by the extremely diverse nature of its geography, climate, economic character, religions, and ethnic makeup.

ECONOMY

The economy of Nigeria is built primarily around agriculture, forestry, and animal husbandry, which provide about two-thirds of Nigeria's national income. Largely self-sufficient in food production, the country relies heavily on agricultural exports. Among Nigeria's principal exports are cocoa, peanuts, palm produce, rubber, cotton, timber and wood products, and hides and skins. The first three are still by far the most important, providing over 60 percent of the country's foreign exchange earnings.

Nigeria's principal mineral resources are petroleum, tin, columbite, iron ore, coal, limestone, lead, and zinc. At present, only tin, columbite, and petroleum are exported and minerals production constitutes only a small proportion of the nation's income. Nigeria, nonetheless, hopes to become one of the 10 largest oil-producing countries in the world within the next decade. Its coal, iron ore, and limestone deposits have created great interest in the possible establishment of an iron and steel industry. Nigeria also boasts a considerable hydroelectric potential.

Industrial activity in Nigeria is as yet confined to primary extraction or processing of export goods. At present, industry contributes slightly less than 2 percent of Nigeria's gross national product. Among the largest industries in existence are two cement factories, a large lumber and plywood mill, two textile mills, and a tin smelter. Included in the industries in the process of establishment are additional cement factories and textile mills, an oil refinery, and rubber processing plants. Industrialization is one of the primary economic objectives of Nigeria and vigorous efforts are being made to attract more foreign investment to the country.

Foreign trade is based upon the exportation of raw materials and the importation of consumer goods. The value of trade has increased greatly since World War II; total external trade reached $1,057 million in 1962. By far the greatest proportion of Nigeria's aggregate trade is with the British Commonwealth, principally with the United Kingdom. The U.K. exported $217 million worth of goods to Nigeria in 1962. Imports from Japan amounted to $69.7 million, West Germany $37.5 million, and the United States $42 million. Total Nigerian exports in 1962 were $472.3 million, and imports were $579 million. Leading Nigerian exports in 1961 included palm products, peanuts, and cocoa.

Economic development

Nigeria has set for itself a great task of economic and social development embodied in a 6-year (1962–68) development plan. In view of the extent to which Nigeria is committing its own resources to a well-conceived development plan, its ability usefully to absorb foreign assistance, and the sense of social justice which pervades its planning, the United States has agreed to support the development program in the amount of $225 million in both loans and grants. In its plan Nigeria has emphasized its readiness to welcome foreign private investment. In this connection American investors in Nigeria can now take advantage of the Investment Guarantee Agreement concluded between the United States and Nigeria.

FOREIGN POLICY

Nigeria is an active member of the Organization of African Unity (OAU) and its subsidiary committees. It has remained in the British Commonwealth. Nigeria plays a leading role in the United Nations and in a number of its specialized agencies. It has joined the Commission for Cooperation in Tropical Africa (CCTA) and has participated in the work of the U.N. Economic Commission for Africa (ECA). Nigeria has also supplied police and army units to the United Nations operation in the Congo.

Nigeria, like most other independent African states, follows the policy of condemnation of apartheid in the Republic of South Africa and support of self-determination in the Portuguese territories in Africa.

U.S. POLICY

U.S. policy toward Nigeria is one of cordial cooperation to assist in the orderly Progress of the new country and to help promote the aspirations of its people for accelerated economic and social advancement. Despite the obvious challenges facing Nigeria as a new nation, it has the essential resources and the human potential to succeed in the framework of a free society.

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