in a large measure, its subjects and companies. This clearly reveals the British imperial ambition of monopoly capitalism in its African colonies, especially Nigeria at that time. The British at the initial stage was not willing to dabble into oil exploration, however its experience and discoveries in the Gulf provided enough motivation for the venture. Other factors included the high demand for power as fuel oil for heating purposes in their cities, development of more oil refineries in Britain; leverage for economic reconstruction; expansion of new manufacturing industries (e.g. electrical sector and automobile industry) etc. The authors argue that the exploration of mineral resources by the British colonial government reflects the role of the administration in the economic development of Nigeria. Perhaps, the colonial government may have utilized the revenue accrue from the sale of crude oil toward the growth and development of the colony if early discoveries were made. It has helped to explain their environmental protection regulations, particularly the local landowners whose rights were adequately protected under the Ordinances (Section 39, 1916 Mineral Rights). Nigeria government after the independence is expected to play similar role through the establishment of

oil regulations that would adequately protect the interest of the Niger Delta oil-producing region and Nigerians.

The study further shows that, the Oil and Mining Ordinances enhanced the search and discovery of mine sites like Tin in Jos and Coal in Enugu Nigeria. To a large extent, the colonial government gained much revenue from exploration and sale of these minerals. In fact, the British administration used the proceeds from mineral resources for infrastructure development of Nigeria. To the British colonial government, the discovery of crude oil was meant to provide foreign exchange earnings for the industrial development of Nigeria, but unfortunately, it was not discovered until late 1950s when agitation for independence was at its peak. The post-colonial government was expected to imbibe and play similar role, and possibly improve on the legacy that the British had established. To a certain extent, the federal government has responded well to the discovery of oil of large commercial quantities in the Niger Delta (Raji & Abejide, 2013). It has established environmental regulations to protect the people and the oil companies. It has equally put in place some agencies to serve the interest of the oil-producing region and Nigerians. On the other hand, it has failed to achieve industrial transformation of the nation with huge revenue accruing from oil and gas. This failure is linked to corruption, lack of accountability, and transparency in government, unequal distribution of oil revenue among the oil-producing states and the non-oil producing ones. It could therefore be said that the British colonial oil and mining regulations from 1914 up to the 1950s laid a solid foundation for the future development of oil and gas sector, most especially toward the economic transformation of Nigeria. The amalgamation of 1914 should not be seen as a mistake, but rather as a development with great potentials to benefit the nation and its people. There is therefore the urgent need for the current democratic government to use the revenue accruing from the sale of crude oil and gas as well as other mineral resources to bring total transformation to the social and economic system of the country.

The [Ethno-linguistic](#) map of Nigeria before 1914 Amalgamation



Source: [www.wikipedia.com](http://www.wikipedia.com)

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