

C.S.O.

Confidential
(Formerly)

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AGR/AJG/2 # 2

SUBJECT :

COLONIAL DEVELOPMENT AND OVERSEAS FOOD CORPORATION.

21/12/53
+6
22/3/64

CONNECTED FILES.

NUMBER AND YEAR.



253

C.O. Ref: EGD 89/61/03.

0588/12
0288

DESPATCH

CIRCULAR 1190/53.

THE CHURCH HOUSE,

GREAT SMITH STREET,

LONDON, S.W.1.

21st December, 1953.



Sir,

COLONIAL DEVELOPMENT CORPORATION
DEPUTY CHAIRMAN

I have the honour to inform you that the appointment of Mr. Robin Brook, O.B.E., as a Deputy Chairman of the Colonial Development Corporation expired on the 31st October and that I have appointed Mr. H.N.Hume, C.B.E., M.C., from 1st November, 1953 in his place.

2. In view of the appointment by the Corporation of Mr. W. Rendell as Chief Executive, the post of Deputy Chairman will not have executive functions, and Mr. Hume, who has hitherto been a part time member of the Board, will continue to serve in that capacity but will, of course, have the additional duty of presiding over the Board in the absence of the Chairman.

3. This circular has been addressed to all Colonies, (including Northern Rhodesia and Nyasaland) Protectorates and Regional Organisations except Gibraltar and Malta. It has been sent to the High Commissioner for the Federation of Malaya under cover of a separate despatch.

I have the honour to be,

Sir,

Your most obedient,
humble Servant,

Oliver T. Hume

*Bul
1/11*

*YE Be see (253)
27/1*

This is Nutcombe Hume a very prominent 'City Gent'; older and of heavier calibre than Robin Brook. Inc. 28

THE OFFICER ADMINISTERING
THE GOVERNMENT OF THE
FALKLAND ISLANDS.

Q

*P
27/1*

Circular No. 437/54

0288

254

Circular Note

Falkland Is

Transmitted with the compliments of
the Secretary of State for the Colonies, for
information and distribution.

Colonial Office



10 MAY 1954

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COLONIAL DEVELOPMENT CORPORATION

REPORT AND
ACCOUNTS
FOR 1953



LONDON
HER MAJESTY'S STATIONERY OFFICE
TWO SHILLINGS NET

COLONIAL DEVELOPMENT CORPORATION

ANNUAL REPORT AND STATEMENT OF ACCOUNTS

For year to
31.12.53

*Presented to Parliament in pursuance of Section 16 (5) of the Overseas
Resources Development Act, 1948*

*Ordered by The House of Commons to be Printed
12th April 1954*

LONDON
HER MAJESTY'S STATIONERY OFFICE
TWO SHILLINGS NET

COLONIAL DEVELOPMENT CORPORATION

33 Hill Street,
London W1

The Rt Hon Oliver Lyttelton, DSO, MC, MP
Secretary of State for the Colonies

The Members of the Colonial Development Corporation
have the honour to submit the Report and Statement of
Accounts for the year to 31.12.53.

(Sgd) J. C. W. Reith
H. N. Hume
H. E. C. Beaver
H. M. Gibson*
J. Hathorn Hall
Maurice Hutton
Macdonald of Gwaenysgor
G. Tyser

25 March 1954

* Mr. Gibson's sudden death—less than two days after
attending the Board meeting at which this Report was signed—
has cast a great sorrow on his colleagues.

Members

Lord Reith (*Chairman*)

H. N. Hume, CBE, MC (*Deputy Chairman*)

Sir Hugh E. C. Beaver, MInstCE, MIChemE

H. M. Gibson, JP

Sir John Hathorn Hall, GCMG, DSO, OBE, MC

Sir Maurice Hutton, CMG

Lord Macdonald of Gwaenysgor, PC, KCMG

G. Tyser

Professor W. A. Lewis retired on expiry of term on 30.4.53.

Mr. R. E. Brook retired on expiry of term on 31.10.53.

Mr. H. N. Hume was appointed Deputy Chairman in succession to Mr. Brook on 1.11.53.

Sir Maurice Hutton was appointed on 19.5.53.

Executive Chief Officers

General Manager W. Rendell, ACA

Head Office Controllers

Administration A. E. Porter, CSI, CIE

Finance H. L. Pryce, ACA

Operations A P. L. Yates
(Agriculture, animal products,
fisheries, forestry)

Operations B H. A. Cochran, OBE, MIMinE, MInstMM
(Factories, hotels, minerals)

Regional Controllers

Caribbean... A. C. Grieve

Far East A. R. Pratt

East Africa R. E. Norton, CMG, OBE

Central Africa D. L. Anderson, CBE, TD, MInstCE

West Africa G. E. Mercer

Regions

Caribbean... ... British Honduras, British Guiana, all British West Indies Islands, the Bahamas and the Falkland Islands; headquarters Kingston, Jamaica;

Far East British North Borneo, Brunei, Sarawak, Singapore and the Federation of Malaya, Hong Kong, Fiji and the Western Pacific Islands; headquarters Singapore;

East Africa ... Kenya, Uganda, Tanganyika, Seychelles, Mauritius, Zanzibar; headquarters Nairobi;

Central Africa and High Commission Territories Nyasaland, Northern Rhodesia, Bechuanaland, Swaziland, Basutoland, Tristan da Cunha; headquarters Salisbury, Southern Rhodesia;

West Africa ... Nigeria (including the Cameroons), Gold Coast (including Togoland), The Gambia, Sierra Leone; headquarters Lagos.

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COLONIAL DEVELOPMENT CORPORATION

ANNUAL REPORT 1953

I GENERAL REVIEW

Report and Accounts are for year to 31.12.53; later information included where appropriate.

1 Number of projects

(1) Five new projects:

British Honduras Fruit Co Ltd (citrus)
Jamaica Public Service Co Ltd
Kenya Housing Loan
Kilembe Mines Ltd
Potaro Hydro-electric Co

seven abandoned:

Castle Bruce Estate—March 1949*
Grand Cayman Cannery—January 1950
Niger Agricultural Project Ltd—March 1949
Nigerian Fibre Industries—May 1950
Tanganyika Roadways Ltd—February 1950
West African Fisheries—April 1949
Works depots, Belize, Kano and Nkata Bay—October 1949

two completed or disposed of:

Castries Reconstruction Agency—October 1948
Lake Victoria Hotel Ltd—February 1950

three investigations terminated:

East African Ramie Investigation—January 1951
Kenya Fish Farms—March 1952
Vitingini Lead Investigation—March 1952.

(2) Some old projects have been merged or divided to conform with operational developments; there are 50 continuing projects and investigations.

* Date of Corporation approval of project.

2 Projects by regions and territories

Here are the projects, grouped regionally and by territories, with capital sanctioned for each; investigations with over £5,000 spent are included; abandoned projects and those of which assets are held only for disposal are excluded.

Region and Territory	Project	Capital sanctioned for	
		Project £000's	Region and Territory £000's
Caribbean			7,901
British Guiana ...	British Guiana Consolidated Goldfields Ltd ...	762	
	British Guiana Rice Development Co Ltd ...	1,292	
	British Guiana Timbers Ltd ...	1,962	
British Honduras ...	Potaro Hydro-electric Co ...	285	4,301
	Barton Ramie Estate ...	347	
	British Honduras Fruit Co Ltd (citrus) ...	40	
	Cramer Estates ...	59	
Dominica ...	Fort George Hotel ...	276	722
	Melville Hall Estate ...	80	
Jamaica ...	Dominica Hydro-electric and Cold Store ...	205	285
	Cayman Islands Airport ...	60	
	Jamaica Citrus Growers Ltd ...	110	
	Jamaica Cooling Store ...	138	
	Jamaica Public Service Co Ltd ...	300	
St. Vincent ...	Turks Islands Salt Co Ltd ...	60	668
Trinidad ...	St Vincent Hydro-electric and Cold Store ...	200	200
Falkland Islands ...	Trinidad Cement Ltd ...	1,200	1,200
	Falkland Islands Freezer Co Ltd ...	525	525
Far East			15,026
Singapore and the Federation of Malaya	Central Electricity Board ...	7,166	
	Federal and Colonial Building Society Ltd ...	3,500	
	Kulai Oil Palm Estate ...	747	
	Malayan Cocoa Ltd ...	33	
North Borneo ...	Singapore Factory Development ...	175	11,621
	Borneo Abaca Ltd ...	3,405	3,405
East Africa			7,499
Kenya ...	East Africa Industries Ltd ...	500	
	Kenya Housing Loan ...	2,000	
Tanganyika ...	Macalder-Nyanza Mines Ltd ...	1,700	4,200
	Murongo Mines Investigation ...	260	
	Tanganyika Coal Investigation ...	500	
	Tanganyika Iron (Liganga) Investigation ...	664	
	Tanganyika Wattle Estates ...	125	1,549
Uganda ...	Tangold Mining Co Ltd ...	1,750	1,750
	Kilembe Mines Ltd ...		
Central Africa			10,478
Bechuanaland ...	Bechuanaland Cattle Ranch ...	1,229	
	Lobatsi Abattoir ...	966	
	Molopo Ranch ...	746	2,941
N Rhodesia ...	Chilanga Cement Ltd ...	1,500	1,500
Nyasaland ...	Kasungu Tobacco Estates ...	193	
	Nyika Forestry Development Syndicate ...	8	
	Vipya Tung Estates ...	1,559	1,760
Swaziland ...	Swaziland Irrigation Scheme ...	2,608	
	Ubombo Ranches (Pty) Ltd ...	85	
	Usutu Forests ...	1,444	4,137
All three High Com- mission Territories	High Commission Printing & Publishing Co Ltd ...	10	10
Tristan da Cunha ...	Tristan da Cunha Development Co Ltd ...	130	130
West Africa			2,608
The Gambia ...	Yundum Farm ...	31	31
Gold Coast ...	Road contract ...	385	385
Nigeria ...	Lagos Executive Development Board ...	1,250	
	Omo Sawmills of Nigeria Ltd ...	194	
	Road contracts (with service depots) ...	748	2,192
	Total ...		43,512

• Investigations

3 Capital distribution

(1) Here is the functional distribution, showing capital sanctioned and capital employed :

Category	(2)		(3)				(4)			
	Number		Capital sanctioned				Capital employed			
			1952		1953		1952		1953	
	1952	1953	£000's	%	£000's	%	£000's	%	£000's	%
Agriculture...	15	13	10,328	26.2	10,530	24.2	5,475	23.9	6,085	24.0
Animal Products...	4	4	2,664	6.8	3,466	8.0	1,869	8.2	1,948	7.7
Factories...	7	5	4,442	11.3	3,348	7.7	2,179	9.5	2,570	10.1
Fisheries...	3	1	470	1.2	130	0.3	374	1.6	131	0.5
Forestry...	5	5	3,988	10.1	4,272	9.8	3,076	13.4	3,505	13.8
Hotels...	2	1	396	1.0	276	0.6	352	1.5	116	0.5
Minerals...	8	8	3,317	8.4	5,157	11.8	2,094	9.2	2,556	10.1
Property and Housing...	7	5	4,462	11.3	6,984	16.1	2,829	12.4	2,426	9.6
Public Utilities and Works...	6	8	9,333	23.7	9,349	21.5	4,637	20.3	6,012	23.7
Total...	57	50	39,400	100.0	43,512	100.0	22,885	100.0	25,349	100.0

Above excludes figures for abandoned projects.

(2) Capital sanctioned increased from £39,400,000 in 1952 to £43,512,000 in 1953; it was mainly for productive projects, of which Agriculture, Animal Products, Forestry and Minerals are 54% of total (52% last year).

(3) Capital employed was £25,349,000 compared with £22,885,000 last year; share of Agriculture, Animal Products, Forestry and Minerals increased to 56% of total (55% last year).

(4) (a) Several agricultural/forestry projects now in early phases of development will eventually need large expenditures to bring them to completion (eg £10 to £15 million for Usutu Forests); but nothing is included on this score pending approved plans;

(b) amount required of Corporation will be reduced by participations by other parties.

4 Projects as revenue earners

(1) Pioneer projects should pass through phases of investigation, pilot scheme, pure development, initial trading before becoming fully operational.

(2) In first three there will not normally be any appreciable revenue; in fourth losses are to be expected; only in final stage should there be satisfactory net revenue.

(3) Projects are thus analysed below; transition point between phases sometimes hard to define; particularly so when an existing undertaking is salvaged and re-equipped.

	Investigations and pilot schemes	Development	Initial trading
	Malayan Cocoa Ltd Murongo Mines Nyika Forestry Development Tanganyika Coalfields Tanganyika Iron (Liganga) Tangold Mining Co Ltd	British Honduras Fruit Co Ltd (citrus) Kilembe Mines Ltd (copper, cobalt) Lobatsi Abattoir Macalder-Nyanza Mines Ltd (copper, gold, silver) Potaro Hydro-electric Co Tanganyika Wattle Estates Trinidad Cement Ltd Usutu Forests	Borneo Abaca Ltd (hemp, rubber) British Guiana Consolidated Goldfields Ltd British Guiana Timbers Ltd Dominica Hydro-electric and Cold Store Falkland Islands Freezer Co Ltd (mutton) Fort George Hotel St Vincent Hydro-electric and Cold Store Swaziland Irrigation Scheme (rice) Usutu Orchards (mixed crops)
Capital ... Revenue ...	£ 800,000 Nil	£ 4,400,000 Nil	£ 7,000,000 280,000 loss

(4) There is a column also for projects retrenched or reorganised; these are jobs started more or less full scale, with insufficient experimental and preliminary work or none, which are now cut back to investigation scale or otherwise recast. And, for completeness, a column for loans.

(5) Below each group is shown Corporation capital employed (nearest £100,000) and share of net profit or loss for year (nearest £10,000).

5 Association

(1) There is local government or private enterprise participation or private enterprise management in nine more projects (East Africa Industries Ltd, Federal & Colonial Building Society Ltd, Falkland Islands Freezer Co Ltd, Macalder-Nyanza Mines Ltd, road works in Gold Coast and Nigeria, Tanganyika Coalfields Ltd, Liganga Iron Ltd, Tangold Mining Co Ltd).

(2) Local association is increasingly important.

Fully operational	Retrenched/Reorganised projects	Loans
Chilanga Cement Ltd	Barton Ramie Estate	British Guiana Rice Development Co Ltd
Cramer Estates	Bechuanaland Cattle Ranch	Cayman Islands Airport
East Africa Industries Ltd (vegetable oil products)	Kasungu Tobacco Estate	Central Electricity Board, Malaya
Federal & Colonial Building Society Ltd	Molopo Ranch	High Commission Printing & Publishing Co Ltd
Jamaica Cooling Store	Vipya Tung Estates	Jamaica Citrus Growers Ltd.
Kulai Oil Palm Estate	Works (West Africa road contracts)	Jamaica Public Service Co Ltd
Melville Hall Estate (bananas, copra)		Kenya Housing Loan
Omo Sawmills of Nigeria Ltd		Lagos Executive Development Board
Singapore Factory Development		Turks Islands Salt Co Ltd
Tristan da Cunha Development Co Ltd (crawfish)		Ubombo Ranches (Pty) Ltd
£ 3,500,000 280,000 profit	£ 2,500,000 480,000 loss	£ 7,100,000 240,000 profit

(3) Of the 50 continuing projects Corporation is directly and solely responsible for 16 only; in five of these it is negotiating for association.

(4) Results of private enterprise participation and management are still uneven.

6 Write-offs

(1) On 30.7.53 Government announced intention to introduce legislation to permit writing-off capital losses on abandoned schemes; and in due course Corporation notified losses on projects begun before 31.12.50 and abandoned wholly or partially at 31.12.53.

(2) Its provisional claim on this basis alone is over £6 million; to include jobs hopelessly over-capitalised would bring figure to about £8 million; and this would not cover losses on pre 31.12.50 projects perhaps still to emerge.

(3) Corporation may prefer to deal with the matter by transferring such losses from its Profit and Loss Account to a special account rather than have partial relief—as is suggested—likely to be mistaken for full.

7 Selection policy

- (1) Government stated in Parliament (30.7.53) that primary duty and principal purpose of Corporation were unchanged.
- (2) But new projects must continue on stringent analysis to show likelihood of being financially self-supporting at least; to permit of commercial association and, wherever possible, of association with local governments direct or indirect.
- (3) A substantial part of recent investment is in government guaranteed loans; this ensures welcome contribution to overheads; but, if Corporation is to fulfil its real function, most of the money deployed should surely continue to be risk capital.
- (4) Particular attention is being paid to increasing agricultural production; Regional Controllers are in consultation with governments in territories where the need seems greatest and possibilities most promising.
- (5) Maximum flexibility is desirable; some rational balance but no fixed proportions of investment, functional or geographical; no arbitrary inclusions or exclusions.
- (6) Corporation is ready to consider withdrawal from established projects when its work is done, subject to interests of region not being prejudiced and purchase terms being satisfactory.

8 Summary and prospect

- (1) Report shows that much time and effort, even in 1953, had still to be spent in scrapping, buttressing and otherwise modifying; it shows what has been done in these respects.
- (2) Corporation has also suffered from continued fall in world prices of raw materials it produces, notably rubber.
- (3) Corporation is particularly charged to expand production of foodstuffs and raw materials in colonial territories; a fall in world prices may be a fair hazard; not so foreign competition in Commonwealth markets on other than normal commercial terms—if that were to come.
- (4) Terrorism in Malaya and Kenya with danger as well as inconvenience to local staff, and the political situation in British Guiana, did not make for settled economic conditions.
- (5) (a) Accounts do not yet show full effects of all corrective measures taken in recent years;
(b) nor is process of disentanglement and reorganisation complete;
(c) but Corporation was not to be panicked into fuller or quicker re-action than was considered prudent just because too much was attempted too quickly in early years.
- (6) There are many new proposals under review; the more that can be approved as sound development ventures, the more satisfaction to Corporation.
- (7) The road ahead—direction and objectives—is clear; Corporation should be able to accomplish the purpose for which it was established.

II ADMINISTRATION

9 Organisation

- (1) (a) As in most "nationalised industries" corporations, chairman appointment was "full-time" (variously interpreted) and for five years —posts of chairman and chief executive combined;
- (b) quinquennial change of chairman may not matter, may be salutary; quinquennial change of chief executive by external authority, or possibility thereof, very harmful;
- (c) in Corporation interest, present chairman, with colleagues' approval, asked and received Secretary of State's sanction for separation of these posts;
- (d) from 1.10.53 chairman is "part-time". And there is a general manager;
- (e) as from 1.11.53 deputy-chairman office ceased to have executive responsibilities.
- (2) Board, Board Commercial Committee, Executive Management Board and Regional Controllers have functioned as before; devolution of responsibility on Regional Controllers and functional division of responsibility at Head Office work with increasing ease and efficiency.
- (3) (a) United Kingdom staff was further reduced to 183 (1952—248); unlikely to go much lower if scale of operations is as now;
- (b) regional offices staff was 106 (1952—114).

10 Administration costs

- (1) Further substantial reduction in Head Office administration costs and some reduction overseas:

					Head Office £	Overseas £	Total £
1951	...	...	...	...	339,510	145,037	484,547
1952	...	...	...	...	297,648	159,994	457,642
1953	...	...	...	...	247,418	144,831	392,249

- (2) As shown in Consolidated Profit and Loss Account part of administrative expenditure is charged to projects and development:

					1952 £	1953 £
Projects (including abandoned)	...	...	...	...	122,908	126,276
Development etc.	...	...	...	...	60,498	46,929
Buildings and other assets	...	...	...	...	32,694	8,877

11 Labour supply and relations

- (1) Numbers under direct management decrease as participation and management by private enterprise partners increases.
- (2) (a) On projects directly managed numbers of locally recruited workers were adequate, though in Africa particularly turnover is high; there is little tradition of steady and regular employment anywhere;
- (b) most projects report local labour fairly efficient, but in some areas standard is low, due mainly to poor physique, malnutrition, debilitating diseases and lack of education;

- (c) improvement usually follows on better arrangements for rations, housing and health services.
- (3) Training is given to mechanics where there are workshops; to carpenters and builders where there is considerable construction work; to tractor drivers on most agricultural jobs.
- (4) (a) Labour relations have been generally easy; no serious disputes;
(b) in most areas there are no trades unions; workers' consultative committees have been set up on ten projects.

12 Agricultural research

- (1) In March 1953 a panel of eminent agricultural scientists (with a non-agricultural scientist, Sir Charles Darwin, as chairman) was set up in London and has already been of great help; members are consulted individually and collectively as circumstances require; Corporation is grateful to them; their advice often supplements that given by local agricultural departments from which Corporation has benefited in past.
- (2) Corporation's experiences and problems are thus known to those who allocate Colonial Development & Welfare funds for agricultural research; and may be an indication of priorities in this field.

III FINANCIAL REPORT

13 Accounts for 1953

Accounts and supporting statements for year to 31.12.53 are:

- Statement 1 Balance Sheet
- 2 Consolidated Balance Sheet
- 3 Balance Sheet notes
- 4 Consolidated Profit and Loss Account of Corporation and subsidiaries
- 5 Details of projects supporting Consolidated Profit and Loss Account
- 6 Details of assets and liabilities of continuing projects
- 7 Investments at cost

14 Balance Sheet and Consolidated Balance Sheet

- (1) As far as possible provisions have been used to write down book value of relative investments or assets; last year assets and provisions were shown gross pending better assessment.
- (2) In Consolidated Balance Sheet excess book value of investments in subsidiary companies has been reduced from £480,373 to £17,795 by writing off the singular premium paid for Borneo Abaca Ltd shares (£446,738) and other adjustments.
- (3) Note (7) on statement 3 sets out losses written off in accounts for projects which should, in Corporation opinion, be eligible for restricted concession mentioned in paragraph 6.

15 Consolidated Profit and Loss Account

(1) Net operating losses of continuing projects were £148,247 (£551,474 in 1952); difference of £87,273 between latter figure and £638,747 shown in 1952 accounts is trading losses on abandoned projects included lower down; 1953 figure includes £70,000 provision against future losses on road contracts in West Africa.

(2) Operating results are analysed in paragraph 4.

(3) In aggregate, provisions made earlier for losses on abandoned projects have proved adequate: hence credit of £2,502; further provision of £627,507 for capital losses on continued projects is largely explained in paragraph 14 (2) above.

(4) Benefits of economies and reorganisations will not be fully seen till 1954 or even later.

BALANCE SHEET

31.12.52			
£		£	£
25,004,000	CAPITAL LIABILITY TO COLONIAL OFFICE		
3,775,000	Long-term advances	28,224,500	
360,000	Medium-term advances	6,059,200	
	Short-term advances	550,000	
29,139,000			34,833,700
938,600	CURRENT LIABILITIES		
642,833	Creditors and accrued charges	1,027,075	
	Bank loan	951,420	
			1,978,495
1,335,232	PROVISIONS		
	Losses on abandoned projects including subsidiaries	—	
1,828,587	Continuing projects including subsidiaries:		
1,375,000	Specific provisions	758,677	
	General provisions	850,000	
			1,608,677
	Relevant notes in statement 3 form part of this Balance Sheet.		
	(Signed) J. C. W. Reith G. Tyser		
£35,259,252			£38,420,872

Report to the Colonial Development Corporation by the Auditors appointed under Section 16 (3)

We have audited the above Balance Sheet and have obtained all the information and So far as appears from our examination, proper books of account have been kept by the

In our opinion and to the best of our information and according to the explanations on statement 3 applicable thereto a true and fair view of the state of the Corporation's affairs

We have examined the annexed Consolidated Balance Sheet (statement 2) and the Corporation and its subsidiary companies, certain of which have not been audited by us. applicable thereto have been properly prepared so as to give a true and fair view of the state Corporation and also of the subsidiary companies so far as concerns the Corporation.

11 Ironmonger Lane London E.C.2.
25th March 1954

31.12.52		Cost less sales	Depreciation and amounts written off	
£		£	£	£
	FIXED ASSETS			
	Freehold and leasehold land, plantations, concessions and buildings	4,044,081	507,218	3,536,863
4,818,658	Plant and machinery	828,283	109,133	719,150
990,011	Contracting plant	337,078	137,233	199,845
355,498	Ships and vessels	1,792	981	811
120,407	Land clearance equipment, tractors and agricultural equipment	428,794	222,545	206,249
419,407	Motor vehicles and rolling stock	438,847	240,645	198,202
277,151	Furniture, fixtures, office and hotel equipment	247,907	74,797	173,110
205,399	Progress payments on fixed assets	54,602	—	54,602
7,186,531		6,381,384	1,292,552	5,088,832
—	FIXED ASSETS OF ABANDONED PROJECTS at estimated realisable values			406,852
429,855	FORESTRY CROPS AT COST			618,187
	EXPENDITURE ON DEVELOPMENT INCLUDING REVENUE EXPENDITURE CARRIED FORWARD AT COST LESS AMOUNTS WRITTEN OFF:			
112,758	Land clearance		155,922	
573,430	Mining investigations and development ...		612,334	
1,039,827	General development, surveys and revenue expenditure carried forward		733,406	
6,408	Investigation syndicates		8,000	1,509,662
	INVESTMENTS AT COST			
424,005	Shares in associated companies		1,466,005	
5,130,074	Debentures and secured loans		7,709,998	9,176,003
	SUBSIDIARY COMPANIES			
4,712,742	Investments at cost less amounts written off...		5,606,978	
4,567,347	Advances less amounts written off		3,385,988	8,992,966
24,182,977				25,792,502
	CURRENT ASSETS			
1,711,849	Stocks, stores and livestock at cost or market value whichever is lower or at valuation ...		1,475,201	
139,900	Growing crops at cost		131,694	
43,740	Work in progress at cost		16,970	
419,592	Debtors and prepayments less provisions ...		734,124	
357,334	Cash at banks and in hand		587,462	2,945,451
	PROFIT AND LOSS ACCOUNT			
	Balance at 1.1.53		8,403,860	
8,403,860	Amount transferred from Profit and Loss Account (statement 4)		1,279,059	9,682,919
£35,259,252				£38,420,872

of the Overseas Resources Development Act, 1948, by the Secretary of State for the Colonies explanations which to the best of our knowledge and belief were necessary for that purpose. Corporation and adequate returns have been received from overseas offices.
given to us, the said Balance Sheet, which is in agreement with the books, gives with the notes as at 31st December 1953.

Consolidated Profit and Loss Account (statement 4) with the audited accounts of the In our opinion such Balance Sheet and Profit and Loss Account with the notes on statement 3 of affairs as at 31st December 1953 and of the loss for the year ended on that date of the

(Signed) PEAT, MARWICK, MITCHELL & CO
Chartered Accountants
Auditors

CONSOLIDATED BALANCE SHEET OF THE CORPORATION

31.12.52		
£		£
29,139,000	CAPITAL LIABILITY Advances from Colonial Office	34,833,700
915,651	INTEREST OF MINORITY SHAREHOLDERS IN COMPANIES OVERSEAS	764,108
1,424,134	CURRENT LIABILITIES	
650,635	Creditors and accrued charges	£ 1,662,469
	Bank loan and overdraft	960,497
		2,622,966
1,335,232	PROVISIONS	
	Losses on abandoned projects... ..	—
1,255,000	Continuing projects—	
1,375,000	Specific provisions	455,794
	General provisions	850,000
		1,305,794
	Relevant notes in statement 3 form part of this Balance Sheet.	
£36,094,652		£39,526,568

AND SUBSIDIARY COMPANIES AT 31.12.53.

STATEMENT 2

31.12.52		Cost, net book value at date of acquisition of shares or valuation, less sales.	Depreciation and amounts written off.	
£		£	£	£
	FIXED ASSETS			
	Freehold and leasehold land, plantations, concessions and buildings	7,044,461	921,206	6,123,255
7,706,123	Plant and machinery	2,474,919	424,578	2,050,341
2,136,880	Contracting plant	337,078	137,233	199,845
355,498	Ships and vessels	235,379	63,131	172,248
278,536	Land clearance equipment, tractors and agricultural equipment	585,276	304,716	280,560
572,968	Motor vehicles and rolling stock	647,376	317,650	329,726
481,479	Furniture, fixtures, office and hotel equipment	342,359	102,648	239,711
302,817	Progress payments on fixed assets	460,939	—	460,939
—				
11,834,301		12,127,787	2,271,162	9,856,625
	FIXED ASSETS OF ABANDONED PROJECTS at estimated realisable values			489,041
—	FORESTRY CROPS AT COST			618,187
429,855	EXPENDITURE ON DEVELOPMENT INCLUDING REVENUE EXPENDITURE CARRIED FORWARD AT COST LESS AMOUNTS WRITTEN OFF			
	Land clearance		169,082	
277,153	Mining investigations and development		1,248,627	
1,018,319	General development, surveys and revenue expenditure carried forward		1,106,971	
1,438,567	Investigation syndicates		8,000	
6,408				2,532,680
	INVESTMENTS AT COST (statement 7)			
	Shares in and advances to subsidiary companies not consolidated		409,011	
130,000	Shares in associated companies		1,476,005	
429,005	Debentures and secured loans		7,799,971	
5,244,127	Building Society advances on mortgage		1,929,296	
1,477,625				11,614,283
22,285,360				25,110,816
	CURRENT ASSETS			
	Stocks, stores and livestock at cost or market value whichever is lower or at valuation	2,590,270		
3,182,415	Growing crops at cost	142,194		
144,702	Work in progress at cost	16,970		
47,374	Debtors and prepayments less provisions	1,202,479		
889,840	Cash at banks and in hand	747,805		
637,694				4,699,718
	PRELIMINARY EXPENSES OF SUBSIDIARY COMPANIES			15,320
27,087				
27,214,472				29,825,854
	EXCESS OF COST OF INVESTMENTS IN SUBSIDIARY COMPANIES over net tangible assets attributable thereto at date of acquisition less amounts written off			17,795
480,373	PROFIT AND LOSS ACCOUNT			
	Balance at 1.1.53	8,399,807		
	Less amount attributable to companies which are no longer subsidiaries	20,549		
		8,379,258		
	Amount transferred from Profit and Loss Account (statement 4)	1,303,661		
8,399,807				9,682,919
£36,094,652				£39,526,568

NOTES FORMING PART OF THE ACCOUNTS

(1) Maximum borrowing powers are:

(a) £100 million and

(b) £10 million temporarily by way of overdraft or otherwise.

(2) Assets and liabilities in colonial and foreign currencies have been converted at rates ruling at 31.12.53.

(3) Corporation has contractual commitments for capital expenditure of £182,000 (for group £639,000) and for debentures and partly paid shares of £5,440,000 (for group £5,700,000).

(4) "Freehold and leasehold land, plantations, concessions and buildings" includes expenditure on land, conveyance of which has not yet been completed.

(5) Due to communication delays accounts of Tristan da Cunha Development Co Ltd and Falkland Islands Freezer Co Ltd have not been consolidated.

(6) Long-term advances made during each year ending 31st March are treated as a single advance made on that date and are repayable by annuities for 33 years beginning at end of seven years. Particulars of advances made to 31.12.53 and rates of interest applicable thereto for period of 40 years are:

<i>Period of Annuity</i>	<i>Rate</i>	<i>£</i>
1.4.55—31.3.88	3%	25,000
1.4.56—31.3.89	3%	925,000
1.4.57—31.3.90	3%	2,185,000
1.4.57—31.3.90	3%	1,100,000
1.4.58—31.3.91	3½%	7,835,000
1.4.59—31.3.92	3½%	4,793,000
1.4.59—31.3.92	3½%	2,850,000
1.4.59—31.3.92	4½%	550,000
1.4.60—31.3.93	4½%	5,346,000
1.4.61—31.3.94	4½%	1,980,500
1.4.61—31.3.94	4%	635,000
		<hr/>
		£28,224,500

No provision has been made in Profit and Loss Account for long-term interest at 31.12.53.

(7) Cumulative loss of £9,682,919 shown in Consolidated Balance Sheet is made up:

	<i>£</i>
Losses on abandoned projects	4,859,552
Losses on abandoned assets and activities of continuing projects	506,889
Amounts written off at 31.12.53 investment in subsidiaries and assets of continuing projects	796,328
	<hr/>
Balance including provisions carried forward at 31.12.53 on continuing projects	£6,162,769
	<hr/>
	3,520,150
	<hr/>
	£9,682,919

STATEMENT 4

**CONSOLIDATED PROFIT AND LOSS ACCOUNT OF
CORPORATION AND SUBSIDIARIES—YEAR TO 31.12.53**

<i>Year to 31.12.52</i>			
£		£	£
551,474	NET LOSS ON OPERATION OF CONTINUING PROJECTS (including £70,000 provision in respect of un- completed contracts) (per statement 5)		148,247
—	PROVISION FOR TRADING LOSS OF SUBSIDIARY NOT CONSOLIDATED		34,000
54,816	INVESTIGATION EXPENDITURE ON PROJECTS NOT FOLLOWED UP		40,327
297,648	ADMINISTRATIVE EXPENDITURE		
159,994	Head Office (including depreciation £12,084) ...	247,418	
	Overseas offices (including depreciation £13,582)	144,831	
457,642		392,249	
23,666	Less: Discounts, rebates and sundry income ...	39,435	
433,976	Less: Allocated to:	352,814	
	Projects (per statement 5)... .. 65,133		
	Expenditure on development, etc. 46,929		
	Buildings and other assets ... 8,877		
	Abandoned projects 61,143		
216,100		182,082	
217,876			170,732
3,611	REMUNERATION OF MEMBERS		
8,500	Fees and expenses	3,111	
	Salaries	6,917	
			10,028
836,277			403,334
138,889	INTEREST PAYABLE TO COLONIAL OFFICE on medium and short-term advances		170,340
34,652	COLONIAL INCOME TAX		70,679
1,009,818			644,353
3,558	PRELIMINARY EXPENSES written off	2,642	
59,229	SUNDRY CAPITAL LOSSES less profits	2,811	
880,000	PROVISION FOR LOSS on continuing projects ...	627,507	
1,952,605		632,960	
(Dr.) 1,862,922	Less: Excess of provision at 31.12.52 (£2,018,705) over realisation losses on abandoned projects, including trading losses, during year (£2,016,203)	2,502	
			630,458
3,815,527	CONSOLIDATED LOSS ATTRIBUTABLE TO CORPOR- ATION AND SUBSIDIARIES		1,274,811
Loss 10,319	Add: Profits less losses attributable to the interests of minority shareholders		28,850
3,805,208			
	CONSOLIDATED LOSS ATTRIBUTABLE TO CORPOR- ATION (statement 2)		1,303,661
	Deduct: Corporation share of losses less profits carried forward in the accounts of subsidiaries	376,675	
	Add: Provisions made by Corporation for losses of subsidiaries	352,073	
			24,602
£3,805,208	LOSS OF CORPORATION FOR THE YEAR CARRIED TO BALANCE SHEET (statement 1)		£1,279,059

STATEMENT 5

DETAILS OF PROJECTS SUPPORTING CONSOLIDATED PROFIT AND LOSS ACCOUNT—YEAR TO 31.12.53

	Profit or Loss before charging Depreciation or Head Office or Regional Office expenses		Depreciation and Amortisation	Profit or Loss before charging Head Office and Regional Office expenses		Head Office and Regional Office charges	Net trading	
	Profit	Loss		Profit	Loss		Profit	Loss
	£	£	£	£	£	£	£	£
DIRECT PROJECTS AND SUBSIDIARY COMPANIES								
British Guiana Timbers Ltd	—	26,625	43,717	—	70,342	2,239	—	72,581
Barton Ramie Estate	—	22,899	8,554	—	31,453	1,350	—	32,803
Cramer Estates	271	—	276	—	5	833	—	838
Fort George Hotel	645	—	3,849	—	3,204	1,418	—	4,622
Melville Hall Estate	10,361	—	2,654	7,707	—	1,218	6,489	—
Dominica Hydro-electric & Cold Store	539	—	4,297	—	3,758	1,440	—	5,198
Jamaica Cooling Store	6,902	—	4,863	2,039	—	1,370	669	—
Castries Reconstruction Agency	10,732	—	—	10,732	—	—	10,732	—
St Vincent Hydro-electric & Cold Store	3,700	—	4,919	—	1,219	1,206	—	2,425
Federal & Colonial Building Society Ltd	97,984	—	1,035	96,949	—	6,233	90,716	—
Kulai Oil Palm Estate	10,916	—	4,997	5,919	—	1,020	4,899	—
Singapore Factory Development	17,932	—	—	17,932	—	1,250	16,682	—
Borneo Abaca Ltd	—	41,241	104,774	—	146,015	12,083	—	158,098
Bechuanaland Cattle Ranch	—	59,203	37,766	—	96,969	5,791	—	102,760
Molopo Ranch	—	34,193	9,025	—	43,218	2,537	—	45,755
Chilanga Cement Ltd	335,592	—	99,279	236,313	—	6,856	229,457	—
Kasungu Tobacco Estate	—	12,006	9,682	—	21,688	3,089	—	24,777
Swaziland Irrigation Scheme	36,159	—	64,471	—	28,312	5,051	—	33,363
Usutu Orchards	—	5,835	807	—	6,642	—	—	6,642
Omo Sawmills of Nigeria Ltd	—	1,405	20,087	—	21,492	1,371	—	22,863
Works—Gold Coast road	—	66,558	36,712	—	103,270	2,252	—	105,522
Nigerian roads	—	102,410	59,986	—	162,396	6,526	—	168,922
	531,733	372,375	521,750	377,591	739,983	65,133	359,644	787,169

Surplus £159,358

Deficit £362,392

Net loss £427,525

INVESTMENT INCOME

British Guiana Consolidated Goldfields Ltd	33,109
British Guiana Rice Development Co Ltd...	10,035
Jamaica Citrus Growers Ltd	4,765
Central Electricity Board, Malaya	161,410
Lagos Executive Development Board	56,250
Sundry	13,709

279,278

NET LOSS ON OPERATION OF CONTINUING PROJECTS (statement 4)... £148,247

DETAILS OF ASSETS AND LIABILITIES

	Head Office and overseas offices	British Guiana Timbers Ltd.	Barton Ramie Estate
	£	£	£
FIXED ASSETS			
Freehold and leasehold land, plantations, concessions and buildings	308,000	721,322	23,498
Plant and machinery	51,742	394,699	12,870
Contracting plant	—	—	—
Ships and vessels	—	206,434	1,739
Land clearance equipment, tractors and agricul- tural equipment	2,000	78,918	27,403
Motor vehicles and rolling stock	26,507	51,391	4,513
Furniture, fixtures, office and hotel equipment	84,511	17,653	2,172
Progress payments on fixed assets	—	—	—
	472,760	1,470,417	72,195
Less DEPRECIATION			
Freehold and leasehold land, plantations, concessions and buildings	22,452	26,220	2,506
Plant and machinery	3,471	25,255	2,240
Contracting plant	—	—	—
Ships and vessels	—	23,327	981
Land clearance equipment, tractors and agricultural equipment	—	33,039	13,522
Motor vehicles and rolling stock	7,342	17,192	2,248
Furniture, fixtures, office and hotel equipment	32,530	3,820	583
	65,795	128,853	22,080
NET BOOK VALUE OF FIXED ASSETS	406,965	1,341,564	50,115
FORESTRY CROPS	—	—	—
LAND CLEARANCE	—	—	30,598
MINING INVESTIGATIONS AND DEVELOPMENT	—	—	—
GENERAL DEVELOPMENT, SURVEYS AND REVENUE			
EXPENDITURE CARRIED FORWARD	56,808	109,024	—
INVESTIGATION SYNDICATES	8,000	—	—
INVESTMENTS			
Shares in and advances to subsidiary companies not consolidated	409,011	—	—
Shares in associated companies	1,465,953	10,000	—
Debentures and secured loans	7,587,403	—	—
Building Society advances on mortgage	—	—	—
CURRENT ASSETS			
Stocks, stores and livestock	200,575	334,157	2,851
Growing crops	—	—	42,383
Work in progress	—	—	—
Debtors and prepayments less provisions	292,934	65,275	1,564
Cash at banks and in hand	328,117	3,152	216
PRELIMINARY EXPENSES of subsidiary companies	—	10,151	—
TOTAL ASSETS	10,755,766	1,873,323	127,727
INTEREST OF MINORITY SHAREHOLDERS in sub- sidiary companies overseas	—	74,827	—
CREDITORS AND ACCRUED CHARGES	410,596	86,380	3,777
BANK LOAN AND OVERDRAFT	951,420	—	—

STATEMENT 6

OF CONTINUING PROJECTS

British Honduras Fruit Co. Ltd. (citrus)	Cramer Estates	Fort George Hotel	Melville Hall Estate	Dominica Hydro-electric and Cold Store	Jamaica Cooling Store
£	£	£	£	£	£
36,318	39,495	225,000	23,641	102,876	89,989
500	—	—	—	70,815	29,232
—	—	—	—	—	—
—	53	—	—	—	—
1,697	—	—	586	—	—
25	750	1,080	4,420	2,482	4,077
1,900	462	13,233	669	4,142	1,928
—	—	—	—	—	—
40,440	40,760	239,313	29,316	180,315	125,226
358	65	135,729	1,278	4,069	5,908
34	—	—	—	6,695	4,491
—	—	—	—	—	—
—	—	—	—	—	—
208	—	—	150	—	—
8	704	473	3,004	1,959	1,597
158	182	1,629	345	1,747	856
766	951	137,831	4,777	14,470	12,852
39,674	39,809	101,482	24,539	165,845	112,374
—	—	—	—	—	—
—	—	—	6,394	—	—
—	—	—	—	—	—
—	—	—	—	9,006	6,724
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
2,678	26	10,577	2,215	12,507	1,715
—	—	—	6,344	—	—
—	—	—	—	—	—
102	1,091	1,071	908	1,373	4,633
420	3,462	4,577	5,304	2,939	3,649
—	—	—	—	—	—
42,874	44,388	117,707	45,704	191,670	129,095
—	—	—	—	—	—
1,551	653	2,093	694	2,781	533
—	—	—	—	—	—

DETAILS OF ASSETS AND LIABILITIES

	St. Vincent Hydro- electric and Cold Store	Federal and Colonial Building Society Ltd.	Kulai Oil Palm Estate
	£	£	£
FIXED ASSETS			
Freehold and leasehold land, plantations, concessions and buildings	80,393	20,042	324,560
Plant and machinery	81,474	—	31,508
Contracting plant	—	—	—
Ships and vessels	—	—	—
Land clearance equipment, tractors and agricul- tural equipment	—	—	—
Motor vehicles and rolling stock	2,705	647	3,394
Furniture, fixtures, office and hotel equipment	1,698	4,912	2,943
Progress payments on fixed assets	—	—	54,602
	166,270	25,601	417,007
Less DEPRECIATION			
Freehold and leasehold land, plantations, concessions and buildings	1,626	316	12,275
Plant and machinery	2,765	—	8,783
Contracting plant	—	—	—
Ships and vessels	—	—	—
Land clearance equipment, tractors and agricultural equipment	—	—	—
Motor vehicles and rolling stock	1,302	351	980
Furniture, fixtures, office and hotel equipment	342	2,816	828
	6,035	3,483	22,866
NET BOOK VALUE OF FIXED ASSETS	160,235	22,118	394,141
FORESTRY CROPS	—	—	—
LAND CLEARANCE	—	—	—
MINING INVESTIGATIONS AND DEVELOPMENT	—	—	—
GENERAL DEVELOPMENT, SURVEYS AND REVENUE			
EXPENDITURE CARRIED FORWARD	4,316	—	35,225
INVESTIGATION SYNDICATES	—	—	—
INVESTMENTS			
Shares in and advances to subsidiary companies not consolidated	—	—	—
Shares in associated companies	—	—	40
Debentures and secured loans	—	89,973	—
Building Society advances on mortgage	—	1,929,296	—
CURRENT ASSETS			
Stocks, stores and livestock	17,309	—	12,371
Growing crops	—	—	—
Work in progress	—	—	—
Debtors and prepayments less provisions	1,544	5,478	6,727
Cash at banks and in hand	621	12,638	1,994
PRELIMINARY EXPENSES of subsidiary companies	—	—	—
TOTAL ASSETS	184,025	2,059,503	450,498
INTEREST OF MINORITY SHAREHOLDERS in sub- sidiary companies overseas	—	—	—
CREDITORS AND ACCRUED CHARGES	9,618	64,950	10,661
BANK LOAN AND OVERDRAFT	—	—	—

STATEMENT 6
(continued)

OF CONTINUING PROJECTS

Singapore Factory Development	Borneo Abaca Ltd.	Macalder- Nyanza Mines Ltd.	Murongo Mines Investigation	Tanganyika Coalfields and Iron Investigations	Tanganyika Wattle Estates
£	£	£	£	£	£
43,736	1,564,397	154,781	57,474	9,757	157,883
—	366,111	162,860	20,930	7,334	10,971
—	53,486	—	—	—	—
—	53,819	7,309	—	—	40,462
—	91,185	15,776	8,707	6,749	13,587
—	25,784	27,732	5,077	5,487	11,321
—	—	—	—	—	—
43,736	2,154,782	368,458	92,188	29,327	234,224
—	243,880	18,068	7,580	4,409	9,400
—	48,090	36,414	2,855	2,923	2,797
—	—	—	—	—	—
—	21,578	—	—	—	—
—	19,695	5,513	—	—	31,155
—	25,539	7,548	3,722	6,615	12,044
—	7,220	6,250	1,406	2,644	3,320
—	366,002	73,793	15,563	16,591	58,716
43,736	1,788,780	294,665	76,625	12,736	175,508
—	—	—	—	—	247,042
—	—	682,885	166,775	480,559	86,315
—	124,205	—	—	—	—
—	—	—	—	—	487
—	—	—	—	—	—
—	—	—	—	—	—
93,795	—	—	—	—	—
—	370,457	167,863	8,521	5,731	21,354
—	—	—	—	—	915
—	—	—	—	—	—
688	61,340	21,534	770	2,484	1,859
—	68,732	3,075	886	—	13,735
—	—	5,169	—	—	—
138,219	2,413,514	1,175,191	253,577	501,510	547,215
—	49,674	40,000	—	—	—
143	53,037	31,291	1,511	46,310	39,879
—	—	—	—	—	—

DETAILS OF ASSETS AND LIABILITIES

	Bechuana- land Cattle Ranch	Lobatsi Abattoir	Molopo Ranch	Chilanga Cement Ltd.
	£	£	£	£
FIXED ASSETS				
Freehold and leasehold land, plantations, concessions and buildings	189,138	253,904	92,721	658,405
Plant and machinery	43,060	303,718	24,670	704,019
Contracting plant	—	—	—	—
Ships and vessels	—	—	—	—
Land clearance equipment, tractors and agricultural equipment	101,036	—	4,608	—
Motor vehicles and rolling stock	44,867	2,027	11,048	35,245
Furniture, fixtures, office and hotel equipment	19,124	10,941	5,250	12,781
Progress payments on fixed assets	—	—	—	343,860
	397,225	570,590	138,297	1,754,310
Less DEPRECIATION				
Freehold and leasehold land, plantations, concessions and buildings	45,295	1,470	6,246	52,677
Plant and machinery	10,176	2,002	8,853	161,861
Contracting plant	—	—	—	—
Ships and vessels	—	—	—	—
Land clearance equipment, tractors and agricultural equipment	60,053	—	2,092	—
Motor vehicles and rolling stock	32,253	1,008	6,624	11,638
Furniture, fixtures, office and hotel equipment	7,167	1,321	721	2,960
	154,944	5,801	24,536	229,136
NET BOOK VALUE OF FIXED ASSETS	242,281	564,789	113,761	1,525,174
FORESTRY CROPS	—	—	—	—
LAND CLEARANCE	—	—	—	—
MINING INVESTIGATIONS AND DEVELOPMENT	—	—	—	—
GENERAL DEVELOPMENT, SURVEYS AND REVENUE EXPENDITURE CARRIED FORWARD	106,391	30,986	24,426	22,437
INVESTIGATION SYNDICATES	—	—	—	—
INVESTMENTS				
Shares in and advances to subsidiary companies not consolidated	—	—	—	—
Shares in associated companies	—	—	—	—
Debentures and secured loans	—	—	—	—
Building Society advances on mortgage	—	—	—	—
CURRENT ASSETS				
Stocks, stores and livestock	225,922	26,412	275,282	164,499
Growing crops	3,800	—	—	—
Work in progress	—	—	—	—
Debtors and prepayments less provisions	12,670	5,266	313	290,475
Cash at banks and in hand	10,539	27,885	28,239	55,211
PRELIMINARY EXPENSES of subsidiary companies	—	—	—	—
TOTAL ASSETS	601,603	655,338	442,021	2,057,796
INTEREST OF MINORITY SHAREHOLDERS in subsidiary companies overseas	—	—	—	379,250
CREDITORS AND ACCRUED CHARGES	7,313	15,438	6,584	394,221
BANK LOAN AND OVERDRAFT	—	—	—	—

OF CONTINUING PROJECTS

STATEMENT 6 (continued)

Kasungu Tobacco Estate	Vipya Tung Estates	Swaziland Irrigation Scheme	Usutu Forests	Omo Sawmills of Nigeria Ltd.	Works
£	£	£	£	£	£
59,157	695,612	667,593	589,078	141,873	18,961
5,756	18,731	84,253	55,318	59,265	—
—	—	—	—	781	337,078
—	—	—	—	—	—
11,929	71,131	156,463	13,176	14,585	—
9,543	16,843	57,883	35,652	16,604	182,208
5,015	17,046	18,379	5,952	2,995	33,144
—	—	—	—	—	—
91,400	819,363	984,571	699,176	236,103	571,391
11,342	173,361	43,157	18,337	14,853	713
1,662	5,865	13,720	29,835	7,345	—
—	—	—	—	—	137,233
—	—	—	—	729	—
6,918	24,093	77,870	6,692	8,584	—
8,392	11,790	42,568	22,501	10,466	73,519
2,153	7,028	7,317	2,678	946	—
30,467	222,137	184,632	80,043	42,923	211,465
60,933	597,226	799,939	619,133	193,180	359,926
—	—	—	480,906	—	—
3,742	—	28,873	—	—	—
—	—	—	—	—	—
8,753	—	356,940	42,563	—	17,515
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	12	—	—
—	—	—	—	—	—
—	—	—	—	—	—
19,921	55,636	214,094	80,981	71,525	231,573
10,664	—	62,033	5,555	—	—
—	—	—	—	—	16,970
588	3,209	36,572	15,207	10,776	92,186
19,714	3,472	34,296	9,190	768	44,085
—	—	—	—	—	—
124,315	659,543	1,532,747	1,253,547	276,249	762,255
—	—	—	—	94,702	—
6,112	9,024	27,134	93,934	4,992	436,319
—	—	—	—	9,077	—

INVESTMENTS AT COST

	£	£
SHARES IN AND ADVANCES TO SUBSIDIARY COMPANIES NOT CONSOLIDATED		
Falkland Islands Freezer Co Ltd—advances	278,351	
Tristan da Cunha Development Co Ltd—shares and advances	130,660	409,011
SHARES IN ASSOCIATED COMPANIES		
British Guiana Consolidated Goldfields Ltd	87,852	
Trinidad Cement Ltd	1,021,567	
Malayan Cocoa Ltd	21,534	
East Africa Industries Ltd	275,000	
Tangold Mining Co Ltd	60,000	
Held by projects	10,052	1,476,005
DEBENTURES AND SECURED LOANS		
British Guiana Rice Development Co Ltd	500,000	
British Guiana Consolidated Goldfields Ltd	513,703	
Cayman Islands Airport	55,500	
Jamaica Citrus Growers Ltd	94,000	
Jamaica Public Service Co Ltd	294,000	
Turks Islands Salt Co Ltd	60,000	
Central Electricity Board Malaya	4,725,200	
High Commission Printing and Publishing Co Ltd	10,000	
Ubombo Ranches Ltd	85,000	
Lagos Executive Development Board	1,250,000	
Held by projects	212,568	7,799,971
BUILDING SOCIETY ADVANCES ON MORTGAGE		
Federal & Colonial Building Society Ltd		1,929,296
per statement 2		£11,614,283

IV PROJECT REPORTS

CARIBBEAN REGION

BAHAMAS

16 Eleuthera

- (1) (a) Estate of 8,800 acres purchased 1950;
(b) agricultural operations abandoned 1951, agreement made 1952 for real estate development.
- (2) Several properties sold, subject to contracts; since end of year further agreement made for sale of part of remaining property and residue leased to purchaser for seven years with options to buy.
- (3) If option prices realised Corporation should recover expenditure on land and property but not losses on abortive agricultural operations.

BRITISH GUIANA

17 British Guiana Consolidated Goldfields Ltd

- (1) (a) Issued capital £294,628 10s in 2s ordinary shares; at 31.12.53 Corporation held 878,938 with nominal value of £87,893 16s;
(b) modifications of terms attached to Corporation's 1948 loan have been agreed; £178,703 balance outstanding will be repaid over 15 years from 31.12.56; Corporation's option to convert into ordinary shares extended to 31.12.56;
(c) Corporation has advanced £335,000 secured by debenture under provisions of a second loan agreement made in 1951.
- (2) (a) 1953 production was 16,025 fine oz gold; profit after charging depreciation, amortisation and debenture interest applicable to loan capital used in operations, £7,986; loss after charging balance of debenture interest and British Guiana tax, £13,141;
(b) income received by Corporation in 1953 was £33,109 including 1952 dividend.
- (3) (a) Drilling and reassessment of middle and upper Konawaruk areas added five million cu yds; prospecting in Mowassie area did not locate any suitable deposits;
(b) at 31.12.53 ore reserves were:

Class	Area	cu. yds.	gr/cu. yds.
proved	Mahdia	1,198,500	3·64
"	Lower Potaro	10,436,500	4·39
"	Middle Konawaruk	2,313,500	3·39
"	Upper Konawaruk	26,610,500	3·16
	total and average	40,559,000	3·50
partly proved ...	Upper Potaro	9,800,000	3·47
"	Middle Konawaruk	4,897,000	3·52
"	Upper Konawaruk	3,397,000	2·38
	total and average	18,094,000	3·28
	Grand total and average	58,653,000	3·43

(4) Output from old Mahdia dredge at 2,995 fine oz was well below expectation due to rock bars, dilution, and mechanical breakdowns; production from Potaro dredge at 13,030 fine oz was higher than expected despite low grade ground during first half year and serious breakdown of diesel power plant; improvement resulted from mechanical alterations on dredge and from better handling.

(5) Unsettled political conditions did not affect production or labour relations; trade union continued co-operative.

(6) Unusually prolonged rains delayed construction of airstrip at Konawaruk which held up transport inland of dredge brought from New Guinea in February; new camp and dredge erection site at Konawaruk are complete.

(7) Hydro-electric power station is to be built on Tumatumari Falls; construction started in December, should be finished in 1955; this will reduce power costs; a new subsidiary, Potaro Hydro-electric Co, is being formed.

(8) Substantial profits are not to be expected till some time after Konawaruk dredge starts in 1955.

18 British Guiana Rice Development Co Ltd

(1) This loan to finance expansion of rice production was agreed in 1952.

(2) (a) Total is £1,042,000, repayable five years after drawings, with working capital advances of up to £250,000 (or such greater sum as may be mutually agreed) repayable in six months; interest and repayment are guaranteed by British Guiana Government;

(b) first instalment of £250,000 drawn, also £250,000 working capital.

19 British Guiana Timbers Ltd

(1) (a) In 1948 Corporation acquired a small lumber business with a view to building up the largest modern sawmill in South America and opening up great areas of virgin forest;

(b) Corporation's holding is £1,425,000 in ordinary shares out of £1,510,000 issued; remainder held by Steel Bros & Co Ltd, Industrial Holdings (BG) Ltd (Bookers) and Greenheart Demerara, Inc.;

(c) in addition Corporation has advanced £467,801 on loan; total investment at cost less amount written off, £1,642,981; development programme now virtually complete;

(d) Steel Brothers & Co Ltd are managing agents.

(2) (a) In 1953 Bartica Triangle, main forest concession, was prepared for full scale operations;

(b) 18,109 tons logs delivered from Bartica (15,240 in 1952, 6,867 in 1951); extraction still not on full scale pending start of new sawmill;

(c) completion of sawmill at Houston, Georgetown, was delayed by late arrival of parts; began work in October 1953, officially opened on 15.2.54 by the Governor; La Penitence mill was closed but old Stampa mill continues in operation;

(d) a testing year for staff and labour with major constructional effort and unsettled general conditions; labour, 900 strong, well paid and housed, has done well; interruption of work negligible.

- (3) (a) Sales were 17,573 tons logs and lumber (13,334 tons in 1952, 10,647 in 1951); 28% to UK., 28% to USA, 44% locally;
- (b) proceeds were £398,553 (1952 £295,978), of which exports, now taken to include all Company's timber leaving British Guiana, contributed £258,600 (1952 £179,555);
- (c) prices were fairly steady;
- (d) trading loss for year was £72,581 (1952 £34,858), increase being appreciably but not wholly due to expensive new installations not yet fully operational.
- (4) (a) Houston should produce at full capacity by end 1954;
- (b) this Company has great potentialities as support to colony's economy and as dollar earner; it is the most modern timber concern in Caribbean; it should be the most efficient; Corporation looks to its managing agents to make it so.

20 Potaro Hydro-electric Co

- (1) British Guiana Consolidated Goldfields Ltd and Corporation are forming this Company to instal hydro-electric station at Tumatumari Falls on Potaro River, primarily to supply power to Goldfields Company.
- (2) (a) Company's share capital of BG \$480,000 (£100,000) will be held—BGCG Ltd 55%, Corporation 45%;
- (b) Corporation will provide balance of finance required as debenture loan.
- (3) (a) Construction started in December 1953; should be completed in 1955;
- (b) estimated cost £340,000;
- (c) Corporation advance at 31.12.53, £30,000.

BRITISH HONDURAS

21 Barton Ramie Estate

- (1) (a) This was an attempt to produce ramie fibre as a commercial crop; most of it comes from China and USA;
- (b) first planting in 1951; about 550 acres now.
- (2) (a) 1953 production disappointing; weather made harvest late; growth slow and yields poor;
- (b) 29 tons of decorticated ribbon though 125 estimated.
- (3) (a) Expert re-assessment in December 1953 showed many unsolved technical problems and recommended further three years experiments;
- (b) new varieties to be tested to replace unsuitable ones; fertilisers, weed and pest control more fully tried; soil survey completed.
- (4) Further development on commercial scale has been stopped; it is even doubtful whether further experiment is justified; decision will shortly be made whether to continue on reduced scale or to close down.
- (5) Spent at 31.12.53, £169,236, including losses for 1952 and 1953, £45,163.

22 British Honduras Fruit Co Ltd (citrus)

- (1) Stann Creek banana scheme was reported last year as abandoned; on urgent governmental representations, alternative uses for land and labour were considered; citrus and cocoa possibilities.

- (2) 34 acres were under oranges planted 1949/51 and growing well; 120 more acres had been planted in 1952; acreage under oranges now 500.
- (3) For supervision economy cocoa experiment at Sittee River has been moved here; 33 trial acres planted.
- (4) Negotiations were in progress with private enterprise for participation in finance and management, but these were broken off when it was heard that United Kingdom intended to import fresh citrus and canned grapefruit from U.S.A.; further plantings have also been stopped.
- (5) Book value of assets on citrus and cocoa at 31.12.53, £41,542.

23 Cramer Estates

- (1) These estates, widely scattered, many very remote, were bought in 1950; investment is £50,692.
- (2) Some of the lands have been leased to local concessionaires for timber and chicle extraction; others surrendered to Government in lieu of land tax.
- (3) Rents and royalties from concessions covered land tax and local administration costs.

24 Fort George Hotel

- (1) Hotel opened January, completed February; business poor in hot months, picked up in October.
- (2) (a) Capital cost written down by £150,000; after providing depreciation on reduced capital expenditure of £106,758 hotel made net trading loss of £4,622;
- (b) accommodation, food, service much commended;
- (c) suggestions made that additional outside amenities would increase custom; swimming pool is to be built.

DOMINICA

25 Castle Bruce Estate

- (1) (a) Bought in 1949 for planting with citrus;
- (b) expected government road did not materialise; without it estate too inaccessible for commercial development.
- (2) (a) Work stopped in April 1952; protracted negotiations for disposal to Government failed;
- (b) estate on care and maintenance.

26 Melville Hall Estate

- (1) This small estate grows 200 acres of bananas and 200 acres of coconuts (of which 80 immature); largest producer of bananas in Dominica.
- (2) (a) Intensive manuring and mulching markedly improved bananas; 97,785 stems sold (28,800 in 1952); copra production 88 tons;
- (b) profit was £6,489 (1952 loss £13,313).
- (3) Estate is now well-ordered under new Dominican manager; a small but significant contribution to island economy.
- (4) Spent £69,552, including losses to 31.12.53 of £24,542.

27 Dominica Hydro-electric and Cold Store

(1) As to hydro-electric:

(a) generating station opened 15.6.53; final section of Roseau switched over to hydro-electric 26.6.53; thermal power station shut;

(b) construction of all but one of planned branch transmission lines completed 31.12.53; further transmission and distribution lines will be run where justified.

(2) Spent at 31.12.53, £170,403, including loss for year £5,374; increased consumption expected, leading to better trading results but prices cannot be raised in first five years of operation no matter what loss.

(3) As to cold store:

(a) store completed first full year's trading; business expanding slowly; ice sales disappointing;

(b) Spent at 31.12.53, £24,162; trading profit for 1953, £176.

JAMAICA AND DEPENDENCIES

28 Cayman Islands Airport

(1) Loan of £55,500 to finance construction of airport agreed in 1952, and fully drawn during 1953.

(2) Principal and interest secured by first charge on revenue of Cayman Islands and guaranteed by Government of the Islands.

(3) Runways completed early in year; BWIA have two weekly services through Island either to Belize or Miami.

29 Grand Cayman Cannery

(1) (a) Approved in 1950 to establish turtle soup cannery for turtle industry on which islanders largely depend, product to be sold in USA;

(b) cannery completed and production began in April 1952; production suspended October 1952 and cannery closed in May 1953 owing to sales failure.

(2) (a) Market research has now confirmed USA as only substantial market but efforts directly and through established agents to introduce product on scale sufficient to justify continuation of canning failed;

(b) Corporation should not have embarked on production of article of such limited luxury interest on its own.

(3) (a) Negotiations for disposal of factory by lease or sale proceeding;

(b) under existing agreement turtles will be taken from fishers' association up to 30.6.54 and sold live in USA.

30 Jamaica Citrus Growers Ltd

(1) In 1951 loan approved up to £110,000 secured by debenture to finance extension of Company's fruit processing factory.

(2) (a) At 31.12.53 amount outstanding £94,000;

(b) loan repayable by instalments over 10 years to 31.3.61.

31 Jamaica Cooling Store

- (1) Store built in 1951 to pre-cool citrus and other produce for export.
- (2) 1953 was second full year; it showed trading profit of £669 on storage charges of £19,786.
- (3) (a) Results would have been better but for poor citrus crop;
(b) revenue from storage of other commodities increased by 66% this year;
(c) prospects for 1954 are fair.
- (4) Spent at 31.12.53, £130,003.

32 Jamaica Public Service Co Ltd

- (1) Company supplies electricity throughout island under franchise; Corporation has loaned £294,000 for expansion of activities.
- (2) Loan, fully drawn, secured by debenture under Trust Deed; repayable at end 10 years.

33 Turks Islands Salt Co Ltd

- (1) (a) Debenture loan of £60,000 agreed in 1951 and drawn in full by 31.12.52;
(b) Company had been formed by Jamaica Government to work salt on Turks Islands;
(c) loan is secured on Company's assets on the Islands.
- (2) (a) Owing mainly to inadequate loading facilities Company has had increasing difficulties in disposing of salt; sales for year ending 30.9.53 were only 9,180 tons compared with production potential of about 50,000; 45,516 tons were left on hand.
- (3) (a) Company defaulted in payment of interest at 30th June and 31st December 1953;
(b) Corporation has refrained from exercise of full rights under deed pending outcome of discussions with Jamaica Government and Colonial Office.

ST LUCIA

34 Castries Reconstruction Agency

- (1) Corporation was agent and consultant to Government for rebuilding fire-destroyed Castries; contractors Holland & Hannen and Cubitts Ltd; value of contract £1,250,000.
- (2) Work completed; Corporation staff withdrawn; final accounts being prepared.
- (3) Fees earned expected to cover Corporation expenditure with modest margin.

ST VINCENT

35 St Vincent Hydro-electric and Cold Store

- (1) As to hydro-electric:
generating station started up 30.3.53; took over load from thermal station 11.4.53.
- (2) (a) trading loss for year £1,446; initial rapid build up of load eased off towards year end; as in Dominica prices cannot be increased in first five years of operation;
(b) spent at 31.12.53, £152,327.

(3) As to cold store:

(a) late delivery of materials delayed reconstruction of old government store for over six months; limited ice making and cold storage facilities were made available during reconstruction;

(b) ice plant completed August 1953; cold store ready February 1954.

(4) (a) trading loss for 1953 was £979, due to loss of revenue during protracted construction period;

(b) agreement reached with Bottlers (St Vincent) Ltd for sale of ice and renting of cold storage space; prospects for 1954 are fair;

(c) spent at 31.12.53, £24,409.

TRINIDAD

36 Trinidad Cement Ltd

(1) Company formed in association with The Rugby Portland Cement Co Ltd to build and operate cement factory in Trinidad.

(2) (a) Authorised capital BWI \$8 million;

(b) at 31.12.53 issued and paid up capital was \$240,000 (£50,000) in \$5 ordinary shares, of which Corporation subscribed one-third (£16,667), and \$4,800,000 (£1 million) in \$5 cumulative redeemable preference shares entirely subscribed by Corporation.

(3) Construction went steadily ahead throughout year and production is expected by July 1954.

FALKLAND ISLANDS

37 Falkland Islands Freezer Co Ltd

(1) (a) Abattoir and freezer at Ajax Bay, to process sheep for sale in United Kingdom, was built by Corporation at request of Falkland Islands Government;

(b) Falkland Islands Freezer Co Ltd has been formed to take over and run installation; South American Export Syndicate Ltd are managing agents; majority of directors reside locally.

(2) At 31.12.53 total expenditure was £449,590; buildings and plant have been transferred from Corporation to Company for £250,000 and £199,590 written off; Corporation advanced further £28,351 on temporary loan for working capital; Falkland Islands Government have just agreed to advance £50,000 working capital against debenture.

(3) (a) Construction was sufficiently advanced for freezer to open partially on 6.4.53; short season's operations provided 181 tons mutton with offals and by-products;

(b) owing to late start, number and quality of sheep processed were below expectation; sales revenue about £14,000; trading loss (including depreciation) estimated £34,000;

(c) faults noted in operational period are being rectified; additional skin drying shed and corrals erected.

- (4) (a) Communication difficulties are insuperable; greater local control is essential if Company is to run efficiently;
 (b) best solution that Corporation should transfer project to local body with financial interest in success;
 (c) freezer should be very useful and, in time, be economic at an appropriate capitalisation.
- (5) (a) 1954 season's output should be greater and include some beef; but little prospect of earning profit, even on reduced capital, for several years;
 (b) because of communication difficulties audited accounts are not yet available, therefore not consolidated.

FAR EAST REGION

SINGAPORE AND FEDERATION OF MALAYA

38 Central Electricity Board

- (1) Between 1949 and 1952 Corporation agreed three loans to finance construction of new 80,000 kw thermal generating station at Connaught Bridge in Selangor State, 26 miles from Kuala Lumpur.
- (2) Loans are:
 (a) first debenture (£3,580,000—repayable by 1960) to complete first half of station;
 (b) second debenture (£567,950—repayable by 1960) to meet increased cost of first half;
 (c) third debenture (£2,930,000—repayable by 1963) to complete second half.
- (3) First and second debentures, but not third, include option for Corporation to convert into ordinary stock.
- (4) At 31.12.53 first and second debentures were fully drawn; £492,050 had been drawn against third; outstanding £4,640,000.
- (5) Last year Corporation lent in addition \$730,000 (£85,200) for three years to finance staff housing scheme.

39 Federal and Colonial Building Society Ltd

- (1) Established by Corporation in 1950 to promote home ownership in Singapore and Federation of Malaya.
- (2) (a) Progress here shown:

	Applications approved		Mortgage advances outstanding	Mortgage and debenture interest, agency fees and commissions	Net profit/loss before tax
	Number	Amount			
		£	£	£	£
1950 ...	220	472,894	231,734	4,090	1,973 (loss)
1951 ...	613	1,062,401	792,292	31,427	18,702 (profit)
1952 ...	404	792,983	1,477,625	84,916	63,170 (")
1953 ...	303	395,331	1,929,296	136,757	90,716 (")
	1,540	2,723,609			

- (b) reduction in annual number of applications approved due to limitation of capital available;
- (c) at 31.12.53 Corporation had subscribed £956,667 in shares and £988,015 in loan, total £1,944,682; balance of mortgages financed by internal reserves;
- (d) rate of interest charged to borrowers 7%.
- (3) (a) In 1953 negotiations were completed with Government of Federation of Malaya whereby Government will invest M\$10 million in Society and Corporation further M\$10 million; both half equity, half loan; this new M\$20 million will be used to finance house purchases in Federation;
- (b) total Society capital M\$40 million (£4,666,666)—Corporation M\$15 million in equity and loan; Government M\$5 million in each;
- (c) new directors resident in Malaya will be appointed.
- (4) In 1953 Society was appointed agent for Government of Colony of Singapore Staff Housing Loans Scheme; managers for Singapore City Council Staff Housing Loans Scheme.
- (5) (a) Society has advanced money to Serangoon Garden Estate Ltd, largest privately financed housing development in Malaya, £89,973 being outstanding against debenture at 31.12.53;
- (b) Serangoon company has completed 302 houses; construction of further 117 is well advanced; these houses are priced M\$11,900 to M\$21,000 (£1,388 to £2,450);
- (c) majority of house purchasers on Serangoon Estate are receiving loans from Society.
- (6) Company's accounts show:

	Net profit (after tax)	Dividends		Balances at 31.12.53	
		Rate	Amount (less tax)	General Reserve	Profit & Loss Account
	£		£	£	£
1950 ...	1,973 (loss)	—	—	—	1,973 Dr.
1951 ...	11,547	—	—	8,750	824 Cr.
1952 ...	37,792	3%	19,046	26,250	2,070 Cr.
1953 ...	53,250	4%	26,787	52,500	2,283 Cr.

(7) Society is beginning to raise funds locally.

(8) It has to date helped about 1,900 families of modest incomes to own their homes; it has assisted in reducing costs and improving building standards; and it has made profits; it is managed with efficiency and initiative.

40 Kulai Oil Palm Estate

- (1) (a) This Johore estate has 1,283 acres of old palms in bearing bought in 1950, and 3,083 acres immature high yielding palms planted since;
- (b) Guthrie & Co Ltd are managing agents.

- (2) (a) Production was 652 tons oil and 162 tons kernels; slightly above 1952;
 (b) average price for oil fell to £67 per ton fob from £115 in 1952;
 (c) but by drastic reductions in costs profit of £4,899 resulted (after £8,541 provision for replanting).
- (3) (a) 1,936 acres of new planting in 1953;
 (b) 1954 programme is 600 acres new planting in addition to 148 acres carry-over from 1953; that will virtually complete planting programme at nearly 5,000 acres;
 (c) new factory required by 1957 has been ordered; new housing for increased labour force will be started in 1954.
- (4) (a) Achievement of improved production and maintenance of profit despite fall in prices, also supervision of large development programme, must be appreciated against background of constant terrorist activity; till August manager and wife were the only Europeans;
 (b) unless market prices for palm oil and kernels greatly improve reasonable returns on investment must wait till heavier yielding new plantings come into full bearing.
- (5) Capital employed at 31.12.53, £439,837, including accumulated profits, £34,042.

41 Malayan Cocoa Ltd

- (1) (a) Company formed (one-third each Corporation, Cadbury Bros Ltd and Harrisons & Crosfield) to experiment in cocoa cultivation in Trengganu, Malaya;
 (b) Harrisons & Crosfield (Malaya) Ltd are managing agents; Malayan Agricultural Department co-operate.
- (2) (a) Cultivation continued during 1953 on 55 acres; results now considered sufficiently promising to warrant commercial planting of about 500 acres;
 (b) 85 are now being planted.
- (3) (a) Capital will be doubled to finance immediate further development;
 (b) Corporation holding at 31.12.53 was £21,000.

42 Singapore Factory Development

- (1) (a) This is designed to encourage introduction of suitable secondary industries in Singapore;
 (b) in 1951 a 53 acre plot was purchased in Singapore and divided into sites; these sites are sold for cash, Corporation retaining control over nature of development;
 (c) financial assistance for factory construction may be provided by loans against mortgage.
- (2) Sales in 1953 were 7.7 acres; in 1952, 16.4 acres, leaving 28.9 acres.
- (3) (a) Two factories—textile mill and edible oil refinery—are in production, both constructed with financial assistance from Corporation;
 (b) two further factories—belonging to Hong Kong Rope Manufacturing Co Ltd and Kiwi Polish Co (Pty) Ltd—are nearly finished.
- (4) Directors of Federal and Colonial Building Society Ltd form advisory committee; their general manager acts as manager of factory estate.

- (5) (a) net profit for year was £16,682 (£11,883 for 1952); increase due to greater receipts of interest;
- (b) Capital employed at 31.12.53, £138,076 including accumulated profits £28,565; loans outstanding £93,795.

NORTH BORNEO

43 Borneo Abaca Ltd

- (1) (a) Company formed in 1948 with Corporation minority shareholders, to rehabilitate these ex-Japanese abaca (manila hemp) estates; control bought early 1951;
- (b) in November 1951 adjacent Kuhara rubber estate acquired;
- (c) issued capital £2 million, £1,950,000 held by Corporation and £50,000 by Harrisons & Crosfield (Borneo) Ltd; at 31.12.53 Corporation had also advanced £695,369 on loan account;
- (d) Harrisons & Crosfield are managing agents.
- (2) As to abaca:
 - (a) 1,640 acres mature; 2,098 acres immature; further planting in 1954;
 - (b) 1953 production at 1,171 tons more than doubled 1952 output;
 - (c) costs of production substantially reduced and at last below selling prices;
 - (d) but there was trading loss in 1953 of £35,427 (£22,117 being government hemp export duty), increased to £45,899 after providing £10,472 for amortisation of plantations;
 - (e) two new decorticating factories come into production in 1954, and with additional areas ready for harvesting output should increase considerably;
 - (f) North Borneo Government has agreed to make some reduction in rate of hemp export duty.
- (3) As to rubber:
 - (a) 12,218 acres, 90% old seedling rubber;
 - (b) production unchanged at 1952 figure of 4.6 million pounds;
 - (c) though production costs were reduced, rubber prices fell more, so 1952 trading profit turned to loss of £19,630, increased to £72,714 after providing £53,084 for amortisation of plantations;
 - (d) replanting with high yielding material started on 100 acres in 1953, will continue on 500 acres in 1954; two new sheeting factories and a new scrap crepe factory will be operating.
- (4) Much construction work was done—roads, field railways, factories, bungalows, labour housing; these help to settle workers and improve efficiency.
- (5) Total loss for whole job in 1953 including amortisation provisions mentioned was £158,098, after charging other losses of £39,485.
- (6) Appreciable economies in operating were made in 1953, the need for which had only been recognised by managing agents after the fall in rubber prices; trading future depends on prices future.

EAST AFRICA REGION

KENYA

44 East Africa Industries Ltd

- (1) (a) Company's business was mixture of unrelated activities mostly begun in war;
(b) retrenchment and rationalisation of 1952 succeeded; all activities except hydrogenation, formulations and refractory bricks closed down; last two plants will be sold;
(c) net profit before tax of £31,076 from sales of £335,379.
- (2) (a) Discussions mentioned last year led to Unilever Limited taking 50% equity interest; they became responsible for management on 1.10.53;
(b) Industrial Management Corporation (Kenya Government) retains an interest;
(c) cost of Corporation investment £275,000.
- (3) Reconstructed Company continues hydrogenation; proposes to produce margarine in 1955.

45 East African Ramie Investigation

- (1) This investigation into commercial production of ramie began 1951.
- (2) Original plan for trial plots on private farms was abandoned owing to farmers' lack of interest.
- (3) Market reports on samples produced were not encouraging; decided to discontinue investigation.
- (4) Harvesters transferred to another project; efforts continue to dispose of decorticators and ancillary equipment locally.
- (5) Imported American rootstock has been handed to Agricultural Departments in Kenya and Tanganyika for further trials.
- (6) Spent and written off, £9,544.

46 Kenya Fish Farms

- (1) An investigation to test commercial possibilities of freshwater fish culture.
- (2) It has been abandoned as results over twelve months do not warrant further expenditure.
- (3) Spent and written off, £1,675.

47 Kenya Housing Loan

- (1) Loan of £2 million to Kenya Government for approved municipal and private housing programmes to meet urgent necessity for African housing in urban districts.
- (2) Nothing drawn yet.

48 Macalder-Nyanza Mines Ltd

- (1) (a) The old Macalder mine in south-west Kenya had been worked unsuccessfully for gold; it was on point of being closed in 1949 when Kenya Government asked Corporation to salvage it;
(b) orebody is complex of copper, gold, silver, zinc and other metals;

(c) Company was formed in 1950 to develop and bring mine to production; property consists of Special Mining Lease of 10 square miles and several small claims in Southern Nyanza Province, Kenya.

(2) Deep drilling on main sulphide orebody stopped early in year; a shallow carbonate orebody, discovered early in 1953, was drilled; geological investigation was concentrated on gold prospects away from main orebody with encouraging results; ore reserves now stand at:

Type	Class	Short tons	Copper %	Gold dwt/t	Silver oz/t	Zinc %
sulphide ...	proved ...	718,000	2.27	2.24	1.81	3.45
" ...	indicated ...	119,000	2.09	2.75	1.25	2.00
" ...	inferred ...	637,000	1.89	1.60	0.92	2.49
" ...	transition	36,000	3.88	2.52	1.46	1.82
" ...	total and averages	1,510,000	2.13	2.01	1.37	2.89
concentrates ...	stockpile ...	8,000	4.6	5.4	6.0	18.6
carbonates ...	indicated ...	622,000	1.26			
gossan ...	inferred ...	33,000		10.0		
outside gold ...	inferred ...	150,000		6.0		

(3) Pilot milling finished when operating data for future completed; working costs and recoveries were close to original estimates; 40,173 tons were milled in 1953 producing 3,002 tons export copper concentrates; sales, 3,975 tons, realised £107,701, 3,530 tons were stored for roast-leach treatment bringing total to 8,388 tons.

(4) Results of Dorr Company's research work in USA were satisfactory; demonstrated roast-leach technique suitable for production of copper, gold and silver; recovery of zinc also technically possible but uneconomic at present price.

(5) Stopping operations closed down with cessation of pilot milling; development in depth and laterally will continue during construction stage.

(6) (a) Mining, milling and treatment plans are complete; mine will now be brought into full production at 10,000 tons ore per month; additional capital required will bring total capitalisation to £2,100,000;

(b) alternative sources for power are still under consideration.

(7) (a) Agreement has been signed by which Kilembe Mines Ltd acquire an interest in Macalder-Nyanza Mines Ltd and treat Macalder products in new smelter at Jinja; this is linked with Corporation participation in new finance for Kilembe Mines Ltd;

(b) Frobisher Ltd and local business interests are represented on board.

(8) Ordinary capital will be increased from £500,000 to £700,000 of which Corporation will hold £460,000 as at present; Corporation will provide balance of finance required to bring mine to production (£1,400,000) on loan; Corporation loan was £636,361 at 31.12.53.

49 Vitingini Lead Investigation

(1) New Consolidated Gold Fields Ltd and Corporation shared costs of investigating this lead deposit, near Mombasa.

- (2) (a) Trenching and diamond drilling started in August 1952; 12 boreholes aggregating 3,708 ft completed;
- (b) investigation was abandoned in October 1953 on recommendation of New Consolidated Gold Fields Ltd since orebody was found to be low grade and uneconomic.
- (3) Total spent at 31.12.53 was £10,866 of which Corporation share written off £6,627; final figure will not exceed £7,000.

TANGANYIKA

50 Murongo Mines Investigation

- (1) In 1951 Corporation acquired various properties in this mineralised area at invitation of Tanganyika Government which wished systematic prospecting and development done; area lies to west of Lake Victoria in extreme north-west corner of Tanganyika.
- (2) (a) At beginning of year Corporation assessment of proved and indicated ore reserves was 210,000 tons at 0.3% tin metal; estimation is difficult owing to presence of patches of coarse tin; only bulk sampling could give more accurate valuation;
- (b) expert investigation by an independent mining house assessed proved and indicated reserves as 300,000 tons at 0.58% tin metal with additional inferred reserves of 700,000 tons; agreed necessity for bulk sampling method;
- (c) plans were in hand for second stage of investigation, including erection of pilot mill to carry out bulk sampling, establish ore characteristics and put job on self-supporting basis; negotiations for participation by mining house were progressing well;
- (d) but price of tin dropped heavily to below estimated pay limit of mine; so investigation operations were stopped and prospect put on care and maintenance.
- (3) (a) Caretaking to fulfil statutory obligations is combined with small scale realisation of ore in sight and in dumps by two engineers; output should pay for caretaking;
- (b) Tanganyika Government is granting a Special Mining Lease of eight square miles, covering all important known mineral occurrences, selected from area of Special Exclusive Prospecting Licence held, which will be surrendered.
- (4) Spent at 31.12.53, £252,066.

51 Tanganyika Coalfields Investigation

- (1) (a) Corporation undertook exploration of coalfields of south-west Tanganyika at request of Tanganyika Government;
- (b) field investigation concluded 31.12.52 with 256 million tons proved and indicated;
- (c) in 1953 investigation team was withdrawn; most buildings, plant and equipment disposed of.
- (2) (a) A company, Tanganyika Coalfields Ltd, is being formed by Corporation with Government of Tanganyika, Frobisher Ltd of Canada, and Anglo-American Corporation of South Africa Ltd, to take over Corporation's rights; Corporation interest 35½%, balance of consideration being met by issue of unsecured notes by Company;
- (b) development depends on somebody providing railway;

(c) meantime mining leases applied for and property held on care and maintenance basis.

(3) Expenditure in year was £24,920; total at 31.12.53 £439,861 of which £121,589 contributed by local Government and others.

52 Tanganyika Iron (Liganga) Investigation

(1) In 1952 Corporation, Frobisher Ltd of Canada, and Anglo-American Corporation of South Africa Ltd formed a syndicate to investigate Liganga iron ore deposits about 50 miles north of coalfields.

(2) (a) Results of geological survey in 1953 are not promising, but investigation continues for limited period;

(b) a company, Liganga Iron Ltd, is being formed by same syndicate with Tanganyika Government; Corporation interest 32½%.

(3) Spent at 31.12.53, £15,339.

53 Tanganyika Roadways Ltd

(1) (a) Corporation went into this project, with insufficient enquiry, to help in developing road transport in Tanganyika;

(b) last two reports indicated great uncertainty and increasing concentration of operation.

(2) (a) Scheme is now abandoned; it has been given every reasonable chance;

(b) Tanga depot was closed in May; Arusha depot sold in September; remaining depot at Dar-es-Salaam closed in February.

54 Tanganyika Wattle Estates

(1) This scheme, to establish 30,000 acres of black wattle in Southern Highlands, with manufacture of tanning extract from 1958, began in 1949.

(2) (a) 17,000 acres of wattle were sown by end of 1952/53 season as planned; owing to drought early 1953 growth was below average;

(b) 1953/54 rainy season started normally; harrowing and seeding of 3,000 acres completed by 31.12.53.

(3) Maize is grown to feed labour force.

(4) Plans and estimates for factory, and for private enterprise association are now under consideration.

(5) Government propose to establish African wattle growing up to 20,000 acres nearby; Corporation advice and equipment would be used for planting, and factory for processing.

(6) Spent at 31.12.53, £507,336.

55 Tangold Mining Co Ltd (Kiabakari Investigation)

(1) (a) Corporation investigated Kiabakari gold prospect near Musoma;

(b) exploration continued under general manager Macalder-Nyanza Mines Ltd; prospecting stage results were satisfactory; justify proceeding to underground development stage;

(c) New Consolidated Gold Fields Ltd took half share in Tangold Mining Co Ltd formed to take over further investigation and development; Company has £250,000 authorised capital; £120,000 issued at 31.12.53.

(2) New Consolidated Gold Fields Ltd are consulting engineers; general manager Macalder-Nyanza Mines Ltd continues in charge.

- (3) (a) 22 diamond drill holes completed in prospecting stage; consulting engineers consider sufficient ore reserves indicated to justify development; payable mineralisation established 900 ft below surface; (b) second stage exploration and development programme has started; covers further diamond drilling, laterally and to greater depth, shaft sinking and driving levels; (c) it is likely to be completed early 1955 when decision whether or not to proceed to full development and production will be taken.

UGANDA

56 Kilembe Mines Ltd

- (1) (a) Kilembe mine lies in Ruwenzori Mountains of western Uganda; it has been developed extensively by adits and diamond drilling; ore reserves are:

Class				Short tons	Copper %	Cobalt %
proved	...	...	...	5,882,000	2.12	0.17
indicated	...	...	...	5,439,000	2.12	0.19
inferred	...	...	...	6,460,000	1.47	0.19
total and averages				17,781,000	1.88	0.18

- (b) Corporation has signed an agreement with Frobisher Ltd of Canada, Kilembe Copper Cobalt Ltd, Kilembe Mines Ltd, and Uganda Development Corporation Ltd for finance to bring mine into production.
- (2) (a) Approximately £2 million had been spent by Frobisher by beginning of 1953;
 (b) additional expenditure required is estimated at £4,500,000, bringing total to £6,500,000, of which Corporation will subscribe £1 million in ordinary shares and £750,000 on debenture;
 (c) Corporation is represented on board.
- (3) (a) Frobisher Ltd have been appointed general managers and consulting engineers by Kilembe Mines Ltd;
 (b) agreement is based on Frobisher construction and production plan to equip Kilembe for production of copper and cobalt ore at an initial mining and milling rate of 40,000 tons per month, estimated to produce annually about 8,000 tons blister copper and 400 tons cobalt as high grade cobalt oxide from a smelter to be built at Jinja;
 (c) products from Macalder mine will, under linked agreement, be treated at Jinja smelter;
 (d) at proposed rate of production life should be at least 30 years;
 (e) Uganda Government is extending railway from Kampala to link with mine.
- (4) Corporation advance at 31.12.53, £30,000.

57 Lake Victoria Hotel Ltd

- (1) (a) Corporation in 1950 acquired, at Uganda Government's invitation, controlling interest (87,360 £1 shares of 144,000 issued) in this hotel built by Government;
 (b) under Corporation management hotel made profits in 1950, 1951, 1952.
- (2) Corporation transferred its interest at 30.6.53 to Uganda Development Corporation Ltd, which held remaining shares; management also relinquished.
- (3) Corporation received 25s. per 20s. share and interim dividend of 2½%.

CENTRAL AFRICA REGION AND HIGH COMMISSION TERRITORIES

BECHUANALAND

58 Bechuanaland Cattle Ranch

- (1) In 1950 Corporation leased 16,000 square miles and set out, without any serious experimentation, to build up a herd of 350,000 cattle and to grow 300,000 acres of fodder and other crops.
- (2) As to cattle:
 - (a) in one sense fortunately herd growth has been less rapid than planned—1951, 6045, 1952, 10,278, 1953, 17,374;
 - (b) but cattle purchased too often of poor quality because of scarcity of available fattening and breeding stock;
 - (c) 10% losses in 1953 due to poverty, depredations by wild animals, sickness and stampedes, was better than 1952, but still far too high.
- (3) As to crops: harvest failed in 1953 as in 1952; 7,000 acres produced only 1,099 short tons of grain sorghums, sunn hemp and maize, first two difficult to sell.
- (4) (a) Retrenchment began in 1952; speeded up in 1953 and for 1954;
 - (b) cattle raising now on pilot scale till commercial prospects more fully tested;
 - (c) cattle herd concentrated round headquarters with better defence against losses and control of breeding and fattening; two outlying stations being closed down with reductions in vehicles and staff;
 - (d) agriculture cut from 7,000 to 1,350 acres, all maize for African rations; surplus farm machinery being disposed of; crops experimental programme started under Mr. F. H. Bosman, lately Director of Agriculture, Bechuanaland.
- (5) (a) 1953 trading loss £102,760 (cattle £69,558, agriculture £33,202);
 - (b) principal reason was of course the over-ambitious programme; cattle not available; conditions for rearing them not proved; cropping possibilities not investigated; organisation and expenditure on scale of a vast and successful activity.
- (6) (a) Advisory Committee has twice visited ranch and supports policy of retrenchment; its membership strengthened by nomination of two local cattle farmers;
 - (b) and Mr. J. N. Hobday, an experienced and capable Director of Veterinary Services, will be in charge from April 1st to December 31st, on loan from government service, of all three Bechuanaland schemes—this ranch, Molopo Ranch, Lobatsi Abattoir;
 - (c) Corporation hopes he will succeed in getting sense and order into these vexed and vexatious jobs, and in putting them on the road to profitability.
- (7) Spent at 31.12.53, £933,257; fixed assets and development. £348,672; net current assets, £245,618 (including livestock, £169,248); capital and trading losses, £338,967.

59 Lobatsi Abattoir

- (1) This abattoir in south-east Bechuanaland is to process and export major part of Protectorate's annual cattle surplus.
- (2) (a) During plant installation serious and shocking structural defects developed in main building;
(b) necessary re-construction now proceeding as rapidly as possible; should be completed mid-1954; cost of remedial measures estimated at £100,000;
(c) legal action is in hand against consultant-in-charge.
- (3) Abattoir's purchases of cattle and exports of livestock products will be regulated under agreement between Corporation and Bechuanaland Administration.
- (4) Spent at 31.12.53, £639,900; estimated cost to opening, £715,000.

60 Molopo Ranch

- (1) Original purpose of ranch was to regulate throughput of Lobatsi Abattoir by holding cattle offered in excess of current requirements; this idea has now to be reviewed because of Government introduction of quota for cattle marketing.
- (2) Herd 18,016 head at 31.12.53; losses from death and other causes 3.8% are less than normal in these conditions.
- (3) (a) Trading loss for 1953 £45,755, mainly accounted for by new basis of valuation of herd;
(b) but only 2,754 head sold instead of over 7,500; thus as yet no fair measure of prospective profitability.
- (4) Spent at 31.12.53, £487,779; fixed assets and development, £138,187; net current assets, £297,250 (including livestock, £253,355); trading losses, £52,342.

NORTHERN RHODESIA

61 Chilanga Cement Ltd

- (1) (a) Cement factory is near Lusaka;
(b) authorised capital £2 million;
(c) at 31.12.53 issued and paid up capital was £1,300,000 in 750,000 £1 "A" shares, 250,000 £1 "B" shares and 300,000 £1 5% cumulative redeemable preference shares; Corporation held 750,000 "A" shares and 225,000 cumulative redeemable preference shares; total £975,000; remainder of issued capital held by Northern Rhodesia Government;
(d) in addition Corporation had advanced £159,779 on loan account; Government £50,000.
- (2) (a) Production in 1953 was 69,962 tons (62,000 tons in 1952);
(b) after Government Cement Pool was abolished on 31.8.53, Company handled exports to Belgian Congo and distribution in Northern Rhodesia of 35,000 tons of cement supplied by two Southern Rhodesia manufacturers;

(c) accounts show:

Accounts show:					1953	1952
					£	£
Operating profit	...	...	...	...	229,457	171,971
Net profit after taxation	...	...	...	...	180,434	137,103
Balance/deficit brought forward	...	...	...	...	7,192	19,871
Available for appropriation			...	...	187,626	117,232
Transfers to reserves	...	...	...	...	130,000	70,000
Dividends, net: preference 5%	...	...	...	...	9,375	8,790
ordinary 5%	...	...	...	...	31,250	31,250
					170,625	110,040
Balance carried forward	...	...	...	...	17,001	7,192

- (3) (a) Throughout year coal deliveries from Southern Rhodesia were erratic and often inadequate; shortage caused shutdown for a month;
(b) before proceeding with proposed factory extension, survey to prove additional limestone reserves of proper quality initiated; drilling of boreholes and sampling began in July;
(c) discussions are in progress with private enterprise.

NYASALAND

62 Kasungu Tobacco Estate

- (1) This pilot estate produces mainly flue-cured cigarette tobacco; land clearing started 1950; first crop 1951.
- (2) (a) 1953 crop harvested from 560 acres was 350,000 lbs; average yield 625 lbs per acre; average price 22d per lb;
(b) low prices mainly due to poor quality, this due partly to serious outbreak of alternaria disease.
- (3) (a) 40 acres of heavily fertilised trial plots showed yields varying from 780 to 1,320 lbs per acre;
(b) best expert advice from Southern Rhodesia supports intensive cultivation and fertilising;
(c) this treatment now being applied on reduced area of 370 acres in 1953/54.
- (4) (a) Future depends largely on achieving substantial improvement in yield and particularly quality;
(b) Corporation exploring possibility of partnership with local commercial interests.
- (5) (a) Loss for year, £24,777;
(b) spent at 31.12.53, £179,535 including accumulated losses, £61,332.

63 Nyika Forestry Development Syndicate (Investigation)

- (1) (a) In 1952 syndicate was formed with two commercial associates to investigate afforestation of Nyika Plateau with conifers and to determine whether manufacture of pulp or paper would be practicable and economic;
(b) initial cost was £8,000 to each party; a further £4,000 now agreed.

- (2) (a) Two year investigation programme started in June 1952;
 (b) planting of trial plots began early 1953; growth reasonably satisfactory but low temperatures, high winds and late rainy season have been encountered; such conditions may prove to be normal.
- (3) Forestry consultant visits Nyika in June 1954; will report on progress and submit recommendations on which decision will be taken as to future.

64 Vipya Tung Estates

- (1) In 1948 Corporation took over Government's experimental tung station in Vipya Highlands; proposal was progressive development to 20,000 acres, reduced in 1952 to 6,000 acres initially.
- (2) (a) In 1953 drastic economies were effected; overheads reduced by £19,000 (27%) compared with 1952; further reduction planned in 1954 pending final decision as to scope of project;
 (b) total of 4,511 acres planted at 31.12.53;
 (c) expected that 5,700 acres will be planted to tung by February 1955, thus completing present phase of development.
- (3) (a) Over 150 tons of nuts in husk were harvested; dehusking is still carried out by hand but prototype dehusking machines are to be tried out next season;
 (b) experimental plots of coffee look promising; there may be further planting in 1954.
- (4) (a) During year Nyasa Tea Estates Ltd, a local firm with considerable experience in growing and processing tung, was appointed visiting agents;
 (b) Government has decided to move provincial headquarters from Mzimba to Mzuzu (estate headquarters); transfer of Corporation's surplus buildings to Government has been agreed.
- (5) Recent price falls make prospects uncertain; future of Nyasaland tung oil industry may depend on some measure of government protection.
- (6) Spent at 31.12.53, less amount written off, £667,521.

SWAZILAND

65 Swaziland Irrigation Scheme

- (1) 105,000 acres in northern Swaziland were bought in 1950 to develop irrigated and dry land farming and ranching.
- (2) (a) In 1953 alignment for canal from Komati River was surveyed in detail; estimated additional cost of full scale canal and related land preparation exceeds £6 million; plans for a less ambitious canal which would enable more gradual development are under consideration;
 (b) engineering work suspended pending proving of staple crops justifying such expenditure; rice is proved, sugar now being investigated;
 (c) any decision will need to take into account obligation to supply water to land retained by former owners.
- (3) As to 1953 output:
 (a) 1,200 acres rice, only irrigated crop; yields excellent;
 (b) dry land crops mainly maize for rations, kaffircorn and groundnuts; yields fair;
 (c) 785 head of cattle sold from herd of 8,000 kept on uncleared bush veldt; also 620 pigs sold.

- (4) (a) Trading loss for 1953, £33,363;
 (b) main reason was excessive expenditure on staff and administration built up in too sanguine expectation of rapid expansion.
- (5) (a) Cropping for 1953/54—2,000 acres irrigated rice with 1,400 acres maize and groundnuts;
 (b) trial plots of sugar cane and other crops established;
 (c) substantial economies in staff and other costs will become effective;
 (d) discussions proceed with prospective commercial partners for sugar growing.
- (6) (a) With further pruning of overheads and with more field experience, rice should become a profitable crop;
 (b) proving of a second main crop would enable development to go ahead;
 (c) spent at 31.12.53, £1,628,513; fixed assets and development, £1,185,752; net current assets, £319,861; accumulated losses, £122,900.

66 Ubombo Ranches (Pty) Ltd

- (1) Company formed late 1951 to develop certain irrigable lands in Swaziland.
- (2) (a) In 1952 Corporation agreed to lend £85,000 on debenture, repayable by 1973;
 (b) loan has been fully drawn during year;
 (c) Corporation is represented on board.

67 Usutu Forests

- (1) (a) Over 100,000 acres bought by Corporation in 1949 of which about 80% suitable for planting with *pinus patula*, *caribaea*, *taeda*, and some *pseudostrobus*; pulp and paper production in 10 to 15 years from start and lumber later;
 (b) also 3,500 acres to be planted and tended for Swazi nation.
- (2) (a) 38,000 acres planted by 31.12.53, being nearly half total area available; despite rising wages and prices, programme still within original estimate—a tribute to management;
 (b) apart from some minor hail damage in November, condition and growth of trees continue satisfactory;
 (c) 37.5 miles of roads completed in 1953, 139 miles to date.
- (3) From adjoining 1,500 acre farm, Usutu Orchards, crops so far disappointing, but good prospects in pineapples for cannery being erected locally by United Kingdom firm.
- (4) (a) Planning and preparation for pulp and paper mills continue;
 (b) in relation to effluent disposal, survey was made of possible water storage sites on Great Usutu River and certain tributaries;
 (c) as to Union Government undertaking to provide railway link from Usutu to Lothair (Transvaal), proposed route surveyed and pegged on Union section in 1953; similar work on Swaziland section scheduled for 1954; also financial negotiations for railway construction and operation.

- (5) (a) Preliminary discussions have been held with commercial interests with view to participation and management; an expert mission in 1954 will draw up detailed plans for investment required—£10 to £15 million;

(b) this huge forest with its good water supply and promised railway link can become site of first integrated forest industry to be established in Africa, combining low cost pulp and paper with lumber and eventually wood chemicals too.

- (6) Spent at 31.12.53, £1,166,088; fixed assets and development, £1,142,602; net current assets, £17,011; accumulated trading loss of Usutu Orchards, £6,475.

68 High Commission Printing & Publishing Co Ltd

- (1) (a) In 1951 Bantu Press (Pty) Ltd asked financial assistance for African local language newspapers in High Commission Territories;
- (b) Company formed as wholly owned subsidiary of Bantu Press (Pty) Ltd.
- (2) (a) Corporation loan of £10,000 is guaranteed by parent company;
- (b) it is repayable over 10 years beginning 1955.

TRISTAN DA CUNHA

69 Tristan da Cunha Development Co Ltd

- (1) (a) Company was formed by South African interests in 1948 to catch crawfish off Tristan group of islands; product is frozen tails, mainly for North American markets; islanders are employed ashore and afloat;
- (b) in July 1950 Corporation subscribed at par £130,000, representing 52% of share capital;
- (c) accounts to 31st December represent parts of two seasons, as fishing season is from September to May;
- (d) they are not normally available by date of report, so are not consolidated.
- (2) (a) Profit for year to 31.12.52 was £11,215;
- (b) preliminary estimate for year to 31.12.53 indicates considerably lower profit due to late start of fishing season.
- (3) (a) In 1952/53 season production was 27,342 cases; better than previous seasons;
- (b) replacement for second vessel purchased and, after extensive refit, started fishing in November;
- (c) fishing interrupted in November in order that an islander might be conveyed to hospital in Capetown; responsibility for direct costs and loss of profit involved is under discussion with Colonial Office;
- (d) selling prices are maintained.

**WEST AFRICA REGION
THE GAMBIA**

70 Yundum Farm (Investigation)

- (1) This experimental farm is sited on land originally cleared for Gambia Poultry Farm.
- (2) (a) 1953 was second of five year programme; field trials with groundnuts, cotton, cereals, vegetables and other crops and livestock continue;
(b) multiplication of groundnut seed on 500 acres was undertaken for Government.
- (3) Annual expenditure is limited to £10,000 contributed equally by Corporation and Gambia Government; Corporation also contributes £1,250 to manager's salary.

NIGERIA

71 Lagos Executive Development Board

- (1) Loan of £1,250,000 to finance reclamation and development of 772 acres at Apapa, Lagos for industrial, commercial and residential purposes..
- (2) (a) Loan drawn in two instalments in 1950 and 1951;
(b) agreement provides that LEDB may refund or Corporation retire loan at end of 10, 20 or 30 years from 1.9.50; otherwise repayable by equal annual instalments from 1.9.61 to 1.9.90;
(c) loan guaranteed by Government of Nigeria.
- (3) (a) reclamation of site completed in 1952; in 1953 401 acres provided with drainage; 210 acres with roads;
(b) most industrial and commercial plots on first block of 220 acres have been let.

72 Niger Agricultural Project Ltd

- (1) (a) This Company was formed in 1949 by Nigerian Government and Corporation to clear large area in Niger province for an experiment in mechanised cultivation and land settlement on share cropping basis; Company to provide services including mechanical cultivation;
(b) no investigation or pilot scheme preceded it;
(c) at end 1952 some information gained but commercial prospects bad; Government still regarded scheme as valuable contribution to rural welfare despite prospect of continuing trading losses; but this put it outside Corporation's terms of reference.
- (2) (a) Early in 1953 Corporation notified Government of intention to withdraw; board (controlled by Corporation) continued to administer project on restricted scale on funds provided by Government after 1.7.53;
(b) Central Government has now notified decision not to provide further funds and willingness to transfer interest to Government of Northern Region, which must decide whether to continue.
- (3) (a) Net deficit in 1953, £41,671 (1952, £29,599);
(b) chief reason for continuing losses was poor harvest; result of unsatisfactory work by unsatisfactory settlers, and still unsolved technical problems;
(c) guinea corn produced some 600 lbs, worth £6 per acre; even lower returns from groundnuts.

(4) Implementation of Corporation's 1952 desire drastically to reduce operations pending experimentation (which should have been done in 1949), and subsequently to withdraw from participation has been impeded by political happenings in Nigeria.

73 Nigerian Fibre Industries

(1) Abandonment of this ill-conceived scheme for sack factory at Onitsha, Eastern Region, has now been agreed by associates, Nigerian Cocoa Marketing Board.

(2) Orders and contracts for equipment and materials cancelled; assets are being sold.

(3) Estimated loss to be divided between parties, £145,000.

74 Omo Sawmills of Nigeria Ltd

(1) (a) Company formed in 1950 in association with William Mallinson & Sons Ltd, a group of African timber interests headed by Hon T. A. Odutola, and A. Norman Rushforth Ltd to exploit three forest concessions in Omo and Oshun forest reserves of Western Region; total 429 square miles; one quarter to be cut in 25 years;

(b) authorised capital, £250,000 issued and paid;

(c) at 31.12.53 Corporation held 143,080 £1 shares; in addition had advanced £41,268 on loan account mainly to finance log stocks accumulated pending full operation of new sawmill.

(2) (a) New sawmill came into operation early 1953;

(b) input was well below expectation; revised layout recommended by consultants;

(c) conversion ratio was also disappointing; improvement was shown in last quarter of 1953 but not yet good enough;

(d) reports on quality of sawn Opepe (94% in quantity of sawn timber sales) are favourable;

(e) log production and forest costs were better than expected.

(3) (a) Sales (57% export 43% local) realised £81,884 of which 55% lumber, 45% logs (1952 £72,844);

(b) loss for 1953 was £22,863 (1952 £10,536);

(c) increased loss due to high milling costs in first year of operation; mill layout and equipment have been modified.

(4) (a) Deliveries to Lagos will be facilitated by bridge over Omo river now at last completed and opened February 1954;

(b) little prospect of early improvement of hardwood prices which mostly remained dull throughout 1953;

(c) prospects for 1954 depend on increased operating efficiency of new sawmill.

75 West African Fisheries

(1) Project aimed at operating deep sea fishing vessels in West African waters with bases and cold storage depots at Lagos and Port Harcourt for sale of fish, ice and cold storage; there seems to have been no experimentation on the fishing side.

- (2) (a) Insufficient fish were found in grounds off Port Harcourt; this base was closed and put on care and maintenance in 1952;
- (b) fishing from Lagos was disappointing; consultant advised that boats were inappropriate and only hope of making project a success was to convert to diesel trawlers and build own jetty;
- (c) this would have involved further capital outlay not warranted in view of high costs and marketing and distribution difficulties;
- (d) search for commercial partners was unsuccessful;
- (e) one trawler sank in Lagos harbour in February.
- (3) Decided in May to abandon project.
- (4) (a) Of two trawlers one was sold to local interests; underwriters have allowed claim on the other as constructive total loss;
- (b) two cold storage installations and other remaining assets will be sold.

WORKS

76 Works Division

- (1) (a) Works Division activities were closed down during year except three road contracts in West Africa; jobs completed or abandoned are:

completed:

Belize Hotel
Falkland Islands Freezer
Nyasaland road contract
Gambia Rice Farm works
Apapa Site development

abandoned:

Belize depot
Kano depot
Nyasaland depot.

- (b) at 31.12.53 £461,509 had been spent and written off on completed jobs and abandoned depots.
- (2) (a) The three road contracts—one in Gold Coast, two in Nigeria—represent contractual obligations which Corporation has to fulfil;
- (b) all three contracts, together with Lagos depot, are now under management of experienced public works contractors;
- (c) losses on existing road contracts and Lagos depot are £274,444, including £70,000 provision for future losses; cumulative loss to 31.12.53, £457,142.
- (3) Works Division is high in the list of discreditable failures.

77 Gold Coast road contract

- (1) Contract is for resurfacing 287 miles of Mampong-Bolgatanga road; original value £432,000.
- (2) Stirling-Astaldi (West Africa) Ltd took over as managing agents on 1.9.53.
- (3) (a) Specification was changed in September 1952; it made original price plainly foolish;
- (b) negotiations by managing agents led to revision of price from £432,000 to £1,344,000.

- (4) (a) 24 miles completed in 1953, bringing total to 77 miles;
(b) operating loss for year was £105,522; approximate loss on whole contract to 31.12.53, £167,000.
- (5) With experienced management at last in charge this job may yet break even.

78 Nigerian roads contracts

- (1) There are two contracts:
- (a) Western Region (cocoa roads): resurfacing 178 miles of existing roads; value £293,700;
- (b) Northern Region (Gusau-Sokoto road): resurfacing 98 miles of existing road; value £198,728;
- (c) Corporation has arranged with Highways Construction Ltd to manage Nigerian contracts and Lagos depot from 1.2.54.
- (2) Western Region roads contract:
- (a) 53 miles completed during year, bringing total to 72 miles;
- (b) operating loss for year was £116,054; approximate loss on contract to 31.12.53, £205,000;
- (c) loss on this contract is due mainly to unrealistic tendering; price at which contract was agreed could not cover costs no matter how efficiently managed;
- (d) and job was most inefficiently managed so loss aggravated;
- (e) negotiations with clients resulted in some relaxation in specification, but not as much as hoped;
- (f) improved price is still subject of negotiation.
- (3) Northern Region road contract:
- (a) 25 miles completed, all in 1953;
- (b) operating loss for year £52,868; approximate loss on whole contract to 31.12.53 £85,000;
- (c) here again remarks in (2) (c) and (d) apply ;
- (d) negotiations have resulted in some concessions in specifications but no amelioration so far of contract price.
- (4) Lagos depot was established to service Nigerian roads contracts; is being reorganised under management of Highways Construction Ltd.

79 Nkata Bay depot—Nyasaland

- (1) (a) Engineering depot at Nkata Bay was established in 1950 as result of representations by Nyasaland Government in expectation of remunerative government contracts;
- (b) plant and equipment bought but work at remunerative rates did not materialise and such contracts as were undertaken showed heavy losses.
- (2) Depot closed in July; plant and buildings sold.
- (3) Estimated total net loss on works in Nyasaland, £300,000.

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Colonial Office

6 JUN 1955

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COLONIAL DEVELOPMENT CORPORATION

REPORT AND
ACCOUNTS
FOR 1954



Page 31
J. L. Freyer

LONDON
HER MAJESTY'S STATIONERY OFFICE
TWO SHILLINGS NET

COLONIAL DEVELOPMENT CORPORATION

ANNUAL REPORT AND STATEMENT OF ACCOUNTS

For year to
31.12.54

*Presented to Parliament in pursuance of Section 16 (5) of the Overseas
Resources Development Act, 1948*

*Ordered by The House of Commons to be Printed
6th April 1955*

LONDON
HER MAJESTY'S STATIONERY OFFICE
TWO SHILLINGS NET

COLONIAL DEVELOPMENT CORPORATION

33 Hill Street,
London W1

The Rt Hon A. T. Lennox-Boyd, MP
Secretary of State for the Colonies

The members of the Colonial Development Corporation have
the honour to submit Report and Statement of Accounts
for year to 31.12.54.

(Sgd) J. C. W. Reith
H. N. Hume
Hugh Beaver
A. Gaitskell
J. Hathorn Hall
Maurice Hutton
Macdonald of Gwaenysgor
G. Tyser

24 March 1955

Members

Lord Reith
(Chairman)

H. N. Hume, CBE, MC
(Deputy Chairman)

Sir Hugh Beaver, MInstCE, MChemE

A. Gaitskell, CMG

Sir John Hathorn Hall, GCMG, DSO, OBE, MC

Sir Maurice Hutton, CMG

The Rt Hon Lord Macdonald of Gwaenysgor, PC, KCMG, LLD

G. Tyser

Mr Gaitskell appointed 1.9.54

Executive Chief Officers

General Manager ... W. Rendell, ACA

Head Office Controllers

Administration ... A. E. Porter, CSI, CIE
 Finance ... H. L. Pryce, ACA
 Operations ... H. A. Cochran, OBE, MIMinE, MInstMM
 Sir Reginald Saloway, KBE, CMG, CIE(a)
 P. L. Yates

Regional Controllers

Caribbean ... A. C. Grieve
 Far East(b) ... D. E. M. Fiennes
 East Africa ... R. E. Norton, CMG, OBE
 Central Africa ... D. L. Anderson, CBE, TD, MInstCE
 West Africa(c) ... G. I. Firmston-Williams

Regions

Caribbean ... British Honduras, British Guiana, all British West Indies Islands, the Bahamas and the Falkland Islands; headquarters Kingston, Jamaica;
 Far East ... British North Borneo, Brunei, Sarawak, Singapore and the Federation of Malaya, Hong Kong, Fiji and the Western Pacific Islands; headquarters Singapore;
 East Africa ... Kenya, Uganda, Tanganyika, Seychelles, Mauritius, Zanzibar; headquarters Nairobi;
 Central Africa and High Commission Territories } Federation of Rhodesia and Nyasaland, Basutoland, Bechuanaland Protectorate, Swaziland, Tristan da Cunha; headquarters Salisbury, Southern Rhodesia;
 West Africa ... Nigeria (including the Cameroons), Gold Coast (including Togoland), The Gambia, Sierra Leone; headquarters Lagos.

(a) Appointed 1.1.55.

(b) Mr Gregoire took over 1.4.54 and was murdered 25.7.54; Mr Fiennes took over 3.1.55.

(c) Mr Fiennes succeeded Mr Mercer 12.5.54; Mr Firmston-Williams took over 10.3.55.

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COLONIAL DEVELOPMENT CORPORATION

ANNUAL REPORT 1954

I GENERAL REVIEW

Report and Accounts are for year to 31.12.54; later information included where appropriate.

1 Number of projects

(1) Seven new projects:

Barbados Electric Supply Corporation Ltd

Bushman Pits Ranch

Central African Airways Corporation

CDC-Stirling Contracting Ltd

Mbeya Exploration Co Ltd

Williamson Diamonds Ltd

West Indies Navigation Co Ltd.

(2) Corporation has withdrawn from experimental Yundum Farm; there are 56 continuing projects and investigations.

2 Projects by regions and territories

Overleaf are the projects, grouped regionally and by territories, with capital sanctioned for each; investigations with over £5,000 spent are included; abandoned projects and those of which assets are held only for disposal are excluded.

Region and Territory	Project	Capital sanctioned for	
		Project £000's	Region and Territory £000's
Caribbean			8,327
Barbados	Barbados Electric Supply Corporation Ltd	250	250
British Guiana	British Guiana Consolidated Goldfields Ltd	762	
	British Guiana Rice Development Co Ltd	1,292	
	British Guiana Timbers Ltd	2,062	
	Potaro Hydro-electric Co Ltd	285	
British Honduras	Barton Ramie	347	4,401
	British Honduras Fruit Co Ltd (citrus)	61	
	Cramer Estates	59	
	Fort George Hotel	286	753
Dominica	Melville Hall Estate	80	
	Dominica Electricity Services	225	
Jamaica	Cayman Islands Airport	60	305
	Jamaica Citrus Growers Ltd	110	
	Jamaica Cooling Store	138	
	Jamaica Public Service Co Ltd	300	
	Turks Islands Salt Co Ltd	60	
St Vincent	St Vincent Electricity Services	210	668
Trinidad	Trinidad Cement Ltd	1,200	210
	West Indies Navigation Co Ltd	15	
Falkland Islands	Falkland Islands Freezer Co Ltd	525	1,215
			525
Far East			15,040
Singapore and the Federation of Malaya	Central Electricity Board	7,166	
	Federal and Colonial Building Society Ltd	3,500	
	Kulai Oil Palm Estate	747	
	Malayan Cocoa Ltd	47	
	Singapore Factory Development	175	
North Borneo	Borneo Abaca Ltd	3,405	11,635
			3,405
East Africa			9,245
Kenya	East Africa Industries Ltd	500	
	Kenya Housing	2,000	
	Macalder-Nyanza Mines Ltd	2,180	
Tanganyika	Liganga Iron Ltd	30	4,680
	Mbeya Exploration Co Ltd	160	
	Murongo Mines	260	
	Tanganyika Coalfields Ltd	470	
	Tanganyika Wattle Estates	1,270	
	Tangold Mining Co Ltd	125	
	Williamson Diamonds Ltd	500	
Uganda	Kilembe Mines Ltd	1,750	2,815
			1,750
Central Africa			12,538
Central Africa Federation	Central African Airways Corporation	1,750	1,750
Northern Rhodesia	Chilanga Cement Ltd	1,500	
Nyasaland	Kasungu Tobacco Estates	193	1,500
	Nyika Forestry Development Syndicate	12	
	Vipya Tung Estates	1,559	
High Commission Territories	High Commission Printing & Publishing Co Ltd	10	1,764
Bechuanaland	Bechuanaland Cattle Ranch		10
	Bushman Pits Ranch	1,229	
	Lobatsi Abattoir	1,032	
	Molopo Ranch	746	
Swaziland	Swaziland Irrigation Scheme	2,608	3,007
	Ubombo Ranches (Pty) Ltd	85	
	Usutu Forests	1,684	
Tristan da Cunha	Tristan da Cunha Development Co Ltd	130	4,377
			130
West Africa			2,672
Gold Coast	CDC-Stirling Contracting Ltd	150	
	Mampong-Bolgatanga road	352	
Nigeria	Cocoa and Gusau-Sokoto roads	726	502
	Lagos Executive Development Board	1,250	
	Omo Sawmills of Nigeria Ltd	194	
	Total		2,170
			47,822

* Investigations.

3 Capital distribution

(1) Here is capital sanctioned and capital employed, functionally grouped.

(1) Category	(2)		(3)				(4)			
	Number		Capital sanctioned				Capital employed			
			1953		1954		1953		1954	
	1953	1954	£000's	%	£000's	%	£000's	%	£000's	%
Agriculture ...	13	12	10,530	24·2	10,534	22·2	6,085	24·0	6,333	22·2
Animal Products	4	5	3,466	8·0	3,532	7·5	1,948	7·7	1,906	6·7
Factories...	5	5	3,348	7·7	3,348	7·1	2,570	10·1	2,805	9·8
Fisheries ...	1	1	130	0·3	130	0·3	131	0·5	130	0·5
Forestry ...	5	5	4,272	9·8	5,222	11·0	3,505	13·8	3,815	13·4
Hotels ...	1	1	276	0·6	286	0·6	116	0·5	114	0·4
Minerals ...	8	10	5,157	11·8	6,297	12·5	2,556	10·1	3,601	12·7
Property and Housing ...	5	5	6,984	16·1	6,984	14·7	2,426	9·6	2,704	9·5
Power ...	5	6	8,156	18·7	8,436	17·7	5,412	21·3	6,642	23·3
Transport and Communications	3	6	1,193	2·8	3,053	6·4	600	2·4	427	1·5
Total ...	50	56	43,512	100·0	47,822	100·0	25,349	100·0	28,477	100·0

Above excludes figures for abandoned projects

(2) Capital sanctioned increased from £43,512,000 in 1953 to £47,822,000 in 1954. Share of primary production (agriculture, animal products, fisheries, forestry and minerals) fell by $\frac{1}{2}\%$ to 53·5%.

(3) Capital employed, excluding expenditure on abandoned projects, was £28,477,000; £25,349,000 last year. Share of primary production fell by $\frac{1}{2}\%$ to 55·5%.

(4) During 1955 decisions will likely be taken about the future of projects including Usutu Forests, Nyika Forestry Development Syndicate and Tangold Mining Co Ltd, which might involve commitments to largely increased expenditures on primary production.

	Investigations and pilot schemes (1)	Development (2)	Initial trading (3)
	Barton Ramie	British Honduras Fruit Co Ltd (citrus)	Bushman Pits Ranch
	Mbeya Exploration Co Ltd	Kilembe Mines Ltd (copper, cobalt)	CDC-Stirling Contract- ing Ltd
	Murongo Mines	Macalder-Nyanza Mines Ltd (copper, gold, silver)	Dominica Electricity Services
	Nyika Forestry Development	Malayan Cocoa Ltd	Falkland Islands Freezer Co Ltd (mutton)
	Tanganyika Coalfields Ltd	Potaro Hydro-electric Co Ltd	Kasungu Tobacco Estates
	Tangold Mining Co Ltd	Tanganyika Wattle Estates	Lobatsi Abattoir
	Liganga Iron Ltd	Usutu Forests	St Vincent Electricity Services
		Vipya Tung Estates	Swaziland Irrigation Scheme (rice and general farming)
			Trinidad Cement Ltd
			West Indies Navigation Co Ltd
Capital	£	£	£
Revenue	800,000	4,900,000	4,200,000
	Nil	Nil	110,000 loss

4 Projects as revenue earners

(1) First four columns indicate development stages; column 5 projects which have had a false start; in column 6 are loans.

(2) CDC capital employed in each group is shown (nearest £100,000) and share of net profit or loss (nearest £10,000).

(3) Projects in columns 1-3 account for £10 million or 35% of CDC capital deployed. Such projects cannot be expected to contribute materially to CDC revenue and in 1954 resulted in £110,000 loss.

(4) Trading projects (column 4) increased in number from 10 (1953) to 15 in 1954 and balance of profits earned by them increased from £280,000 to £350,000. The capital deployed in such projects together with loan projects at £14,300,000 represented approximately 50% of total capital deployed and earned a return of £690,000 or something under 5% before unallocated administration expenses, colonial taxes and Colonial Office interest.

(5) Five retrenched/reorganised projects comprising £4,300,000 capital deployed (15% of total) showed aggregate trading losses of £500,000.

Trading (4)	Retrenched/Reorganised Projects (5)	Loans (6)
Borneo Abaca Ltd (rubber)	Bechuanaland Cattle Ranch	Barbados Electric Supply Corporation Ltd
British Guiana Consolidated Goldfields Ltd	Borneo Abaca Ltd (hemp)	British Guiana Rice Development Co Ltd
Chilanga Cement Ltd	British Guiana Timbers Ltd	Cayman Islands Airport
Cramer Estates	Cocoa and Gusau-Sokoto roads	Central African Airways Corporation
East Africa Industries Ltd (vegetable oil products)	Molopo Ranch	Central Electricity Board, Malaya
Federal and Colonial Building Society Ltd		High Commission Printing & Publishing Co Ltd
Fort George Hotel		Jamaica Citrus Growers Ltd
Jamaica Cooling Store		Jamaica Public Service Co Ltd
Kulai Oil Palm Estate		Kenya Housing Authority
Mampong-Bolgatanga road		Lagos Executive Development Board
Melville Hall Estate (bananas, copra)		Turks Islands Salt Co Ltd
Omo Sawmills of Nigeria Ltd		Ubombo Ranches (Pty) Ltd
Singapore Factory Development		Williamson Diamonds Ltd
Tristan da Cunha Development Co Ltd (crawfish)		
Usutu Orchards (mixed crops)		
£ 5,700,000 350,000 profit	£ 4,300,000 500,000 loss	£ 8,600,000 340,000 profit

CDC operating results in 1955 will depend largely on success of measures taken to deal with these projects. Cocoa and Gusau-Sokoto road contracts now under expert management are due to be completed during the year. Substantial economies will result from concentration of operations on Bechuanaland and Molopo cattle ranches. Corporation has confidence in Borneo Abaca Ltd (hemp) and British Guiana Timbers Ltd but there is much to be done before they will pay their way.

(6) CDC continues to put considerable sums on loan into provision of power, communications, housing; its money well directed in supplementing other funds going into such basic development till ground has been prepared for undertakings widely regarded as being more suitable for CDC.

(7) Often, but not always, such investment must be supported by governmental guarantee; the assured income gives CDC additional freedom of manoeuvre in taking risks elsewhere and has enabled early doubtful schemes to be given chances to prove themselves beyond what would otherwise have been justified; CDC does not give this activity any special priority; and the schemes must be of high value locally.

5 Limiting factors

(1) *Management*

- (a) CDC has paid heavily for inefficient management and supervision ; it has also found that private enterprise has not always efficient management for hire;
- (b) there is no complete alternative to the hard way of training up one's own staff.

(2) *Basic development*

- (a) CDC carries on its books heavy expenditures on many projects which are sterile till communications—in some places promised but not yet forthcoming—are provided; here also lessons have been learned;
- (b) other CDC projects have to bear heavy public utility expenditures—roads, unproductive housing, hospitals etc which can by over capitalisation tip the balance against the marginal risks in which CDC deals;
- (c) here is scope for co-ordination of two instruments of colonial development, CD&W and CDC; association of government and CDC capital is a sensible and overdue objective; it would enable things to be done which cannot now be done.

(3) *Markets*

- (a) CDC terms of reference emphasise expansion of production of food-stuffs and raw materials;
- (b) in undeveloped territories, apart from normal hazards of pioneering, large scale establishment of such projects involves (as mentioned above) heavy expenditure on basic public utility prerequisites of development;
- (c) what is grown or made or mined will normally have to be sold outside the territory on world markets against competition from established producers who have these services provided free or written off years before;
- (d) in these circumstances development by private enterprise is normally based either on self-use of raw material or on sales assumed for years ahead, unless high profits are in view;
- (e) if such development is sought by Government for strategic reasons (including dollar saving) or for political objectives, the issue must be faced; some reasonable security for markets must be granted or unreasonable trading risk undertaken.

(4) *The financial millstone*

- (a) At 31.12.53 CDC had a cumulative deficit of about £9.7 million, of which about £6 million represented money lost on unfortunate projects and activities begun before 31.12.50 and subsequently abandoned;
- (b) in 1954 Parliament agreed to waiver of interest on capital lost on abandoned projects but, as reported last year, CDC felt unable to accept a capital write-off on terms which would have given CDC not much more than half what is in its opinion fair;
- (c) CDC has a statutory obligation to pay its way, taking one year with another; until reasonable relief is given, the legacy of the past must be a factor in CDC policy for the future.

6 Achievement and prospect

- (1) (a) Project reports detail what Corporation has been doing in 1954; regional summaries put CDC activities into regional perspective;
(b) tables earlier show trends of investment geographically, functionally, and by phase of development;
(c) financial results show that CDC has come very near break-even on current operations.
- (2) (a) Further possibilities of local and commercial participation are continually sought; (the seven new projects in 1954 are all in association with experienced private enterprise); but projects must make commercial sense before other people will look at them;
(b) meanwhile CDC must run them direct; at end 1954 it was managing directly or through controlled companies 16 trading projects (apart from those still in development stage) with aggregate turnover at rate of upwards of £6 million per annum, and selling such diverse commodities as beef and hides, rice, bananas, rubber, hemp, timber, cement, electric current, housing finance, hotel accommodation.
- (3) (a) Maybe the really significant development is not shown in the tables;
(b) the emphasis has now swung towards looking forward instead of backwards;
(c) this is not just a derivative of better financial showing—though preoccupation of senior staff with liquidations and riddances and reorganisations has been, in the last four years, a serious and sickening limitation on activity;
(d) it is proof of the build up of staff and organisation now capable, in association with authority and private enterprise, of contributing fully to the planning and execution of large development projects;
(e) staff is still a nucleus and needs strengthening, but it is competent and reliable within its physical limitations; and it seems to work in growing concert and content;
(f) some acknowledgment is made in project reports of services from outside Corporation organisation; CDC wishes here to thank the scientific panel, associates' staff, and members of subsidiary and associated companies' boards.
- (4) (a) Economic conditions in the territories where jobs are in hand, or in world markets, where often their products have to be sold, are not static; there must be frequent adaptation to changing circumstances;
(b) numbers of new projects are not necessarily much measure of CDC contribution to real development nor of the activities of its staff;
(c) the establishment of a cattle traders' co-operative or a settlers' scheme on land previously ranched by CDC in Bechuanaland, the arrangement with Government for a Native Authority wattle planting scheme next to the Tanganyika Wattle Estates, the negotiation of large local investments in Federal & Colonial Building Society and in Chilanga Cement are new and noteworthy steps.

7 Organisation

(1) 1951 organisation works well; there is to be a separate region for High Commission Territories, hitherto part of Central Africa region.

(2) P. A. Gregoire, Regional Controller Far East, and W. A. Gibson, Manager Kulai Oil Palm Estate, were murdered on 25.7.54; a profound loss and grief to CDC.

(3) (a) Head Office staff 168 (1953—183);

(b) Regional Office staff 88 (1953—106).

This is probably rock bottom unless CDC activities change character and scale.

8 Administration costs

Administration costs are reduced to minimum; with expansion of work they are likely to increase (% change on previous year in brackets):

	Head Office	Overseas	Total
	£	£	£
1951 ...	339,510	145,037	484,547
1952 ...	297,648 (-12%)	159,994 (+10%)	457,642 (-6%)
1953 ...	226,142 (-23%)	144,831 (-9%)	370,973 (-19%)
1954 ...	198,679 (-12%)	129,154 (-11%)	327,833 (-12%)

II FINANCIAL REPORT

9 Accounts for 1954

Accounts and supporting statements for year to 31.12.54 are:

- Statement 1 Balance Sheet
- 2 Consolidated Balance Sheet
- 3 Balance Sheet notes
- 4 Consolidated Profit and Loss Account of Corporation and subsidiaries
- 5 Details of projects supporting Consolidated Profit and Loss Account
- 6 Details of assets and liabilities of continuing projects
- 7 Investments at cost

10 Balance Sheet and Consolidated Balance Sheet

(1) Provisions for losses on abandoned projects have been applied against book values of assets, as for previous year.

(2) Book values of fixed assets of abandoned projects, less provisions, have been reduced from £489,041 to £394,725 by realisations during year; major part of this latter figure is accounted for by remaining land, buildings and plant at Eleuthera and Andros and the two West African Fisheries cold stores at Port Harcourt and Apapa.

(3) Losses written off in accounts for projects which CDC considers should be eligible for capital write-off and interest waiver have been transferred to a Special Losses Account—total £6,269,468.

11 Consolidated Profit and Loss Account

(1) Net income arising from continuing projects, including investment income, was £166,775 (loss £130,088 in 1953).

(2) Operating results are analysed in paragraph 4.

(3) After providing for all revenue expenses except provision for colonial income tax and Colonial Office interest (medium and short term), and before adjusting for minority interests, net loss was £85,946 (£403,334 in 1953).

(4) Favourable realisations of assets of abandoned projects have enabled £45,239 of provision at 31.12.53 to be brought to credit in 1954.

(5) Capital losses £114,222 on continuing projects have been written off against provision at 31.12.53; on reassessment of continuing projects at 31.12.54 an additional £100,000 has been added to provision against part expenditures carried forward in CDC books, bringing total provision to £1,216,595.

(6) Further benefits from economies and reorganisations may be expected in 1955: but revenue credited in Consolidated Profit and Loss Account will be reduced in successful projects where CDC has arranged for outside participations; this effect will be magnified where project ceases to be a subsidiary and consequently future profits of the Corporation will only include declared dividends.

6

£38,420,872	£41,960,268
-------------	-------------

We have audited the above Balance Sheet and have obtained all the information and explanations in our examination, proper books of account have been kept by the Corporation and adequate

In our opinion and to the best of our information and according to the explanations given to applicable thereto a true and fair view of the state of the Corporation's affairs as at 31st December.

11 Ironmonger Lane, London, E.C.2.
24th March 1955.

31.12.53 £		Cost less sales £	Depreciation and amounts written off £	£
	FIXED ASSETS			
3,536,863	Freehold and leasehold land, planta- tions, concessions and buildings ...	4,344,262	554,565	3,789,697
719,150	Plant and machinery	879,364	138,124	741,240
199,845	Contracting plant	375,272	189,240	186,032
811	Ships and vessels	1,739	1,241	498
206,249	Land clearance equipment, tractors and agricultural equipment	303,848	187,780	116,068
198,202	Motor vehicles and rolling stock ...	398,349	261,048	137,301
173,110	Furniture, fixtures, office and hotel equipment	203,497	84,922	118,575
5,034,230		6,506,331	1,416,920	5,089,411
54,602	PROGRESS PAYMENTS ON FIXED ASSETS ...			56,277
406,852	FIXED ASSETS OF ABANDONED PROJECTS at estimated realisable values			393,309
618,187	FORESTRY CROPS AT COST			844,789
	EXPENDITURE ON DEVELOPMENT INCLUDING REVENUE EXPENDITURE CARRIED FORWARD AT COST LESS AMOUNTS WRITTEN OFF			
155,922	Land clearance		137,332	
612,334	Mining investigations and developments ...		633,833	
733,406	General development, surveys and revenue expendi- ture carried forward		726,586	
8,000	Investigation syndicate		12,000	
	INVESTMENTS AT COST			1,509,751
1,466,005	Shares in associated companies		2,235,624	
7,709,998	Debentures and secured loans		9,761,916	
	SUBSIDIARY COMPANIES			11,997,540
5,606,978	Investments at cost less amounts written off ...		5,006,079	
3,385,988	Advances less amounts written off		4,646,323	
				9,652,402
25,792,502				29,543,479
	CURRENT ASSETS			
1,475,201	Stocks, stores and livestock at cost or market value whichever is lower or at valuation		1,055,297	
131,694	Growing crops at cost or valuation		94,049	
16,970	Work in progress at valuation		51,801	
734,124	Debtors and prepayments less provisions		493,287	
587,462	Cash at banks and in hand		528,328	
				2,222,762
	PROFIT AND LOSS ACCOUNT			
	Balance at 1.1.54		9,682,919	
	Less transferred to Special Losses Account below ...		6,162,769	
			3,520,150	
	Add amount transferred from Profit and Loss Account (statement 4)		404,409	
3,520,150				3,924,559
	SPECIAL LOSSES ACCOUNT comprising losses on aban- doned projects, abandoned assets and activities of continuing projects and amounts written off invest- ments and assets of continuing projects			
	Amount transferred at 1.1.54		6,162,769	
	Add amount transferred from Profit and Loss Account (statement 4)		106,699	
6,162,769				6,269,468
£38,420,872				£41,960,268

of the Overseas Resources Development Act, 1948, by the Secretary of State for the Colonies

which to the best of our knowledge and belief were necessary for that purpose. So far as appears returns have been received from overseas offices.

us, the said Balance Sheet, which is in agreement with the books, gives with the notes on statement 3 1954.

Profit and Loss Account (statement 4) with the audited accounts of the Corporation and its subsidiary Profit and Loss Account with the notes on statement 3 applicable thereto have been properly prepared for the year ended on that date of the Corporation and also of the subsidiary companies so far

(Signed) PEAT, MARWICK, MITCHELL & Co.
Chartered Accountants
Auditors

CONSOLIDATED BALANCE SHEET OF THE CORPORATION

31.12.53			
£		£	£
34,833,700	CAPITAL LIABILITY Advances from Colonial Office		38,167,700
764,108	INTEREST OF MINORITY SHAREHOLDERS IN SUBSIDIARY COMPANIES OVERSEAS		763,505
1,662,469	CURRENT LIABILITIES		
960,497	Creditors and accrued charges	1,732,992	
	Bank loans and overdrafts	1,421,694	3,154,686
1,270,817	PROVISIONS		
	Book value of expenditure on continuing projects and of investments	1,216,595	
34,977	Trading losses of Falkland Islands Freezer Company Limited	83,977	
70,000	Replanting—rubber plantations	105,000	1,405,572
The relevant notes in statement 3 form part of this Balance Sheet.			
£39,596,568			£43,491,463

STATEMENT 2

AND SUBSIDIARY COMPANIES AT 31.12.54

31.12.53		Cost, net book value at date of acquisition of shares or valuation, less sales	Depreciation and amounts written off	
£		£	£	£
	FIXED ASSETS			
6,193,255	Freehold and leasehold land, plantations, concessions and buildings...	7,983,833	827,683	7,156,150
2,050,341	Plant and machinery	3,066,269	536,132	2,530,137
199,845	Contracting plant	375,272	189,240	186,032
172,248	Ships and vessels	236,841	50,196	186,645
280,560	Land clearance equipment, tractors and agricultural equipment ...	474,234	277,072	197,162
329,726	Motor vehicles and rolling stock ...	638,327	358,244	280,083
239,711	Furniture, fixtures, office and hotel equipment	307,043	116,411	190,632
9,465,686		13,081,819	2,354,978	10,726,841
460,939	PROGRESS PAYMENTS ON FIXED ASSETS			149,436
489,041	FIXED ASSETS OF ABANDONED PROJECTS at estimated realisable values			394,725
618,187	FORESTRY CROPS AT COST			844,789
	EXPENDITURE ON DEVELOPMENT INCLUDING REVENUE EXPENDITURE CARRIED FORWARD AT COST LESS AMOUNTS WRITTEN OFF			
169,082	Land clearance		137,332	
1,248,627	Mining investigations and development		1,386,490	
1,106,971	General development, surveys and revenue expenditure carried forward		911,021	
8,000	Investigation syndicate		12,000	
				2,446,843
	INVESTMENTS AT COST (statement 7)			
409,011	Shares in and advances to subsidiary companies not consolidated		409,123	
1,476,005	Shares in associated companies		2,245,624	
7,799,971	Debentures and secured loans		9,784,196	
1,929,296	Building Society advances on mortgage		2,648,297	
				15,087,240
25,180,816				29,649,874
	CURRENT ASSETS			
2,590,270	Stocks, stores and livestock at cost or market value whichever is lower or at valuation		2,050,623	
142,194	Growing crops at cost or valuation		94,049	
16,970	Work in progress at valuation		51,801	
1,202,479	Debtors and prepayments less provisions		814,612	
747,805	Cash at bank and in hand		610,978	
				3,622,063
15,320	PRELIMINARY EXPENSES OF SUBSIDIARY COMPANIES ...			15,320
29,895,854				33,287,257
	EXCESS COST OF INVESTMENTS IN SUBSIDIARY COMPANIES over net tangible assets attributable thereto at date of acquisition less amounts written off			10,179
17,795	PROFIT AND LOSS ACCOUNT			
	Balance at 1.1.54		9,682,919	
	Less transferred to Special Losses Account below ...		6,162,769	
			3,520,150	
3,520,150	Add amount transferred from Profit and Loss Account for year to 31.12.54		404,409	
				3,924,559
	SPECIAL LOSSES ACCOUNT comprising losses on abandoned projects, abandoned assets and activities of continuing projects and amounts written off investments and assets of continuing projects			
	Amount transferred at 1.1.54		6,162,769	
	Add amount transferred from Profit and Loss Account for year to 31.12.54		106,699	
6,162,769				6,269,468
£39,596,568				£43,491,463

STATEMENT 3

NOTES FORMING PART OF THE ACCOUNTS

- (1) Maximum borrowing powers are:
- (a) £100 millions and
 - (b) £10 millions temporarily by way of overdraft or otherwise.
- (2) Assets and liabilities in colonial and foreign currencies have been converted at the rates ruling at 31.12.54.
- (3) Corporation has contractual commitments for capital expenditure of £275,000 (for group £365,000) and for debentures and partly paid shares of £6,000,000 (for group £5,200,000). Corporation is contingently liable in respect of a guarantee given to an associated company.
- (4) Total depreciation and amortisation charged by the Corporation and its consolidated subsidiaries in respect of the year ended 31.12.54 amounted to £590,876. In addition a provision of £35,000 has been made for replanting rubber plantations.
- (5) Under arrangements being made for the subscription of additional capital in a subsidiary company, the Corporation has agreed to sell 150,000 £1 shares at par as at 1st January, 1955. The net assets of the subsidiary company attributable to Corporation holding of 750,000 shares prior to sale were £940,555. After the sale the balance of 600,000 £1 shares held by the Corporation will be represented by net assets of £701,629, and the company will cease to be a subsidiary.
- (6) "Freehold and leasehold land, plantations, concessions and buildings" includes expenditure on land, conveyance of which has not yet been completed.
- (7) Due to communication delays accounts of Tristan da Cunha Development Co Ltd and Falkland Islands Freezer Co Ltd have not been consolidated.
- (8) Long-term advances made during each year ending 31st March are treated as a single advance made on that date and are repayable by annuities for 33 years beginning at end of seven years. Particulars of advances made to 31.12.54 and rates of interest applicable thereto for period of 40 years are:

<i>Period of Annuity</i>	<i>Rate</i>	<i>£</i>
1.4.55-31.3.88	3%	25,000
1.4.56-31.3.89	3%	925,000
1.4.57-31.3.90	3%	2,185,000
1.4.57-31.3.90	3½%	1,100,000
1.4.58-31.3.91	3½%	7,835,000
1.4.59-31.3.92	3½%	4,793,000
1.4.59-31.3.92	3½%	2,850,000
1.4.59-31.3.92	4½%	550,000
1.4.60-31.3.93	4½%	5,346,000
1.4.61-31.3.94	4½%	1,980,500
1.4.61-31.3.94	4%	885,000
1.4.62-31.3.95	4%	710,000
1.4.62-31.3.95	3½%	961,000
		<hr/> £30,145,500

No provision has been made in Profit and Loss Account for long-term interest at 31.12.54.

STATEMENT 4

**CONSOLIDATED PROFIT AND LOSS ACCOUNT OF
CORPORATION AND SUBSIDIARIES—YEAR TO 31.12.54**

Year to 31.12.53			£	£
(Loss) 130,088	NET INCOME FROM CONTINUING PROJECTS INCLUDING INVESTMENTS (PER STATEMENT 5)			166,775
	<i>Deduct: PROVISION FOR TRADING LOSS OF FALKLAND ISLANDS FREEZER COMPANY LIMITED (NOT CONSOLIDATED)</i>			49,000
34,000				117,775
164,088	INVESTIGATION EXPENDITURE ON PROJECTS NOT FOLLOWED UP... ..	23,284		
40,327	ADMINISTRATIVE EXPENDITURE (Head Office and overseas offices)	173,732		
188,891	The above administrative expenditure is stated after making allocations to:			
	1953			
	£		£	
	Projects—Revenue expenditure		72,687	
65,133	Fixed assets and forestry crops		16,857	
20,869	Expenditure on development etc		15,661	
34,937	Abandoned projects		48,896	
61,143				
	182,082		154,101	
	REMUNERATION OF MEMBERS		£	
3,111	Fees		2,805	
6,917	Salaries		3,500	
	Provision for pension to former member		400	
		6,705		203,721
403,334	Loss before charging items dealt with below			85,946
70,679	COLONIAL INCOME TAX			115,110
2,642	<i>Preliminary expenses written off</i>			
2,811	<i>Sundry capital losses less profits</i>			
	PROVISION FOR LOSS against book value of expenditure on continuing projects and of investments			
	Amount required at 31.12.54	1,216,595		
	<i>Less: Balance of provisions made in previous year</i>	1,116,595		
627,507		100,000		
(Cr.) 2,502	<i>Less: Provision for losses on abandoned projects no longer required</i>	45,239		54,761
	CONSOLIDATED LOSS ATTRIBUTABLE TO CORPORATION AND SUBSIDIARIES, subject to interest payable to Colonial Office			255,817
1,104,471	<i>Add: Profits less losses attributable to interest of minority shareholders</i>			9,856
28,850				265,673
1,133,321	<i>Add: Interest payable to Colonial Office on medium and short-term advances</i>			245,435
170,340				£511,108
£1,303,661	CONSOLIDATED LOSS ATTRIBUTABLE TO CORPORATION ...			
	LOSS OF CORPORATION FOR THE YEAR CARRIED TO BALANCE SHEET (statement 1)			
	Profit and Loss Account	404,409		
	Special Losses Account	106,699		
	Corporation has made provisions equivalent to its share of the losses less profits carried forward in the accounts of subsidiaries. In 1953 £24,602 was released from provisions previously made for this purpose as a result of two companies ceasing to be subsidiaries.			£511,108
£1,279,059				

Notes (4) and (8) on statement 3 form part of this Profit and Loss Account.

STATEMENT

**DETAILS OF PROJECTS SUPPORTING CONSOLIDATED
PROFIT AND LOSS ACCOUNT—YEAR TO 31.12.54**

1953			Net trading	
Profit	Loss		Profit	Loss
£	£		£	£
		DIRECT PROJECTS AND SUBSIDIARY COMPANIES		
—	72,581	British Guiana Timbers Ltd. ...	—	114,676
—	32,803	Barton Ramie Investigation ...	—	—
—	838	Cramer Estates ...	2,716	—
—	4,622	Fort George Hotel ...	1,296	—
—	5,198	Dominica Electricity Services ...	—	6,413
6,489	—	Melville Hall Estate ...	13,418	—
669	—	Jamaica Cooling Store ...	3,321	—
10,732	—	Castries Reconstruction Agency ...	1,712	—
—	2,425	St Vincent Electricity Services ...	2,188	—
90,716	—	Federal and Colonial Building Society Ltd	124,992	—
4,899	—	Kulai Oil Palm Estate ...	—	6,750
16,682	—	Singapore Factory Development ...	5,364	—
—	158,098	Borneo Abaca Ltd ...	—	161,547
229,457	—	Chilanga Cement Ltd ...	216,718	—
—	24,777	Kasungu Tobacco Estates ...	—	7,916
—	102,760	Bechuanaland Cattle Ranch ...	—	68,256
—	—	Lobatsi Abattoir ...	—	5,275
—	45,755	Molopo Ranch ...	—	22,053
—	33,363	Swaziland Irrigation Scheme ...	—	48,353
—	6,642	Usutu orchards ...	—	9,975
—	105,522	Mampong-Bolgatanga road ...	33,374	—
—	22,863	Omo Sawmills of Nigeria Ltd ...	—	12,128
—	168,922	Cocoa and Gusau-Sokoto roads ...	—	177,478
18,159	—	SUNDRY INCOME ...	13,368	—
377,803	787,169		418,467	640,820
	377,803			418,467
	409,366	NET LOSS ...		222,353
Interest			Interest	
		INVESTMENTS		
33,109		British Guiana Consolidated Goldfields Ltd ...	31,550	
10,035		British Guiana Rice Development Co Ltd ...	21,145	
—		Potaro Hydro-electric Co Ltd ...	4,404	
4,765		Jamaica Citrus Growers Ltd ...	4,286	
—		Jamaica Public Service Co Ltd ...	15,000	
161,410		Central Electricity Board, Malaya ...	230,498	
—		Kilembe Mines Ltd ...	11,747	
5,100		Ubombo Ranches (Pty) Ltd ...	5,100	
56,250		Lagos Executive Development Board ...	56,250	
8,609		Sundry ...	9,148	
	279,278			389,128
(Loss)	£130,088	NET INCOME FROM CONTINUING PROJECTS INCLUDING INVESTMENTS (STATEMENT 4) ...		£166,775

DETAILS OF ASSETS AND LIABILITIES

	Head Office and overseas offices	British Guiana Timbers Ltd	Barton Ramie Investi- gation
	£	£	£
FIXED ASSETS			
Freehold and leasehold land, plantations, concessions and buildings	257,851	709,872	19,876
Plant and machinery	42,725	400,039	14,334
Contracting plant	—	—	—
Ships and vessels	—	209,263	1,739
Land clearance equipment, tractors and agricul- tural equipment	353	100,113	13,237
Motor vehicles and rolling stock	12,394	77,679	4,513
Furniture, fixtures, office and hotel equipment	76,214	17,964	2,384
	389,537	1,514,930	56,083
Less DEPRECIATION			
Freehold and leasehold land, plantations, concessions and buildings	20,134	47,440	2,012
Plant and machinery	770	51,676	3,545
Contracting plant	—	—	—
Ships and vessels	—	34,278	1,241
Land clearance equipment, tractors and agricul- tural equipment	—	41,776	6,411
Motor vehicles and rolling stock	7,739	23,400	3,158
Furniture, fixtures, office and hotel equipment	37,481	5,823	877
	66,124	204,393	17,244
NET BOOK VALUE OF FIXED ASSETS	323,413	1,310,537	38,839
PROGRESS PAYMENTS ON FIXED ASSETS	—	—	—
FORESTRY CROPS	45	—	—
LAND CLEARANCE	—	—	500
MINING INVESTIGATIONS AND DEVELOPMENT	832	—	—
GENERAL DEVELOPMENT, SURVEYS AND REVENUE			
EXPENDITURE CARRIED FORWARD	59,877	88,133	10,175
INVESTIGATION SYNDICATE	12,000	—	—
INVESTMENTS			
Shares in and advances to subsidiary companies not consolidated	409,123	—	—
Shares in associated companies	2,235,572	10,000	—
Debentures and secured loans	9,652,583	20,833	—
Building Society advances on mortgage	—	—	—
CURRENT ASSETS			
Stocks, stores and livestock	8,828	297,889	4,892
Growing crops	—	—	4,000
Work in progress	—	—	—
Debtors and prepayments, less provisions	290,617	53,372	348
Cash at banks and in hand	282,209	7,574	2,703
PRELIMINARY EXPENSES of subsidiary companies	—	10,151	—
TOTAL ASSETS	13,275,099	1,798,489	61,457
INTEREST OF MINORITY SHAREHOLDERS in sub- sidiary companies overseas	—	68,372	—
CREDITORS AND ACCRUED CHARGES	413,507	73,507	4,487
BANK LOANS AND OVERDRAFTS	1,126,183	—	—

STATEMENT 6

OF CONTINUING PROJECTS

British Honduras Fruit Co Ltd (citrus)	Cramer Estates	Fort George Hotel	Dominica Electricity Services	Melville Hall Estate	Jamaica Cooling Store
£	£	£	£	£	£
52,468	37,345	225,000	104,271	23,843	89,989
500	—	—	75,077	1,181	29,175
—	—	—	—	—	—
—	—	—	—	—	—
1,852	—	—	—	—	—
25	750	1,080	2,341	5,307	4,077
1,626	670	12,761	4,252	723	1,964
56,471	38,765	238,841	185,941	31,054	125,205
897	97	138,015	7,054	1,841	8,138
84	—	—	6,941	232	6,060
—	—	—	—	—	—
—	—	—	—	—	—
631	—	—	—	—	—
21	750	742	1,701	3,556	2,263
340	267	2,939	2,091	451	1,113
1,973	1,114	141,696	17,787	6,080	17,574
54,498	37,651	97,145	168,154	24,974	107,631
—	—	—	—	—	—
—	—	—	—	6,226	—
—	—	—	—	—	—
3,691	—	—	8,772	—	6,556
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
1,637	22	8,763	10,087	2,261	1,372
—	—	—	—	6,799	—
—	—	—	—	—	—
89	2,440	888	2,649	1,135	6,343
268	4,096	8,710	2,697	4,481	3,326
—	—	—	—	—	—
60,183	44,209	115,506	192,359	45,876	125,228
—	—	—	—	—	—
405	2,296	1,899	2,841	1,340	1,245
—	—	—	—	—	—

DETAILS OF ASSETS AND LIABILITIES

	St Vincent Electricity Services	Federal and Colonial Building Society Ltd	Kulai Oil Palm Estate
	£	£	£
FIXED ASSETS			
Freehold and leasehold land, plantations, concessions and buildings	81,889	22,367	428,858
Plant and machinery	94,945	—	36,865
Contracting plant	—	—	—
Ships and vessels	—	—	—
Land clearance equipment, tractors and agricul- tural equipment	—	—	—
Motor vehicles and rolling stock	1,905	2,212	4,080
Furniture, fixtures, office and hotel equipment	2,237	8,481	4,462
	180,976	33,060	474,265
Less DEPRECIATION			
Freehold and leasehold land, plantations, concessions and buildings	4,012	671	20,008
Plant and machinery	6,859	—	12,662
Contracting plant	—	—	—
Ships and vessels	—	—	—
Land clearance equipment, tractors and agricul- tural equipment	—	—	—
Motor vehicles and rolling stock	1,211	273	1,268
Furniture, fixtures, office and hotel equipment	588	4,721	1,230
	12,670	5,665	35,168
NET BOOK VALUE OF FIXED ASSETS	168,306	27,395	439,097
PROGRESS PAYMENTS ON FIXED ASSETS	—	—	56,277
FORESTRY CROPS	—	—	—
LAND CLEARANCE	—	—	—
MINING INVESTIGATIONS AND DEVELOPMENT	—	—	—
GENERAL DEVELOPMENT, SURVEYS AND REVENUE EXPENDITURE CARRIED FORWARD	4,206	—	28,933
INVESTIGATION SYNDICATE	—	—	—
INVESTMENTS			
Shares in and advances to subsidiary companies not consolidated	—	—	—
Shares in associated companies	—	—	40
Debentures and secured loans	—	1,447	—
Building Society advances on mortgage	—	2,648,297	—
CURRENT ASSETS			
Stocks, stores and livestock	12,720	—	7,818
Growing crops	—	—	—
Work in progress	—	—	—
Debtors and prepayments, less provisions	2,058	3,545	5,673
Cash at banks and in hand	3,086	905	2,434
PRELIMINARY EXPENSES of subsidiary companies	—	—	—
TOTAL ASSETS	190,376	2,681,589	540,272
INTEREST OF MINORITY SHAREHOLDERS in sub- sidiary companies overseas	—	71,788	—
CREDITORS AND ACCRUED CHARGES	4,972	54,625	11,659
BANK LOANS AND OVERDRAFTS	—	266,368	—

STATEMENT 6
(continued)

OF CONTINUING PROJECTS

Singapore Factory Development	Borneo Abaca Ltd	Macalder- Nyanza Mines Ltd	Murongo Mines Investigation	Tanganyika Coalfields and Iron Investigations	Tanganyika Wattle Estates
£	£	£	£	£	£
43,736	1,793,479	188,766	57,132	9,757	160,528
—	361,589	188,784	26,129	3,409	10,925
—	—	—	—	—	—
—	69,747	—	—	—	—
—	49,654	7,353	—	—	40,653
—	94,907	16,347	9,340	—	13,587
—	29,451	35,662	4,048	208	11,360
43,736	2,398,827	436,912	96,649	13,374	237,053
—	171,741	26,816	10,044	4,499	16,224
—	47,382	52,118	4,686	1,395	3,866
—	—	—	—	—	—
—	19,323	—	—	—	—
—	19,019	6,951	—	—	37,430
—	37,204	12,606	7,356	—	13,226
—	11,424	10,273	1,784	109	4,722
—	306,093	108,764	23,870	6,003	75,468
43,736	2,092,734	328,148	72,779	7,371	161,585
—	—	18,689	—	—	—
—	—	—	—	—	343,987
—	—	799,249	180,112	487,889	99,056
—	94,189	—	—	—	—
—	—	—	—	—	487
—	—	—	—	—	—
—	—	—	—	—	—
83,733	—	—	—	—	—
—	235,096	201,613	3,919	1,934	19,275
—	—	—	—	—	1,706
600	21,175	5,031	364	22	1,662
—	16,069	7,681	345	—	5,579
—	—	5,169	—	—	—
128,069	2,459,263	1,365,580	257,519	497,216	633,337
—	36,470	40,000	—	—	—
54	77,856	31,854	1,882	40,450	62,220
—	—	—	—	—	—

DETAILS OF ASSETS AND LIABILITIES

	Chilanga Cement Ltd	Kasungu Tobacco Estates	Vipya Tung Estates	Bechuana- land Cattle Ranch
	£	£	£	£
FIXED ASSETS				
Freehold and leasehold land, plantations, concessions and buildings	980,021	60,696	699,095	159,579
Plant and machinery	1,186,361	5,276	12,208	41,136
Contracting plant	—	—	—	—
Ships and vessels	—	—	—	—
Land clearance equipment, tractors and agricultural equipment	—	13,139	65,738	34,725
Motor vehicles and rolling stock	43,024	9,268	10,097	19,452
Furniture, fixtures, office and hotel equipment	15,509	4,772	8,789	19,279
	2,224,915	93,151	795,927	274,171
Less DEPRECIATION				
Freehold and leasehold land, plantations, concessions and buildings	74,915	13,425	165,471	22,749
Plant and machinery	233,181	2,036	4,634	13,145
Contracting plant	—	—	—	—
Ships and vessels	—	—	—	—
Land clearance equipment, tractors and agricultural equipment	—	7,116	26,796	16,441
Motor vehicles and rolling stock	18,137	8,925	8,323	14,799
Furniture, fixtures, office and hotel equipment	4,399	2,574	4,782	10,026
	330,632	34,076	210,006	77,160
NET BOOK VALUE OF FIXED ASSETS	1,894,283	59,075	585,921	197,011
PROGRESS PAYMENTS ON FIXED ASSETS	74,470	—	—	—
FORESTRY CROPS	—	—	—	—
LAND CLEARANCE	—	2,677	—	—
MINING INVESTIGATIONS AND DEVELOPMENT	—	—	—	—
GENERAL DEVELOPMENT, SURVEYS AND REVENUE EXPENDITURE	—	—	—	—
CARRIED FORWARD	62,176	8,753	—	113,405
INVESTIGATION SYNDICATE	—	—	—	—
INVESTMENTS				
Shares in and advances to sub- sidiary companies not consoli- dated	—	—	—	—
Shares in associated companies ...	—	—	—	—
Debentures and secured loans ...	—	—	—	—
Building Society advances on mortgage	—	—	—	—
CURRENT ASSETS				
Stocks, stores and livestock ...	208,506	15,521	44,838	162,551
Growing crops	—	15,458	—	1,662
Work in progress	—	—	—	—
Debtors and prepayments, less provisions	210,680	1,188	5,088	5,066
Cash at banks and in hand	310	7,783	10,046	15,066
PRELIMINARY EXPENSES of subsidiary companies	—	—	—	—
TOTAL ASSETS	2,450,425	110,455	645,893	494,761
INTEREST OF MINORITY SHARE- HOLDERS in subsidiary companies overseas	406,877	—	—	—
CREDITORS AND ACCRUED CHARGES	606,234	7,138	12,452	3,879
BANK LOANS AND OVERDRAFTS ...	18,330	—	—	—

OF CONTINUING PROJECTS

STATEMENT 6 (continued)

Lobatsi Abattoir	Molopo Ranch	Swaziland Irrigation Scheme	Usutu Forests	Omo Sawmills of Nigeria Ltd	Road Contracts
£	£	£	£	£	£
329,926	98,010	735,326	664,455	139,000	57,100
313,038	18,933	76,410	77,598	62,471	—
—	—	—	—	789	375,272
—	—	—	—	—	—
—	3,148	119,021	13,834	14,585	—
2,033	8,520	45,982	42,853	17,524	200,770
11,938	5,605	13,445	4,923	2,639	13,463
656,935	134,216	990,184	803,663	237,008	646,605
—	—	—	—	—	—
5,578	10,645	63,251	31,444	20,882	9,924
14,576	8,044	14,208	34,465	13,244	—
—	—	—	—	777	189,240
—	—	—	—	—	—
—	2,477	82,185	8,924	10,914	—
1,605	4,900	40,189	21,912	11,196	117,425
2,736	1,432	5,440	1,539	1,086	2,741
24,495	27,498	205,273	98,284	58,099	319,330
632,440	106,718	784,911	705,379	178,909	327,275
—	—	—	—	—	—
—	—	—	675,540	—	—
—	—	28,873	—	—	—
—	—	—	—	—	—
66,511	28,479	328,014	46,263	—	16,155
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	12	—	—
—	—	—	—	—	—
—	—	—	—	—	—
27,814	170,481	195,636	80,280	46,363	175,660
—	—	57,601	6,823	—	—
—	—	—	—	—	51,801
4,962	1,758	44,180	12,789	19,047	62,595
108,581	7,107	12,239	6,524	589	21,310
—	—	—	—	—	—
840,308	314,543	1,451,454	1,533,610	244,908	654,796
—	—	—	—	—	—
14,454	3,593	37,360	151,084	88,660	—
—	—	—	—	9,407	286,963
—	—	—	—	10,813	—

STATEMENT 7

INVESTMENTS AT COST

						£	£
SHARES IN AND ADVANCES TO SUBSIDIARY COMPANIES NOT CONSOLIDATED							
Falkland Islands Freezer Co Ltd						278,694	
Tristan da Cunha Development Co Ltd						130,429	
							409,123
SHARES IN ASSOCIATED COMPANIES							
British Guiana Consolidated Goldfields Ltd						87,852	
Potaro Hydro-electric Co Ltd						13,083	
Trinidad Cement Ltd						1,204,900	
West Indies Navigation Co Ltd						6,000	
Malayan Cocoa Ltd						23,867	
East Africa Industries Ltd						275,000	
Tangold Mining Co Ltd						110,000	
Kilembe Mines Ltd						514,870	
Held by projects						10,052	
							2,245,624
DEBENTURES AND SECURED LOANS							
British Guiana Rice Development Co Ltd						698,000	
British Guiana Consolidated Goldfields Ltd						573,704	
Potaro Hydro-electric Co Ltd						120,000	
Cayman Islands Airport						52,725	
Jamaica Citrus Growers Ltd						83,000	
Jamaica Public Service Co Ltd						294,000	
Turks Islands Salt Co Ltd						60,000	
Central Electricity Board Malaya						5,840,000	
Kenya Housing Authority						200,000	
Kilembe Mines Ltd						386,154	
High Commission Printing and Publishing Co Ltd						10,000	
Ubombo Ranches (Pty) Ltd						85,000	
Lagos Executive Development Board						1,250,000	
Held by projects						131,613	
							9,784,196
BUILDING SOCIETY ADVANCES ON MORTGAGE							
Federal and Colonial Building Society Ltd							2,648,297
per statement 2							£15,087,240

III PROJECT REPORTS

CARIBBEAN REGION

12 Regional summary

- (1) There are nineteen projects—excluding Falkland Islands Freezer—in British West Indies, British Guiana and British Honduras; capital sanctioned is £7,802,000, employed at 31.12.54 £5,695,000.
- (2) Development should be stimulated by electricity projects in Barbados, British Guiana, Dominica, St. Vincent and Jamaica; bad communications, an admitted drag on development, should be eased by the inter-island shipping service, the airport on Grand Cayman Island and the Fort George Hotel at Belize.
- (3) CDC helps develop primary production by gold, timber and rice projects in British Guiana; Melville Hall banana and copra estate in Dominica—a small but successful venture—has brought banana ships to the island with consequent benefit to other growers; the loan to the Jamaica Citrus Growers' Association and the Jamaica Cooling Store support the citrus industry in that island.
- (4) Trials with ramie, citrus and cocoa in British Honduras have yet to disclose the most useful direction in which to stimulate the economy of that territory.

BAHAMAS

13 Eleuthera

- (1) 2,622 acres sold; remainder (6,000 acres and fixed assets thereon) leased for seven years from 1.7.54 with option to buy.
- (2) Options may be exercised as development of real estate proceeds adjacently.
- (3) If so CDC should recover expenditure on land and property, and perhaps part of losses on abortive agricultural operations.

BARBADOS

14 Barbados Electric Supply Corporation Ltd

- (1) £250,000 loan for extension of power station and distribution system approved in 1954; £150,000 drawn after year end.
- (2) Loan conditional on formation of local company with local issue of shares; legislation is proposed enabling Barbados Government to underwrite this issue.
- (3) Principal and interest secured by first charge on assets.

BRITISH GUIANA

15 British Guiana Consolidated Goldfields Ltd

- (1) (a) Authorised capital £499,999 10s in 2/- ordinary shares; issued £294,628; at 31.12.54 CDC held 878,938 with nominal value of £87,893 16s;
- (b) 1948 loan of £178,704 against debenture is repayable over 15 years from 31.12.56 with option to convert at par into ordinary shares till that date;
- (c) under second loan agreement in 1951 £395,000 has been advanced against debenture.

(2) 1954 production was 20,965 fine oz gold (16,025 fine oz in 1953); profit after depreciation, amortisation and debenture interest £39,703 before tax (£12,170 loss in 1953).

(3) At 31.12.54 ore reserves were:

Class	Area	cu yds	gr/cu yd
proved	Mahdia	682,000	3.54
"	Lower Potaro	8,950,000	4.09
"	Middle Konawaruk	2,313,500	3.39
"	Upper Konawaruk	26,610,500	3.16
	total and average	38,556,000	3.39
partly proved	Upper Potaro	9,800,000	3.47
"	Middle Konawaruk	4,897,000	3.52
"	Upper Konawaruk	3,397,000	2.38
	total and average	18,094,000	3.28

- (4) (a) Output of old Mahdia dredge at 2,339 fine oz (2,995 fine oz in 1953) was again poor, but continued operation spread overheads;
 (b) output of Potaro dredge, 18,626 fine oz (13,030 fine oz in 1953), was well above estimate due to bigger yardage dredged, higher grade ground and improvement in recovery.

(5) (a) Konawaruk airstrip completed;

(b) most sections of dredge to work Konawaruk area were flown to construction site, a difficult operation, by British Guiana Airways Ltd; total weight about 1,000 tons;

(c) construction of pontoon, main frame and gantry completed; bucket ladder and bucket line assembled;

(d) damage to generating set delayed welding and riveting but dredge should be completed end 1955—when Potaro Hydro-electric Company Ltd (para 18) should be delivering power.

16 British Guiana Rice Development Co Ltd

(1) (a) £1,042,000 loan agreed in 1952 to finance expansion of rice production; repayable five years after drawings;

(b) amount drawn at 31.12.54 £448,000.

(2) Additional £250,000 short-term loan for working capital drawn in 1953; renewed during 1954.

(3) Capital and interest guaranteed by British Guiana Government.

17 British Guiana Timbers Ltd

(1) (a) Issued capital is £1,510,000 of which CDC holding is £1,425,000 in ordinary shares; remainder held by Steel Bros & Co Ltd, Industrial Holdings (BG) Ltd (Bookers) and Greenheart (Demerara) Inc, of USA;

(b) additionally Corporation has advanced £510,384 on loan; total outlay at cost less amount written off £1,685,564;

(c) Steel Bros & Co Ltd were managing agents until 31.12.54, when managing agency was terminated by mutual agreement.

(2) Project began in 1948; CDC acquired two sawmills and forest concessions, continued production while new sawmill was built and forest prepared for large-scale extraction.

- (3) (a) In 1954 La Penitence mill was sold; Stampa mill will be closed early in 1955;
- (b) new Houston mill operated throughout year; early production only two-thirds of planned capacity; a second shift was started on 1.4.54 but this expensive expedient was stopped on 2.11.54; additional plant had to be ordered costing £30,000; it should be working in May 1955. Mr. E. G. Garrity, an independent sawmilling expert, was appointed sawmill manager and took over on 1.3.55;
- (c) of lumber produced only one third was suitable for export; that meant a pile up of lumber suitable for local use only;
- (d) CDC and Booker Bros were prepared to establish a prefabricated housing factory to help official housing scheme subject to a contract for 7,500 houses over three years; Government appears to have decided that requirements can be met otherwise;
- (e) forest operations concentrated mainly in Bartica Triangle; 28,282 tons of logs delivered (18,109 in 1953); extraction nothing like on full scale due to Houston mill problems; and extraction costs were much too high;
- (f) sawmills produced 15,623 tons of lumber (9,629 in 1953).
- (4) (a) Sales 6,640 tons logs and piling (6,937 in 1953) and 13,055 tons lumber (10,635 in 1953);
- (b) proceeds £461,644 (£395,896 in 1953) of which exports were £243,596 (£258,600 in 1953); markets by values UK 24%, USA 22%, West Indies and local 54%;
- (c) local prices rose slightly; UK market was steady, USA market dull in first nine months;
- (d) net loss for year was £114,676 (£72,581 in 1953).
- (5) (a) Company earns dollars but it has been at monstrous cost in sterling; locally it could still help substantially in housing programme;
- (b) organisation is now being thoroughly overhauled; some costs anyhow will come down; new markets be sought; but there is no chance of being out of the red in 1955;
- (c) meantime there is impending an increase in civil service wages which may lead to all round increases unrelated to productivity.

18 Potaro Hydro-electric Company Ltd

- (1) British Guiana Consolidated Goldfields Ltd and CDC formed this Company to instal hydro-electric station at Tumatumari Falls on Potaro River, primarily to supply power to Goldfields Company.
- (2) (a) Share capital of BG \$480,000 (£100,000) will be held—BGCG Ltd 55%, CDC 45%;
- (b) CDC will provide balance of finance, £240,000, as debenture loan.
- (3) (a) Exceptionally heavy rains in October and November delayed work but dam and spillways were completed; work on station site and tail-races is well advanced;
- (b) given normal dry season and no delays in plant delivery, installation should be completed by end 1955.
- (4) CDC expenditure at 31.12.54 £133,083 of which £120,000 advances against debentures.
- (5) It may be that this scheme will be absorbed in one of national coverage.

BRITISH HONDURAS

19 Barton Ramie Investigation

- (1) Doubt was expressed last year as to whether further experiments were justified.
- (2) Project was begun on too big a scale, but 550 acres ramie had been reduced to less than 50 and 55 in other crops.
- (3) Expert investigation in December 1953 recommended continuing experiments for three years.
- (4) And technically things went well in 1954: 435 lbs decorticated ribbon per acre and processing costs lowered by managerial ingenuity.
- (5) The markets which were originally in view appear to have been captured by other fibres.
- (6) So very shortly this investigation is likely to be shut down.
- (7) £186,468 has been spent and most of it will have to be written off against proving that ramie can be grown in British Honduras but that nobody wants it.

20 British Honduras Fruit Co Ltd (citrus)

- (1) Reported last year that original unfortunate banana scheme had been abandoned; but that on urgent (and natural) governmental representation alternative uses for land and labour had been sought.
- (2) 506 acres of oranges and 31 of cocoa seem to be doing quite well, though floods in June (9" rain in one night) did much damage to bridges and roads.
- (3) As also reported, negotiations for association with neighbouring private enterprise were broken off when HM Government decided to import limited quantities of citrus under the USA Commodity Aid programme; and they are likely so to remain pending government action on report of Citrus Mission.
- (4) Spent on oranges and cocoa £59,954.

21 Cramer Estates

- (1) No economic method of developing the estates (bought 1950) has yet been discovered; the search continues.
- (2) Outgoings (land taxes mostly) have been met out of royalties for extraction of timber and by rents from concessions; surplus in 1954 (before interest on purchase money) £2,716 (deficit £838 in 1953).
- (3) Investment at 31.12.54 was £46,154.

22 Fort George Hotel

- (1) Hotel, which opened in January 1953, is an immense asset to Colony; a far greater one than will ever show in CDC accounts.
- (2) Net trading profit 1954 £1,296; net trading loss 1953 £4,622 (both after depreciation on written down capital).
- (3) Tenders for swimming pool invited; pool should materially improve custom.

DOMINICA

23 Dominica Electricity Services

- (1) As to electricity supply:
 - (a) hydro-electric station ran satisfactorily throughout year;

- (b) line extensions continued; good management reduced costs and increased sales, but not enough to turn loss into profit;
- (c) CDC still restricted by legislation preventing raising of prices in first five years of operation.
- (2) (a) Sales of 840,700 kWh resulted in loss for first full year £6,443 (£5,374 for six months 1953); increased consumption with slightly better trading results expected in 1955;
- (b) spent at 31.12.54 £178,337.
- (3) As to cold storage and ice:
 - (a) year's trading disappointing;
 - (b) 1,252 tons of ice gave £30 profit;
 - (c) spent at 31.12.54 £23,270.

24 Melville Hall Estate

- (1) 240 acres bananas, 200 acres coconuts; largest producer of bananas in Dominica; also supplies planting material for expansion of banana plantings in other Windward Islands.
- (2) (a) 103,279 stems bananas sold (97,785 in 1953); and 82.57 tons copra (88 tons in 1953);
- (b) profit £13,418 (£6,489 in 1953); satisfactory year again reflects credit on management.
- (3) Spent at 31.12.54 £55,660; accumulated loss now reduced to £11,124 (£24,542 at 31.12.53); prospects fairly good.

JAMAICA AND DEPENDENCIES

25 Cayman Islands Airport

- (1) £55,500 loan (1953) to finance construction.
- (2) Principal and interest secured by charge on revenue of Cayman Islands and guaranteed by Government of Islands.
- (3) Repayment by 20 annual instalments; balance outstanding 31.12.54 £52,725.

26 Jamaica Citrus Growers Ltd

- (1) £110,000 loan (1951) to finance extension of Company's fruit processing factory.
- (2) Principal and interest secured by charge on Company's assets; parent body, Citrus Growers Association Ltd, now guarantees principal and interest.
- (3) Repayable over ten years from 31.3.52; outstanding at 31.12.54 £83,000.

27 Jamaica Cooling Store

- (1) Trading profit before interest on capital was £3,321 on storage charges of £21,665 (£669 on £19,786 in 1953).
- (2) One of the loading platforms is to be turned into a cold room for meat storage etc at estimated cost of £10,000; should improve trading results.
- (4) Expenditure at 31.12.54 £122,094.

28 Jamaica Public Service Co Ltd

- (1) £300,000 loan (issued at 98% in 1953) for electricity supply development.
- (2) Principal and interest secured by charge on Company's assets.
- (3) Repayable in 1963 at par with option to Company to redeem earlier at a premium.

29 Turks Islands Salt Co Ltd

- (1) £60,000 loan (1952) secured by charge on Company's assets; Company had been formed by Jamaica Government to work salt on Turks Islands.
- (2) Company still has great difficulty in selling salt; 9,872 tons for year to 30.9.54, (9,180 in 1953); stocks at 30.9.54 39,755 tons.
- (3) Expert mission visited islands in August on behalf of Government to advise on technical and marketing problems.
- (4) Company has defaulted on payment of interest to CDC since 1.1.53 and on first instalment of repayment of capital due 1.1.55.
- (5) Discussions with Governor of Jamaica and Colonial Office continue; although Company has made and continues to make preferential payments to other creditors with no priority over CDC, the CDC at Governor's request has agreed not to appoint a receiver for another year.

ST VINCENT

30 St Vincent Electricity Services

- (1) As to electricity supply:
 - (a) hydro-electric station ran satisfactorily throughout year;
 - (b) work on line extensions continued and sales rose steadily;
 - (c) to meet increasing load a third generating unit will be installed in 1955.
- (2) (a) Sales of 962,770 kWh resulted in trading profit for first full year £2,087 (loss for nine months 1953 £1,446);
(b) spent at 31.12.54 £159,001.
- (3) As to cold storage and ice:
 - (a) Bottlers (St Vincent) Ltd are responsible for letting storage space and selling ice; there was only £101 profit;
 - (b) spent at 31.12.54 £26,640.

TRINIDAD

31 Trinidad Cement Ltd

- (1) A further BWI \$2,640,000 capital was called up in the early part of the year in order to complete construction. Issued capital now \$7,680,000 (£1,600,000) in ordinary and 5% cumulative preference shares. The ordinary shares are held by The Rugby Portland Cement Co Ltd and CDC in the ratio 2 : 1 while CDC owns the majority of the preference shares.
- (2) Production started in July as scheduled; everything is going well.
- (3) As at the date of this report, no decision had been taken by the company about a payment on the preference shares from profits earned during the year—so there is no credit in CDC's accounts this year.

32 West Indies Navigation Co Ltd

- (1) Company incorporated in Trinidad to operate a shipping service (passenger and freight) between BWI islands.
- (2) Share capital (BWI \$216,000) held equally by Jardine, Matheson & Co Ltd, Indo-China Steam Navigation Co Ltd and CDC.
- (3) Governments of BWI territories and of British Guiana agreed collectively to contribute £50,000 per annum for three years.
- (4) Managed by Jardine, Matheson & Co (Caribbean) Ltd; one ship initially (ss "West Indian") chartered from Indo-China Steam Navigation Co Ltd.
- (5) Ship will provide a three-weekly service between islands; efforts will be made to arrange feeder services with other territories.
- (6) Service started January 1955; it has taken three years to get this done and there is great satisfaction in the area.

FALKLAND ISLANDS

33 Falkland Islands Freezer Co Ltd

- (1) (a) Issued capital £252,000; £242,000 preferred shares of which CDC hold £240,000 and South American Export Syndicate Ltd £2,000; £10,000 deferred shares held by CDC;
(b) Falkland Islands Government lent during year £50,000 secured by debenture; Company at 31.12.54 owed CDC £28,694 on current account;
(c) Board comprises representatives of CDC (including three Falkland Islands sheep farmers), Falkland Islands Government, Falkland Islands Co Ltd and South American Export Syndicate Ltd.
- (2) South American Export Syndicate (London and Puntas Arenas in Chile) are managing agents; and owing to inaccessibility much responsibility devolves on local directors and manager.
- (3) (a) 1953 was only a part season since freezer was not fully completed;
(b) 1954 was first full season; deliveries were only 16,901 sheep (14,238 in 1953) and 382 cattle; 4,645 sheep were rejected by Ministry of Food Inspector as fit only for boiling down to tallow; the rest on arrival in UK were hard to sell.
- (4) Estimated result for 1954 is a loss of £42,000 (£40,377 in 1953); chief items:

	£
Payments to sheepowners	17,000
Operating and administration expenses	39,000
Depreciation on written down value of installations	15,000
	<hr/>
	71,000
Sales	29,000
	<hr/>
Loss	£42,000

- (5) (a) It was clear in September that unless proper support by local interests, in particular the Falkland Islands Company, could be assured as to deliveries, quantity and quality, the freezer had better not open for 1955 season;

- (b) sheepowners were asked to estimate 1955 deliveries; the answer was 15,000/16,000 sheep—worse than 1954—and no improvement in quality; only by inclusion of sub-standard carcasses would there be load enough for a call from the refrigerated ship; and less than half the 35,000 estimate accepted by sheepowners in 1952 before freezer was completed.
- (6) (a) In line with CDC recommendation last year, Government tried to form local co-operative or consortium to purchase freezer; no response;
 (b) CDC then offered freezer to Government on lease (even at pepper-corn rent) with stores needed for 1955 season free; no response;
 (c) CDC believes Falkland Islands Company and the other sheepowners could, if they wanted to, make a success of freezer, to the benefit of Colony.
- (7) (a) CDC, in addition to investment in Freezer Company, wrote £200,000 off construction cost before transfer of installations; and it has an accrued liability for interest of about £45,000;
 (b) Freezer will not open for 1955 season.

FAR EAST REGION

34 Regional summary

- (1) Projects are mostly in Singapore and Federation of Malaya; one is in North Borneo; suitable opportunities for development in other parts would be welcome.
- (2) Capital sanctioned is £15,040,000, employed at 31.12.54 £10,207,000.
- (3) The large investment in electricity is a necessary prerequisite to much further general development in Federation; is an indirect investment in mining and other productive industry.
- (4) The Federal and Colonial Building Society has shown a way of investing savings in better living without recourse to state control or subsidy; it has stimulated secondary industries connected with the building trades and set new standards of building development.
- (5) CDC money in oil palms and cocoa helps diversification of Malayan economy.
- (6) Secondary industries in Singapore are encouraged by development of an industrial area on which four factories are in production.
- (7) In North Borneo development is limited by lack of labour; at Tawau, where Borneo Abaca Ltd project covers former Japanese rubber and hemp estates, problems of staff, labour, and plant disease have made progress difficult, costly and very vexatious; but modernisation of estates, perseverance with US dollar-saving hemp and development of new crops will be continued.

SINGAPORE AND FEDERATION OF MALAYA

35 Central Electricity Board

- (1) Financial arrangements were fully described last year.
- (2) At 31.12.54 first and second debentures were fully drawn; £1,692,050 had been drawn against third; total lent £5,840,000.
- (3) Additional loan of £85,200 made in 1953 to finance staff housing scheme repaid on 31.12.54.

36 Federal and Colonial Building Society Ltd

- (1) (a) Authorised share capital M\$50 million (£5,833,333); under present arrangements CDC will invest in total M\$30 million (£3,500,000) and Government of Federation of Malaya M\$10 million (£1,166,667), both half equity half loan; M\$10 million of CDC investment and whole of Government investment will finance house purchases in Federation;
 (b) at 31.12.54 CDC had subscribed £1,006,833 in shares and £1,166,667 in loan, total £2,173,500; Government of Federation of Malaya had subscribed £66,500 in shares; balance of mortgages financed by internal reserves, deposits and bank loan;
 (c) arrangements being made with Hong Kong and Shanghai Banking Corporation for loans up to M\$20 million; a significant start in attracting local capital.

- (2) (a) Progress here shown:

	Applications approved		Mortgage advances outstanding	Revenue earned (interest, agency fees and commissions)
	Number	Amount		
		£	£	£
1950 ...	220	472,894	231,734	4,090
1951 ...	613	1,062,401	792,292	31,427
1952 ...	404	792,983	1,477,625	84,916
1953 ...	303	395,331	1,929,296	136,757
1954 ...	1,069	1,279,053	2,648,297	194,167
Total	2,609	£4,002,662		

(b) rate of interest charged to borrowers 7%; reduced to 6½% on old and new loans from 1.1.55.

- (3) There is a strong local board, including representatives of commercial community and Federation Government; the Manager of Hong Kong and Shanghai Banking Corporation, Singapore, is Chairman.

- (4) In 1953 Society was appointed agent for Government of Colony of Singapore Staff Housing Loans Scheme and managers for Singapore City Council Staff Housing Loans Scheme; in January 1955 also appointed agent for University of Malaya Housing Scheme and for Federation Employees' Provident Fund Board to invest funds on security of landed properties within conditions of Trustees Ordinance.

- (5) Major part of Serangoon Garden Estates Ltd debentures repaid during year; £1,447 outstanding at 31.12.54.

- (6) Company's accounts show:

	Net profit (after tax)	Dividends		Balances at 31 Dec.	
		Rate	Amount (less tax)	General Reserve	Profit & Loss Account
	£		£	£	£
1950	1,973 (loss)	—	—	—	1,973 Dr.
1951	11,547	—	—	8,750	824 Cr.
1952	37,792	3%	19,046	26,250	2,070 Cr.
1953	53,250	4%	26,787	52,500	2,283 Cr.
1954	67,284	5%	36,709	81,667	3,691 Cr.

(7) Society has made a unique contribution to reducing housing costs, to creation of integral housing estates, and to extension of home ownership; its credit, value and efficiency are established.

37 Kulai Oil Palm Estate

- (1) (a) Estate is in area always notorious for terrorist activity; the murders in July of the manager, Mr. W. A. Gibson, and the Regional Controller, Mr. P. A. Gregoire, have been earlier recorded;
(b) Mr. G. F. Walker, estate assistant, carried on alone till new manager took over in November;
(c) Guthrie & Co Ltd are managing agents.
- (2) (a) Production was 671 tons of oil, 172 tons of kernels (652 tons oil, 162 tons kernels in 1953);
(b) average sales price of oil £70 per ton fob (£73 in 1953);
(c) trading loss was £6,750 after charging £8,541 amortisation of plantations.
- (3) (a) 1954 new planting programme had to be deferred on manager's death and because of unexpected scarcity of planting material; preparatory work only carried out;
(b) new houses for Asian staff and labour were constructed; site for new factory prepared.
- (4) Unlikely there can be much reduction in costs on this project for the next two years unless security measures can be relaxed; but financial results should be much more satisfactory after 1957 when the new high yielding palms come into bearing and new factory is in operation.
- (5) Capital employed at 31.12.54 £528,613 including accumulated profits £27,292.

38 Malayan Cocoa Ltd

- (1) Cadbury Brothers Ltd, Harrisons & Crosfield Ltd and CDC decided last year that results of experiments justified expansion to commercial estate initially of 500 acres.
- (2) 106 acres were planted in 1954 bringing total area planted to 150 acres.
- (3) Authorised capital was doubled during 1954; is now M\$2 million (£233,333); issued capital is £140,000 of which CDC will hold £46,667.
- (4) Spent to 31.12.54 £78,227.

39 Singapore Factory Development

- (1) Financial arrangements were described last year.
- (2) 24 acres sold to 31.12.53; none in 1954; 29 acres still remaining.
- (3) Four factories—textile mill and edible oil refinery (both constructed with financial assistance from CDC) and polish and hemp rope factories—are in production.
- (4) Directors of Federal and Colonial Building Society Ltd form advisory committee; their general manager acts as manager of factory estate.
- (5) (a) Net profit for year was £5,364 (£16,682 in 1953); reduction due to absence of sales of land;
(b) capital employed at 31.12.54 £128,015, including accumulated profits £28,909; loans outstanding £83,733.

40 Borneo Abaca Ltd

- (1) Financial arrangements as in last report.
- (2) (a) Division of responsibility between London, Singapore (CDC Regional Office), Sandakan (Harrisons & Crosfield (Borneo) Ltd) and Tawau was at last determined to be quite incompatible with efficient management; from 4.11.54 Harrisons & Crosfield relinquished their managing agency and project is under direct management with substantial delegation of responsibility to strengthened management at Tawau;
(b) Harrisons & Crosfield remain as selling agents and as visiting agents responsible for advice on plantations.
- (3) These changes have enabled reassessment of a highly complex project—rubber and hemp estates with experimental crops such as cocoa alongside.
- (4) *Hemp*
 - (a) In 1949 out of 14,000 acres on five estates over 4,000 acres were under abaca, planted pre-war; all, through war-time neglect, were heavily diseased; under scientific advice four estates were completely cleared and replanting started; on one, which is isolated, rehabilitation without complete eradication was tried—largely failed;
 - (b) in 1952 hemp production reached its lowest; thereafter new plantings were estimated to build up to production of 5,000 tons in 1954 from 4,500 acres; however, failure to control disease, culminating in a fresh outbreak in 1954, is likely to result, after eradication, in reduction of mature area to 3,000 acres or less;
 - (c) in 1952 plans were made to mechanise processing—four decorticators were ordered to replace hand-stripping; in 1954 two units were brought into operation on Table Estate but they are not yet properly tested because the crop was short;
 - (d) 1954 production, 1,814 tons hemp (1,171 tons in 1953), was far below expectations owing to disease and partial failure of cultivation policies and methods still largely experimental; average price fell to £132 (£170 in 1953); trading loss was £92,698 (£45,899 in 1953); cumulative loss on hemp £390,435;
 - (e) North Borneo Government conceded a reduction in hemp export duty from 1.1.54; but the cumulative duty paid by Company is £73,735; and such a tax on a pioneer industry still making large losses seems hard to justify;
 - (f) 1955 programme will concentrate on disease control measures recommended by Government Plant Inspector and Professor Wardlaw who was in North Borneo again in December; further planting on main estate will for time being be restricted to acreage (estimated 2,500) needed to feed the two installed decorticators economically; the other two decorticators and ancillary equipment will be stored till abaca and its mechanical decortication are proved to be economic.
- (5) *Rubber*
 - (a) Kuhara Rubber Estates were 12,000 acres (90% old seedling rubber); replanting is behind schedule because labour is short—to date only 200 acres new planting;
 - (b) 1954 production, 4.2 million lb (4.6 million lb in 1953), would have been lower after early setback but for substantial improvement towards year end; recovery in rubber price also improved results for last few months; trading loss £20,473 (£54,630 in 1953);

- (c) rubber estates show cumulative profit of £69,356 since purchase after providing £105,000 for replanting provision, although large areas were untapped owing to labour shortage;
- (d) approved five year programme aims at replanting 400-600 acres annually depending on labour availability.

(6) *General*

- (a) Disease and curtailment of hemp development programme have resulted in capital losses not charged in the hemp (or rubber) operating accounts; combined losses charged in project 1954 accounts are £161,547 (£158,098 in 1953); CDC has provided in its accounts £56,380 (£78,977 in 1953) against abnormal depreciation and capital losses;
- (b) experiments continue with cocoa and other crops with a view to developing extensive areas not under abaca or rubber; but until abaca problems are solved nothing much can be done elsewhere.

EAST AFRICA REGION

41 Regional summary

- (1) For projects in Kenya, Tanganyika and Uganda capital sanction is £9,245,000, employed at 31.12.54, £3,925,000.
- (2) Of 11 projects eight are for investigating and developing mineral resources; Kilembe Mines with accompanying railway extension should materially assist development of Western Province of Uganda and the building of a smelter at Jinja will improve the prospects of the Macalder mine; similar results could follow in Southern Province of Tanganyika if and when a railway link is provided to coal and iron deposits proved by CDC.
- (3) Development programme of East Africa Industries Ltd under Unilever management is bringing new industries to Kenya; Tanganyika Wattle Estates will not only establish an important industry in an under-developed area but the Native Authority wattle growing scheme alongside CDC's project may set a pattern for similar co-operative development elsewhere.

KENYA

42 East Africa Industries Ltd

- (1) (a) (i) Shareholders are Unilever Ltd 50%, CDC 33 $\frac{1}{3}$ %, Industrial Management Corporation (Kenya Government) 16 $\frac{2}{3}$ %;
- (ii) businesses for disposal, refractory bricks and formulations, are carried on for account of CDC and Industrial Management Corporation (original shareholders);
- (b) CDC shareholdings £275,000 and loan £35,000.
- (2) Unilever Ltd manages.
- (3) (a) Margarine plant, under construction, should be in production in mid-1955;
- (b) decision has been taken to establish soap and glycerine plant.
- (4) (a) Net profit before tax was about £45,000 (£31,076 in 1953) from sales totalling approximately £328,000 (£335,379 in 1953);
- (b) surplus assets realised £86,458;
- (c) no dividend has been declared and consequently no credit in respect of Company's profits appears in CDC accounts.

43 Kenya Housing Authority

- (1) £2 million loan to Kenya Government for approved municipal and private housing programmes for Africans in urban districts.
- (2) Government guarantees interest and principal.
- (3) Drawings at 31.12.54, £200,000.

44 Macalder-Nyanza Mines Ltd

- (1) (a) Ordinary capital is to be increased to £700,000 of which CDC will hold 65.7%, Kilembe Mines Ltd 28.6%, other interests 5.7%;
(b) CDC will provide balance of finance required to bring mine to production (£1,400,000) on loan; loan was £834,101 at 31.12.54.
- (2) (a) Pilot milling was completed in 1953; no further underground development in 1954;
(b) total ore reserves of all classes remained unchanged; details of sulphide reserves:

Class	Short tons	Copper %	Gold dwt/t	Silver oz/t	Zinc %
proved	718,000	2.27	2.24	1.81	3.45
indicated	119,000	2.09	2.75	1.25	2.00
inferred	637,000	1.89	1.60	0.92	2.49
transition	36,000	3.88	2.52	1.46	1.82

- (3) (a) Work in 1954 concentrated on construction to equip mine for production in 1956 at rate of 10,000 tons ore per month, employing roast-leach method for recovery of cement copper, gold and silver; final treatment in Kilembe Mines Ltd's new smelter at Jinja;
(b) progress satisfactory; major plant ordered in South Africa; much else being designed and fabricated by mine staff.
- (4) (a) Power investigations were concluded; small hydro-electric station is to be built on Kuja River;
(b) this will give power needed for most of year but will require diesel boost in dry season.

TANGANYIKA

45 Liganga Iron Ltd

- (1) In 1952 CDC, Frobisher Ltd of Canada and Anglo-American Corporation of South Africa Ltd formed syndicate to investigate Liganga iron ore deposits about 50 miles north of coalfields in south-west Tanganyika.
- (2) Reconnaissance geological survey concluded; results disappointing; but deposits might become worth working should other development take place in area.
- (3) Company has been registered in Tanganyika by syndicate with Tanganyika Government; authorised capital £30,000; CDC will hold 32½%.
- (4) Expenditure at 31.12.54 was £18,050.

46 Mbeya Exploration Co Ltd

- (1) (a) CDC has agreed with N.V. Billiton Maatschappij to investigate pyrochlore (niobium ore) deposits near Mbeya in south-west Tanganyika;
(b) Mbeya Exploration Company will be registered in Tanganyika with nominal capital of £100;

- (c) finance will be provided by loans from N.V. Billiton Maatschappij and CDC in proportion to respective shareholdings; CDC's share 30%
- (d) N.V. Billiton Maatschappij will be managing agents.
- (2) (a) First stage, of field investigation and metallurgical research, planned to start at once;
- (b) if results satisfactory second stage of development and pilot milling will follow.

47 Murongo Mines Investigation

- (1) (a) As mentioned last year, investigation (undertaken at Tanganyika Government request) and plans for further development and erection of pilot mill were stopped in 1953 when price of tin fell below estimated pay limit;
- (b) caretaking in 1954 to fulfil statutory obligations was combined with small scale realisation of ore;
- (c) 16 tons of tin concentrates produced £6,427 towards cost of maintenance;
- (d) some surplus equipment was sold.
- (2) In view of success of small scale production and improved price of tin some reef development began in October.
- (3) Spent at 31.12.54 £255,637, increase of £3,571 in 1954.

48 Tanganyika Coalfields Ltd

- (1) (a) This was also an investigation at request of Tanganyika Government; 256 million tons of coal proved and indicated end 1952 in fields east of Lake Nyasa;
- (b) in 1953 investigation team was withdrawn; most buildings, plant and equipment disposed of.
- (2) (a) Tanganyika Coalfields Ltd was registered in Tanganyika by CDC with Government of Tanganyika, Frobisher Ltd of Canada and Anglo-American Corporation of South Africa Ltd; authorised capital £100,000; CDC interest 35½%, balance of consideration being met by issue of unsecured notes by Company;
- (b) development of fields explored awaits provision of railway;
- (c) meantime mining leases applied for and property held on care and maintenance basis.
- (3) Possible demand in Mbeya and Rungwe districts may justify early investigation and development of field north-west of Lake Nyasa.
- (4) Expenditure for year £4,864; proceeds from disposals of surplus assets £5,804; total expenditure at 31.12.54 £438,921, of which £122,765 contributed by associates.

49 Tanganyika Wattle Estates

- (1) (a) By end of 1953/54 planting season 22,500 acres of wattle were established;
- (b) 1954/55 wet season began early December; 4,000 acres sown by 31.12.54;
- (c) growth is satisfactory.
- (2) 371 miles of road constructed, of which 37 in 1954.
- (3) Plans and estimates for factory completed; production of tanning extract expected in 1959.

(4) Development programme has been economically carried out according to plan; CDC now looks to next phase involving installation of factory and processing and marketing operations.

(5) Arrangements are being negotiated for financial participation and management by private enterprise associate. Tanganyika Government has been invited to participate on behalf of Native Authority.

(6) Tanganyika Government initiated Bena Wattle Scheme, whereunder CDC will assist Africans to establish 20,000 acres of wattle over period of years and factory will process bark; first 300 acres sown in December.

(7) Expenditure at 31.12.54 £570,967.

50 Tangold Mining Co Ltd

(1) (a) Second stage exploration and development programme for gold continued during year;

(b) 23 diamond drill holes completed; total 18,808 feet drilled at 31.12.54; 3,358 feet in 1954;

(c) 1954 development: inclined shaft sunk to 587 feet; 770 feet of underground development completed.

(2) Stage 2 is nearing completion and on results obtained consulting engineers (New Consolidated Gold Fields Ltd—who also own half the capital) will recommend whether to proceed to production.

51 Williamson Diamonds Ltd

(1) CDC agreed to lend £500,000 to assist extensive mechanisation of mine.

(2) Nothing drawn at 31.12.54.

UGANDA

52 Kilembe Mines Ltd

(1) (a) Authorised capital £5 million; £3,057,674 issued at 31.12.54, of which CDC £514,870 out of £1 million promised;

(b) additional loan capital required to bring mine to production is estimated at about £1,900,000 of which CDC will subscribe £750,000 against debenture; loan at 31.12.54, £386,154.

(2) (a) CDC joined in 1953 with Frobisher Ltd and Uganda Development Corporation to finance the Kilembe mine, in Ruwenzori Mountains of western Uganda, to production at 40,000 tons per month, estimated to produce annually about 8,000 tons blister copper and 400 tons cobalt as high grade cobalt oxide;

(b) consulting engineers and general managers are Frobisher Ltd.

(3) (a) Ore reserves remain unchanged at:

Class	Short tons	Copper %	Cobalt %
proved	5,882,000	2.12	0.17
indicated	5,439,000	2.12	0.19
inferred	6,460,000	1.47	0.19

(b) underground development was resumed in October; 870 ft advanced.

- (4) (a) Rate of construction in 1954 was necessarily slow during build up of staff and labour force, but camp housing well advanced;
- (b) main plant orders placed; main construction contractors (E. L. Bateman Ltd of South Africa) and sub-contractors started construction on hydro-electric scheme and concentrator.
- (5) Railway authorities do not now expect rail link from Kampala to Kasese to be completed till January 1956, six months behind schedule; delay means added cost for heavy plant by road.
- (6) Negotiations with Government about site for smelter at Jinja completed.

CENTRAL AFRICA REGION AND HIGH COMMISSION TERRITORIES

53 Regional summary

- (1) This region falls easily into two parts, the Central African Federation and High Commission Territories (Basutoland, Bechuanaland and Swaziland). The Federation (apart from Nyasaland) is a field of operations for large and rich concerns, e.g. the copper companies; the Protectorates are relatively undeveloped and CDC is an important element in total development.
- (2) In the Federation, capital sanctioned is £5,014,000, employed £1,940,000. There are the Chilanga Cement Co and the Central African Airways Corporation loan; and the three plantation projects in Nyasaland, the future of which will depend on development of communications and securing of markets.
- (3) (a) In HCT capital sanctioned is £7,394,000, employed £4,519,000;
- (b) CDC helps the Bechuanaland economy through the cattle trade, which is the sole major economic activity, by stimulating an increase in cattle production and through the Lobatsi Abattoir enabling the Protectorate to set up an industry and retain the processing and by-product proceeds which previously went to the neighbouring territories;
- (c) Swaziland is a fertile oasis in Southern Africa; CDC is developing land potentialities by afforestation on the heights and irrigation in the low ground; already there are crops, including one new to the Protectorate—rice, on what was recently bush; here again CDC looks to someone else to provide communications.

FEDERATION OF RHODESIA AND NYASALAND

54 Central African Airways Corporation

- (1) Agreement signed September 1954 to lend £1,750,000 to finance purchase of five Vickers-Viscount aircraft and spares; also to provide buildings at new Salisbury airport.
- (2) Loan, repayable over ten years, is guaranteed by Government of Federation and secured by charge on assets of Central African Airways.
- (3) None drawn at 31.12.54.

NORTHERN RHODESIA

55 Chilanga Cement Ltd

- (1) (a) Authorised capital £2 million; £1,300,000 issued at 31.12.54 in one million £1 ordinary shares and 300,000 £1 5% cumulative redeemable preference shares; CDC held 750,000 ordinary and 225,000 cumulative redeemable preference; rest held by Northern Rhodesia Government;
(b) CDC loan increased by £56,763 to £216,542.
- (2) (a) Production 81,842 tons (69,962 tons in 1953), of which 15,200 tons made from imported clinker;
(b) Northern Rhodesian demand continued in excess of local supplies; arrangements with Southern Rhodesia producers by which Company handled distribution of 101,873 tons imported from Southern Rhodesia, United Kingdom and Belgian Congo continued to 31.12.54;
(c) operating profit was £216,718 (£229,457 in 1953), £121,718 after tax.
- (3) (a) Estimates (not by CDC) of available limestone of suitable quality proving wrong, Company purchased local lime works and limestone quarry; with these, and other deposits located by Company's investigation, reserves of suitable limestone sufficient to justify factory extension were proved;
(b) bulk of second unit plant and equipment was shipped from UK; installation should be complete in 1956; when new unit is operating plant's rated capacity should be trebled.
- (4) (a) Premier Portland Cement Company (Rhodesia) Ltd, Rhodesian Anglo-American Ltd and British South Africa Company have acquired substantial financial interest in Company; CDC will hold 40% of issued ordinary shares and 75% of preference;
(b) Premier Portland Cement Company (Rhodesia) Ltd became general managers on 1.12.54.

NYASALAND

56 Kasungu Tobacco Estates

- (1) On expert advice this pilot estate was operated on reduced acreage, with more intensive cultivation and supervision than in 1953.
- (2) (a) Alternaria disease again damaged crop; but attack was less severe;
(b) 1954 crop harvested from 380 acres was 284,540 lbs; average yield 749 lbs per acre; average price 26.48d per lb;
(c) yield and price both showed substantial improvement on 1953 when yield averaged 625 lbs per acre and price 21.95d per lb; and price in 1954 compared more favourably with other Nyasaland producers than in 1953;
(d) improved results due to efficient management.
- (3) (a) 1954/55 programme is 345 acres flue-cured and two experimental acres burley air-cured;
(b) devolution of responsibility to Africans as section managers having proved satisfactory is being extended;
(c) cultivation and disease control problems still remain but further improvement in yield and quality like that of 1954 would make project pay;

- (d) continuation of the differential in prices obtained at Limbe (Nyasaland) and Salisbury (S Rhodesia) auctions must lead to a demand by Nyasaland growers for freedom to sell at the latter.
- (4) Local commercial interests referred to last year withdrew from negotiations for partnership.
- (5) (a) Loss for year £7,916, (£24,777 in 1953);
 (b) spent at 31.12.54 £172,565; fixed assets and development £70,505; net current assets £32,812; accumulated losses £69,248.

57 Nyika Forestry Development Syndicate (Investigation)

- (1) In this investigation CDC is associated with the Imperial Tobacco Co Ltd and Albert E. Reed & Co Ltd.
- (2) Forestry consultant examined experimental plantations in July 1954; reported growth rate entirely satisfactory.
- (3) Consulting engineers now investigating hydro-electric possibilities, process-water supply, and port facilities on Lake Nyasa.
- (4) Meanwhile afforestation and road construction on Nyika Plateau continue on pilot scheme scale with full support of Native Authority.
- (5) Syndicate funds raised from £36,000 to £60,000; CDC contribution at at 31.12.54 £12,000.

58 Vipya Tung Estates

- (1) Tung oil market is dominated by fluctuating supplies from China; an appeal by Nyasaland Tung Board to UK Government for measures to safeguard producers on strategic grounds inter alia was rejected during year.
- (2) CDC is negotiating with Nyasaland Tea Estates Ltd (who own their own tung plantation and factory) for their appointment as managing agents including responsibility for designing and erecting tung factory.
- (4) (a) Further economies effected; overheads reduced by £21,000 compared with 1953 and will come down further in 1955;
 (b) 4,641 acres planted at 31.12.54;
 (c) 1954/55 programme deferred one year on visiting agents' advice after review of available planting material.
- (5) (a) 432 tons nuts in husk were harvested (150 tons in 1953); dehusking is still by hand but prototype dehusking machine is on the way;
 (b) trial coffee plantings not yet successful; further trials planned for 1955.
- (6) CDC's surplus buildings at Mzuzu sold for £46,500 to Government.
- (7) Spent at 31.12.54, less amount written off, £633,441; plantations and development, £441,719; fixed assets £144,202; net current assets £47,520.

HIGH COMMISSION TERRITORIES

59 High Commission Printing & Publishing Co Ltd

- (1) (a) In 1951 Bantu Press (Pty) Ltd asked financial assistance for African local language newspapers in High Commission Territories;
 (b) Company formed as wholly owned subsidiary of Bantu Press (Pty) Ltd.
- (2) Corporation loan of £10,000 is guaranteed by parent company; repayable over ten years beginning 1955.

BECHUANALAND

60 Bechuanaland Cattle Ranch

- (1) It was reported last year that this grandiose project (for which 16,000 square miles were leased in 1950) was being concentrated on the headquarters farm at Panda-ma-Tenga and agricultural operations reduced to an experimental scale.
- (2) (a) Mr J. N. Hobday, seconded by the Northern Rhodesia Government to take charge of the three Bechuanaland projects, is staying till 30.6.55. CDC is greatly indebted to him, and to Northern Rhodesia Government;
 (b) in view of restriction of operations the advisory committee has been disbanded; the help given by Messrs A. L. Millar (Chairman), B. S. Curry, C. W. Freeman and F. D. Kirkman, Col L. van der Post and Dr A. E. Romyn is gratefully acknowledged.
- (3) (a) CDC withdrew from two outlying stations, Makalamabedi and Bushman Pits, but has arranged for Ngamiland Cattle Exporters' Association—a co-operative body specially established for the purpose—to take over lease and facilities at Bushman Pits; this area will accordingly continue to serve original purpose of helping to increase Protectorate's exportable cattle (see para 61);
 (b) herd at remaining out-station, Nata, will be progressively reduced as facilities for holding cattle near headquarters are expanded;
 (c) headquarters, Panda-ma-Tenga (200,000 acres), will be used to maintain a ranch-bred herd 3,000 head and as a holding ranch to finish cattle bought from Bushman Pits and Ngamiland;
 (d) despite some success in growing maize and groundnuts in experimental plots prospects of commercial scale agriculture appear doubtful owing to soil and other local conditions; operations will be restricted to cultivation for cattle fodder;
 (e) surplus agricultural equipment now largely sold.

(4) Economies in administrative staff were made in 1954 and overheads reduced by 20%; further economies effected since 31.12.54.

(5) (a) Trading loss:				1953	1954
				£	£
Cattle	...	...	...	69,558	61,593
Agriculture	...	...	...	33,202	6,663
				<hr/> £102,760	<hr/> £68,256

(b) relatively small reduction in cattle loss was due to this operation having to bear most of inflated overheads after curtailment of agriculture and to CDC receiving no payment in 1954 for handling exports on hoof from Ngamiland to Northern Rhodesia; 1955 arrangements are currently being discussed with Northern Rhodesia Government;

(c) losses may be expected for some years yet; it is too early to assess whether concentration at Panda-ma-Tenga and build up of a ranch-bred herd will put the cattle operations on a paying basis thus enabling expansion again later.

61 Bushman Pits Ranch (Ngamiland Cattle Exporters' Association)

- (1) (a) CDC has arranged for the Ngamiland Cattle Exporters' Association—a co-operative body specially established—to take over lease and facilities at Bushman Pits, one of outlying stations from which CDC withdrew under concentration policy explained above;

- (b) this station will accordingly continue to serve original purpose of ranch in helping to increase Protectorate's exportable cattle.
- (2) Association will occupy about 87,000 acres of land and will use buildings, fencing and other facilities established by CDC; it will pay a fee calculated to cover interest on and amortisation of CDC's assets.
- (3) Members will buy immature slaughter type cattle from Ngamiland producers and will graze them at Bushman Pits till ready to be fattened off by CDC at Panda-ma-Tenga.

62 Lobatsi Abattoir

- (1) This abattoir in south-east Bechuanaland was of course to process and export major part of Protectorate's annual cattle surplus.
- (2) (a) Necessary reconstruction due to inefficiency in design and construction supervision (1953 report) was completed by September when expenditure was slightly less than £715,000 estimated last year; abattoir was opened by HE the High Commissioner on 11.10.54;
 - (b) in November number of cattle on offer declined owing to dry season, a normal annual feature of Bechuanaland cattle trade; abattoir closed early December, re-opened 4.1.55;
 - (c) abattoir reached target daily throughput of 300 beasts on 27.1.55.
- (3) During two and a half months of operating 5,988 head of cattle were slaughtered; meat was supplied to markets in Union of South Africa, Northern Rhodesia and Belgian Congo; hides and edible offal were sold locally; relative attractiveness of various markets for by-products is under review.
- (4) Trading from mid-September to 31.12.54 resulted in loss of £3,232; this is better than estimate and is more than accounted for by standing charges incurred during period when abattoir was closed.
- (5) Spent at 31.12.54 £831,129; fixed assets £632,440; development £66,511; net current assets £126,903.

63 Molopo Ranch

- (1) Original plans for Molopo have also been revised.
- (2) Ranching operations are now concentrated on 200,000 most easterly acres; aim is to establish self contained herd of 8,000 cattle, to improve breed and experiment with pasture management.
- (3) A settlement scheme for rest of area is being evolved with Government; settlers will take over existing CDC facilities—boreholes, fencing etc—and CDC will finance through a properly constituted Settlement Authority further basic development, if satisfied that scheme promises success.
- (4) Geophysical survey undertaken over eastern part; two out of three subsequent boreholes struck water at 300 feet; further boreholes will go down as fast as CDC's rig can manage.
- (5) Opening of Lobatsi Abattoir at last enabled ranch to dispose of cattle held back to ensure initial supplies, but these sales were not expected to give any profit when mature cattle had been held for over two years; 6,841 head sold (2,754 head in 1953), loss £22,053 (£45,755 in 1953).
- (6) Economies effected in 1954 should be reflected in 1955 results, but this ranch is bound to run at a loss for some years.

SWAZILAND

Swaziland Irrigation Scheme

- (1) 105,000 acres in northern Swaziland bought in 1950 to develop irrigated and dry land farming and ranching; but earlier inexcusable inaccuracies in surveying and estimating have held up large scale development.
- (2) (a) CDC has now decided to proceed with plans to build main canal in two stages; stage 1 will carry two-thirds of water award but with full size headworks etc, which can be increased during construction or afterwards when circumstances justify;
 (b) Sir Alexander Gibb & Partners are responsible for approved design and are consulting engineers in charge;
 (c) tenders will be invited in March; much work on bush clearing and access roads will be done by project staff with existing equipment.
- (3) There was a full investigation with prospective commercial associates of potentialities for large scale sugar project with cultivation up to 25,000 acres and corresponding mill; but nothing came of it as an application for a Commonwealth export quota was rejected.
- (4) (a) The 1953/54 rice crop was a serious and shocking disappointment; after the promising 1952/53 season irrigated acreage was extended from 1,200 acres to 2,000 acres; harvesting disclosed a very high proportion of red grains which require extra milling in order to remove discoloured outer skin;
 (b) this is a normal crop hazard, usually controllable by careful seed selection and cultivation; it should have been controlled here but was not;
 (c) harvested crop was also smaller than expected since secondary ratoons were ploughed in; wretched quality and a reduction in controlled prices by South African Government depressed the prices obtainable; bad rice management and supervision cost Corporation dear.
- (5) New seed and careful cultivation under new management (both rice and general) should put matter right in time.
- (6) (a) Dry land crops, mainly maize, groundnuts and potatoes have yielded well;
 (b) cattle herd maintained at 8,000 head after sales of 1,108 head; prices obtained were satisfactory and this activity makes a profit.

		1954	1953
		£	£
Gross profit/loss			
Rice	...	L 15,306	P 23,659
Livestock	...	P 4,601	P 6,204
Other crops	...	P 1,844	L 12,410
		L 8,861	P 17,453
Administrative and special charges		39,492	50,816
Net loss		£48,353	£33,363

Administrative and special charges include expenditures committed in past in expectation that development would have taken place without delay; decision to proceed with canal should validate some of this expenditure.

- (8) Spent at 31.12.54 £1,605,108; fixed assets and development £1,143,861; net current assets £271,530; cumulative losses £189,717.

65 Ubombo Ranches (Pty) Ltd

- (1) £85,000 was lent to Company in 1953 to develop irrigable land in Swaziland; repayable by 1973.
- (2) Loan is secured on land and is guaranteed by principal individual shareholders.

66 Usutu Forests

- (1) (a) Of the 85,000 acres suitable for afforestation with pine trees, 55,000 planted by 31.12.54 of which 17,000 in 1954; 9,000 acres ahead of first five year programme and within original estimates, reflecting efficient management;
(b) condition and growth satisfactory;
(c) most buildings required for afforestation programme completed;
(d) 51 miles of roads built in 1954; 190 miles total;
(e) development and afforestation of 3,500 acres begun on behalf of Swazi Nation.
- (2) (a) Report of independent forestry experts after inspection late in year was satisfactory;
(b) mission to investigate other aspects should soon be on the job in Swaziland.
- (3) (a) Laboratory pulping and papermaking tests carried out on South African pines;
(b) investigation of relative merits of various methods of effluent disposal continued.
- (4) (a) Transport requirements of project being integrated with those of Swaziland generally;
(b) alignment within Swaziland of rail link with Transvaal surveyed and cost estimated.
- (5) (a) New manager engaged to improve management of adjoining project farm, Usutu Orchards, where disappointing crops were produced at heavy loss;
(b) irrigation water now available for 1,200 acres; area under pineapples extended to supply adjacent cannery recently built by private interests; but present policy is primarily to supply Usutu Forests with meat, maize etc for employees' rations.
- (7) Spent at 31.12.54 £1,399,701; fixed assets and development £1,427,182; net current liabilities £44,656; accumulated trading loss of Usutu Orchards £17,175.

TRISTAN DA CUNHA

67 Tristan da Cunha Development Co Ltd

- (1) (a) Fishing season is from September to May;
(b) in 1953/54 season (September to May) production was 21,657 cases (27,342 cases in 1952/53); fishing rate increased in latter part of 1954.
- (2) (a) Profit for year to 31.12.53 was £6,278 (£11,215 in 1952); reduction due to late start of fishing season and interruption, as reported last year, by conveyance of islander to hospital in Cape Town;
(b) preliminary estimate of profit for year to 31.12.54 £2,500; details not yet available but reduction probably due to loss of fishing time through bad weather and repairs to ships.

WEST AFRICA REGION

58 Regional summary

- (1) West Africa is CDC's least active region, but expansion now following recent retrenchments would be welcomed; capital sanctioned £2,672,000, employed £1,781,000.
- (2) Operations now mainly primary development—road and other works contracting with a loan to the Lagos Executive Development Board; need for such development confirmed by International Bank Mission.
- (3) Nigeria is rich in timber; Omo Sawmills helps in its utilisation; it would help more than it does if there were greater knowledge and appreciation in UK of the value of Nigerian hardwoods which compete directly with dollar hardwoods of which imports are now being freed. Land Settlement scheme at Mokwa as originally envisaged was abandoned after valuable lessons had been learnt but a less ambitious scheme is to be continued by Northern Regional Government.
- (4) British West Africa with population of nearly 40 millions needs technical and professional skills and secondary industries. There are a number of projects under consideration, but financing such activities is a particularly difficult field for an outside corporation to operate in unless local association can be arranged.

THE GAMBIA

69 Yundum Farm

- (1) CDC agreed to share cost of this experimental farm (on land originally cleared for the ill-omened Poultry Farm) with Gambia Government for five years.
- (2) No practical possibilities for commercial development emerged; by mutual agreement CDC withdrew at 31.12.54, end of third year, transferring its assets to Government in composition for contribution to operating expenses for next two years.

GOLD COAST

70 Mampong-Bolgatanga road

- (1) Contract is for re-surfacing 287 miles of Mampong-Bolgatanga road; revised value £1,344,000.
- (2) Stirling-Astaldi (West Africa) Ltd became managing agents on 1.9.53.
- (3) (a) Progress good; 83 miles completed in 1954 (24 miles in 1953); total 160;
(b) contract should be completed about end 1955; arrangements made for continued employment of CDC plant thereafter by CDC-Stirling Contracting Ltd (para 71).
- (4) Managing agents are making a success of what was previously a most costly undertaking; 1954 profit £33,374 (loss £105,522 in 1953) reducing accumulated loss to £133,849.

71 CDC-Stirling Contracting Ltd

- (1) (a) CDC and Keir & Cawder Ltd are forming this Company in Gold Coast to carry out road, bridge and other public works contracts;
(b) Company's authorised share capital £100,000 will be held equally by CDC and Keir & Cawder Ltd;
(c) CDC will provide additional finance by loan up to £150,000.
- (2) Keir & Cawder Ltd have large interest in Stirling-Astaldi (West Africa) Ltd who manage Mampong-Bolgatanga road contract (para 70); same Company will manage new Company's affairs.
- (3) First contract has been secured, ensuring continued employment of CDC plant in Gold Coast.

NIGERIA

72 Lagos Executive Development Board

- (1) £1,250,000 loan finances reclamation and development of 772 acres at Apapa for industrial, commercial and residential purposes.
- (2) (a) Loan drawn in two instalments in 1950 and 1951;
(b) agreement provides that Board may refund, or CDC retire, loan at end of 10, 20 or 30 years from 1.9.50; otherwise repayable by equal annual instalments 1.9.61-1.9.90;
(c) loan guaranteed by Government of Nigeria.

73 Niger Agricultural Project Ltd

- (1) (a) Company is now to be liquidated; assets purchased by Northern Regional Government who will carry on an experimental farm and training centre;
(b) since 1.7.53 project has been administered on restricted scale by funds provided by Central Government;
(c) Central Government and CDC withdrew from scheme at 1.6.54.
- (2) (a) This was an experiment to discover if mechanised cultivation, particularly of oil-seeds, would be economic in sparsely populated savannah country and to develop organised land settlement;
(b) if successful, scheme would have been of great benefit to Nigeria and elsewhere in Africa;
(c) project was well and economically managed but more experiment is needed to prove crops, methods of cultivation and economics of mechanisation; Overseas Resources Development Act 1948, Section 15 (1), puts such projects beyond CDC scope so long as millstone of abandoned projects has to be borne.
- (3) Net loss to CDC at 31.12.54 £123,494.

74 Omo Sawmills of Nigeria Ltd

- (1) (a) Capital authorised and issued £250,000, of which CDC held 143,080 £1 shares at 31.12.54; balance held by William Mallinson & Sons Ltd, a group of African timber interests headed by Hon T. A. Odutola and by former shareholders of A. Norman Rushforth Ltd;
(b) CDC in addition had advanced £17,723 on loan account (£41,268 at 31.12.53);
(c) Company holds three concessions in Omo and Oshun forest reserves of Western Region; total 429 square miles, one quarter to be cut in 25 years.
- (2) New sawmill, completed in 1953, was improved by installation of additional machinery.
- (3) (a) Sawmill input was 100% higher than in 1953; conversion rate improved by 1.5%, can be further improved; quality of lumber produced high;
(b) sales realised £139,962 (£81,884 in 1953);
(c) production was mainly opepe lumber and sleepers for local market, which absorbed 65% of sales by value (41% in 1953); in 1955 more mahogany will be produced for export;
(d) loss for 1954 was £12,128 (£22,863 in 1953).
- (4) Sawmill operation is becoming more efficient; order book for 1955 excellent, local market strong; production of mahogany, which commands a higher price than opepe, will increase; loss should turn to profit.

75 Cocoa and Gusau-Sokoto roads

- (1) There are two contracts:
 - (a) Cocoa roads (Western Region) re-surfacing 178 miles of existing roads; value £293,700;
 - (b) Gusau-Sokoto road (Northern Region) re-surfacing 98 miles of existing road; value £198,728;
 - (c) work additional to specification is likely to bring in additional revenue.
- (2) Highways Construction Ltd were appointed managing agents from 1.2.54.
- (3) Cocoa roads contract:
 - (a) 54 miles completed during year bringing total to 126 miles;
 - (b) operating loss for year was £121,909 (£116,054 in 1953); approximate loss on contract to 31.12.54 £327,000;
 - (c) of year's loss, about £14,000 is for repairs to previous bad work;
 - (d) progress rate disappointing; improved towards end of year; managing agents estimate contract completed mid-1955.
- (4) Gusau-Sokoto road contract:
 - (a) 44 miles completed during year bringing total to 69 miles;
 - (b) operating loss for year £55,569 (£52,868 in 1953); approximate loss on contract to 31.12.54 £140,000;
 - (c) managing agents have brought progress rate up to about ten miles per month during last quarter; estimate completion of contract by April 1955.
- (5) Losses again high on both contracts owing to benefits of better management coming only late in year; clearly demonstrated that even when efficiently organised, contracts could not pay for themselves at agreed prices; no success yet in re-negotiating prices.
- (6) Arrangements have been completed since end of year for continued employment of plant on completion of present contracts by new company in which CDC and Highways Construction Ltd will hold ordinary capital in equal proportions.

76 West African Fisheries

- (1) By mid-1954 disposal of fishing assets was complete; this left only the two cold stores at Port Harcourt and Apapa together with ancillary equipment.
- (2) (a) Port Harcourt property, apart from cold store building itself, remained let throughout the year while more permanent arrangements were sought;
 - (b) now recognised that Port Harcourt is unlikely to require enough additional cold space for several years to justify re-opening of Corporation's store;
 - (c) in 1955 machinery will be removed to Apapa and building let for general purposes.
- (3) (a) In October Apapa Cold Store was re-opened under independent managers: a six-months' experiment to test demand;
 - (b) it was made possible through a space renting guarantee by an agency of the Western Regional Government.

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Colonial Office

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4 MAY 1956

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COLONIAL DEVELOPMENT CORPORATION

REPORT AND
ACCOUNTS
FOR 1955



Page 33 J. L. F. E. E. E.

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ANNUAL REPORT AND STATEMENT OF ACCOUNTS

For year to
31.12.55

*Presented to Parliament in pursuance of Section 16 (5) of the Overseas
Resources Development Act, 1948*

*Ordered by The House of Commons to be Printed
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COLONIAL DEVELOPMENT CORPORATION

33 Hill Street,
London W1

The Rt Hon A. T. Lennox-Boyd, MP
Secretary of State for the Colonies

The members of the Colonial Development Corporation have
the honour to submit Report and Statement of Accounts for
year to 31.12.55.

(Sgd) J. C. W. Reith

H. N. Hume

Hugh Beaver

A. Gaitskell

J. Hathorn Hall

Macdonald of Gwaenysgor

G. Tyser

22 March 1956

Members

Lord Reith
(Chairman)

H. N. Hume
(Deputy Chairman)

Sir Hugh Beaver

A. Gaitskell

Sir John Hathorn Hall

Sir Maurice Hutton*

Lord Macdonald of Gwaenysgor

G. Tyser

* Sir Maurice Hutton resigned 30.6.55 on taking up appointment in Australia

Executive Chief Officers

General Manager	...	...	W. Rendell, ACA
Head Office Controllers			
Administration	...	...	A. E. Porter, CSI, CIE (a)
Finance	...	...	G. W. Totman, ACA (b)
Investigations	...	...	R. Prentice, CA (b)
Operations	...	...	H. A. Cochran, OBE, BSc, MIMinE, MInstMM H. L. Pryce, ACA Sir Reginald Saloway, KBE, CMG, CIE
Regional Controllers			
Caribbean	...	...	A. C. Grieve
Far East	...	...	D. E. M. Fiennes
East Africa	...	...	R. E. Norton, CMG, OBE
Central Africa	...	...	G. E. Thornton, CMG, OBE (c)
High Commission Territories			G. C. Wishart (d)
West Africa	...	...	G. I. Firmston-Williams

Regions

Caribbean...	...	British Honduras, British Guiana, all British West Indies Islands, Bahamas and Falkland Islands; hq Bridge-town, Barbados;
Far East	...	Federation of Malaya, Singapore, North Borneo, Brunei, Sarawak, Hong Kong, Fiji and the Western Pacific Islands; hq Singapore;
East Africa	...	Kenya, Uganda, Tanganyika, Seychelles, Mauritius, Zanzibar; hq Nairobi;
Central Africa	...	Federation of Rhodesia and Nyasaland; hq Salisbury;
High Commission Territories		Basutoland, Bechuanaland Protectorate, Swaziland, Tristan da Cunha; hq Johannesburg;
West Africa	...	Nigeria (including Cameroons), Gold Coast (including Togoland), Gambia, Sierra Leone; hq Lagos.

(a) Mr. Porter retired 31.3.56; post merged with Finance Controller.

(b) Appointed 8.12.55.

(c) Mr Anderson resigned and Mr Pryce seconded 2.4.55; Mr Thornton took over 14.11.55.

(d) Appointed 10.11.55.

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COLONIAL DEVELOPMENT CORPORATION

ANNUAL REPORT 1955

I GENERAL REVIEW

Report and Accounts are for year to 31.12.55; later information included where appropriate.

1 Number of projects

(1) Ten new ones:

Highways Construction (Nigeria) Ltd

Highways Engineering (Nigeria) Ltd

Kivira-Songwe Coalfield Investigation

Kenya Meat Commission

Kenya Power Co Ltd

Molopo Settlement Scheme

Nigerian Building Society Investigation

Southern Rhodesia African Housing

Swaziland Cannery (Pty) Ltd

United Cocoa Development Co Ltd (Malaya)

(2) Barton Ramie and Murongo Investigations were completed (see 27 and 59); receiver appointed with CDC concurrence for Falkland Islands Freezer Co Ltd (see 41); there are thus 63 continuing projects and investigations (56 last year).

2 Grouping of continuing projects

These 63 are shown grouped regionally and by territories, with capital approved for each:

Region and Territory	Project	Capital approved for	
		Project £000's	Region and Territory £000's
Caribbean			7,529
Barbados ...	Barbados Light and Power Co Ltd	250	250
British Guiana ...	British Guiana Consolidated Goldfields Ltd	762	
	British Guiana Rice Development Co Ltd	1,292	
	British Guiana Timbers Ltd	2,062	
	Potaro Hydro-electric Co Ltd	315	4,431
British Honduras ...	British Honduras Fruit Co Ltd (citrus)	85	
	Cramer Estates	59	
	Fort George Hotel	286	430
Dominica ...	Melville Hall Estate	80	
	Dominica Electricity Services	225	305
Jamaica ...	Cayman Islands Airport	60	
	Jamaica Citrus Growers Ltd	110	
	Jamaica Cooling Store	138	
	Jamaica Public Service Co Ltd	300	
	Turks Islands Salt Co Ltd	60	668
St Vincent ...	St Vincent Electricity Services	210	210
Trinidad ...	Trinidad Cement Ltd	1,200	
	West Indies Navigation Co Ltd	35	1,235
Far East			15,443
Singapore and Federation of Malaya	Central Electricity Board	7,166	
	Federal and Colonial Building Society Ltd	3,500	
	Kulai Oil Palm Estate	1,100	
	Malayan Cocoa Ltd	47	
	Singapore Factory Development	175	
	United Cocoa Development Co Ltd	50	12,038
North Borneo ...	Borneo Abaca Ltd	3,405	3,405
East Africa			13,088
Kenya ...	East Africa Industries Ltd	500	
	Kenya Housing Authority	2,000	
	Kenya Meat Commission	250	
	Kenya Power Co Ltd	3,535	
	Macalder-Nyanza Mines Ltd	2,180	8,465
Tanganyika ...	*Kivira-Songwe Coalfield	20	
	*Liganga Iron Ltd	30	
	*Mbeya Exploration Co Ltd	160	
	*Tanganyika Coalfields Ltd	450	
	Tanganyika Wattle Estates	1,270	
	*Tangold Mining Co Ltd	143	
	Williamson Diamonds Ltd	500	2,573
Uganda ...	Kilembe Mines Ltd	2,050	2,050
Central Africa			6,022
Central Africa Federation	Central African Airways Corporation	1,750	1,750
Northern Rhodesia ...	Chilanga Cement Ltd	1,500	1,500
Nyasaland ...	Kasungu Tobacco Estates	193	
	*Nyika Forestry Development Syndicate	20	
	Vipya Tung Estates	1,559	1,772
Southern Rhodesia ...	Southern Rhodesia African Housing	1,000	1,000
High Commission Territories			9,860
Bechuanaland ...	High Commission Printing & Publishing Co Ltd	10	10
	Bechuanaland Cattle Ranch	1,229	
	Bushman Pits Ranch		
	Lobatsi Abattoir	1,032	
	Molopo Ranch	746	3,007
	Molopo Settlement Scheme		
Swaziland ...	Swaziland Cannery (Pty) Ltd	65	
	Swaziland Irrigation Scheme	3,388	
	Ubombo Ranches (Pty) Ltd	85	
	Usutu Forests	3,175	6,713
Tristan da Cunha ...	Tristan da Cunha Development Co Ltd	130	130
West Africa			2,911
Gold Coast ...	CDC-Keir & Cawder Contracting Ltd	350	
	Mampong-Bolgatanga road	202	552
Nigeria ...	Cocoa and Gusau-Sokoto roads	619	
	Highways Construction (Nigeria) Ltd	295	
	Highways Engineering (Nigeria) Ltd		
	Lagos Executive Development Board	1,250	
	*Nigerian Building Society	1	
	Orno Sawmills of Nigeria Ltd	194	2,259
	Total		54,853

* Investigations.

3 Development tempo

(1) The table below deals with the suggestion, occasionally heard, that of recent years there was little new development because of preoccupation with clearing up the past:

	Approved £m		Spent £m	
1948-49	13.0		2.5	
1950	17.0		7.5	
1951	7.0		10.5	
1952	7.0		8.0	
1953	6.0		7.0	
1954	6.0		4.5	
1955	9.0		8.0	

(2) Figures in last column are gross new expenditures each year; they cannot be deduced from the annual accounts as these show net figures after realisations and eliminations for abandoned projects.

(3) New jobs are not the only measure of development; capital previously shown as deployed is now better employed.

(4) Regional summaries and individual reports show that the work is going well and is expanding; 1956 figures so far confirm the trend.

4 Capital distribution of continuing projects

(1) Here is capital approved and deployed functionally grouped:

(1) Category	(2) Number		(3) Capital approved at 31.12				(4) Capital deployed at 31.12			
			1954		1955		1954		1955	
	1954	1955	£000's	%	£000's	%	£000's	%	£000's	%
Agriculture ...	12	12	10,534	22.2	11,394	20.8	7,367	23.6	7,572	20.0
Animal Products	5	6	3,532	7.5	3,257	5.9	2,604	8.3	2,048	5.4
Factories ...	5	6	3,348	7.1	3,413	6.2	2,803	9.0	2,609	6.9
Fisheries... ..	1	1	130	0.3	130	0.2	130	0.4	130	0.3
Forestry	5	5	5,222	11.0	6,721	12.3	4,086	13.1	4,549	12.0
Hotels	1	1	286	0.6	286	0.5	267	0.9	264	0.7
Minerals... ..	10	10	6,297	12.5	6,355	11.6	3,602	11.5	4,891	13.0
Property and Housing ...	5	7	6,984	14.7	7,985	14.6	2,679	8.6	4,139	10.9
Power	6	7	8,436	17.7	12,001	21.9	6,653	21.3	9,954	26.3
Transport and Communications	6	8	3,053	6.4	3,311	6.0	1,027	3.3	1,688	4.5
Total ...	56	63	47,822	100.0	54,853	100.0	31,218	100.0	37,844	100.0

(2) Share of basic development (power, housing, transport, communications) gained 3.7% capital approved and 8.5% capital deployed largely due to increased outlay on power.

(3) Power is financed by loan made at once to borrower; agricultural projects and the like tend to take finance slowly as required; this explains relatively larger increase in capital deployed.

(4) Most development depends on basic services being first provided; without them development often cannot be assessed either as to kind or extent; Tanganyika Coalfields Ltd and Usutu Forests both await transportation facilities, which it is not CDC's job to provide.

5 Projects as revenue earners

(1) The table has been revised this year: retrenched/reorganised column is dropped; only government/government guaranteed and safe public utility loans are in column 5; all other loans are in columns 2 and 3 since outlay in an undeveloped territory is not made secure by giving it a loan rather than an equity label.

(2) (a) Distinction between direct projects (columns 1 and 2) and investments (columns 3 and 4) is that Consolidated Profit and Loss Account

		Direct projects and subsidiary companies (consolidated)	
		Investigations and development (1)	Revenue-earning (2)
		Br Honduras Fruit Co Ltd (citrus) *Kivira-Songwe Coalfield Macalder-Nyanza Mines Ltd Molopo Settlement *Nigerian Building Society Swaziland Irrigation Scheme (canal) Tanganyika Wattle Estates Usutu Forests (including Orchards) Vipya Tung Estates	Bechuanaland Cattle Ranch Borneo Abaca Ltd British Guiana Timbers Ltd Bushman Pits Ranch Cocoa and Gusau-Sokoto roads Cramer Estates Dominica Electricity Services Fed & Col Building Society Ltd Fort George Hotel Jamaica Cooling Store Kasungu Tobacco Estates Kulai Oil Palm Estate Lobatsi Abattoir Mampong-Bolgatanga road Molopo Ranch Melville Hall Estate Omo Sawmills of Nigeria Ltd Singapore Factory Development St Vincent Electricity Services Swaziland Irrigation Scheme (rice, general farming)
Capital ...	...	£ 5,000,000	£ 13,100,000
Revenue	...	Nil	100,000

Capital — nearest £100,000

* Investigations

includes for direct projects their trading results as such; for investments only loan interest or dividend declared out of profits (or provision made against CDC share of loss);

(b) generally CDC is responsible for management for jobs in columns 1 and 2, private enterprise columns 3 and 4.

(3) In each category projects from which a return on capital might be expected are given separately from those in early stages of development.

(4) Early stage projects, from which little or no revenue would normally be expected, accounted at 31.12.55 for £7.9m with revenue £50,000; revenue-earning direct projects brought in £100,000 net on capital £13.1m; investments and commercial loans £190,000 (after provisions) on capital £4.4m; and government loans etc £440,000 on capital £12.4m.

(5) Figures in column 2 would have shown up better if £135,000 loss had not had to be written off diseased abaca plantations in Borneo Abaca Ltd trading account.

Investments and commercial loans		Loans (5)
Investigations and development (3)	Revenue-earning (4)	
Kilembe Mines Ltd *Liganga Iron Ltd Malayan Cocoa Ltd *Mbeya Exploration Co Ltd *Nyika Forestry Development Potaro Hydro-electric Co Ltd *Tanganyika Coalfields Ltd. *Tangold Mining Co Ltd. United Cocoa Development Co Ltd	Barbados Light & Power Co Ltd Br Guiana Consolidated Goldfields Ltd Chilanga Cement Ltd CDC-Keir & Cawder Contracting Ltd East Africa Industries Ltd Highways Construction (Nigeria) Ltd Highways Engineering (Nigeria) Ltd HC Printing & Publishing Co Ltd Jamaica Citrus Growers Ltd Jamaica Public Service Co Ltd Swaziland Cannery (Pty) Ltd Trinidad Cement Ltd. Tristan da Cunha Development Co Ltd Turks Islands Salt Co Ltd Ubombo Ranches (Pty) Ltd West Indies Navigation Co Ltd Williamson Diamonds Ltd	Br Guiana Rice Development Co Ltd Cayman Islands Airport Central African Airways Corporation Central Electricity Board, Malaya Kenya Housing Authority Kenya Meat Commission Kenya Power Co Ltd Lagos Executive Development Board Southern Rhodesia African Housing
£ 2,900,000 50,000	£ 4,400,000 190,000	£ 12,400,000 440,000

Revenue — nearest £10,000

* Investigations

6 Revenue Account

(1) There is a surplus for the first time (£409,233) after paying all outgoings including £307,000 Colonial Office interest, which is in effect a distribution to shareholders.

(2) A satisfactory feature is the net operating profit of £113,165 on direct projects and subsidiary companies—£300,000 better than last year despite disappearance of Chilanga profits (1954 £216,718) due to sale of CDC controlling interest from 1.1.55.

(3) Almost every project is improved, notably British Guiana Timbers Ltd and Borneo Abaca Ltd.

(4) Here are past results:

	Loss before Colonial Office interest	Interest	Loss after interest
	£000's	£000's	£000's
1948	77	—	77
1949	292	—	292
1950	1,320	—	1,320
1951	2,905	—	2,905
1952	3,666	139	3,805
1953	1,133	170	1,303
1954	266	245	511
1955	716 profit	307	409 profit

7 Special Losses Account

(1) Losses which would not have occurred had an efficient and experienced organisation been built up before CDC spread itself into world-wide operations were last year provisionally assessed at £6,269,468—that is for pre-1951 commitments rashly undertaken or badly managed, abandoned wholly (some 20) or in part.

(2) 1955 saw an effective end to the redding-up process; what remains is by and large a commercial risk—or rather a calculated risk; good management with reasonable luck should pull most of the doubtful ones through, but some failures are inevitable.

(3) On 31.12.55 Special Losses are assessed at £8,020,441; to an extent the figure is arguable plus or minus; but it is entirely fair; and so the past is passed.

(4) CDC in adjusting its policies to comply with Overseas Resources Development Act requirement to pay its way taking one year with another proposes to disregard Special Losses Account; just as it will not, through extreme reaction because this or that undertaking—in concept, content, conduct—has been disastrous, refuse ever to adopt such concept or content again.

(5) Some part of Special Losses Account has been accepted by Authority as eligible for interest waiver, and CDC maintains that all of it should qualify.

(6) And that instead of Authority being, as statutorily it now is, creditor for this amount, it should take action to convert the £8,020,441 into an equity capital—which would automatically settle both interest and capital repayment—cf the International Bank for Reconstruction and Development and the new International Finance Corporation.

8 Colonial Office interest

(1) Rates

(a) At 31.12.54 CDC had to pay on loans from UK Government: short-term 2%, medium 3½%, long 3¾%;

(b) in 1955 rates went up four times;

(c) they will now be those at which Treasury borrows;

(d) that makes them: short-term 4%, medium 5%, long 4¾%; which may be too high for the economics of many desirable projects—agricultural and forestry schemes often with smallholder development;

(e) risks in these are high, revenue always low in early stages and maybe nothing for 15 years; interest charges piling up at 6% or more (including administrative and risk margins);

(f) 7 (6) is relevant.

(2) Charges

(a) 1955 interest charge £306,756 included for first time an element (£770) for long term interest since CDC's eighth year ends initial seven year moratorium period;

(b) henceforth annual interest charge on present capital advances will build up steeply to over £1m in 1960 and will get near £2m in 1964;

(c) having struggled out of the red, CDC must go on raising its net revenue each year to stay there; till it has built up its own reserves there can be no let up, it would seem, on a strict profitability criterion for new jobs however desirable.

9 Association

(1) Corporation has now an efficient organisation and experienced staff ready with hired expert assistance at need to undertake work anywhere within its field.

(2) But social conditions and agricultural and industrial technics evolve ceaselessly so that no one organisation can alone cover all the field all the time.

(3) So CDC seeks in association an assurance of continuity: association with territorial governments and local interests means integration with local environment; association with private enterprise means continuity of technical expertise.

(4) In each instance association should ensure that CDC financial contribution will have sparked a greater development—financed from other sources; recent examples are Federal & Colonial Building Society Ltd with non-CDC finance of M\$50m and Chilanga Cement Ltd private enterprise shareholding £700,000.

(5) CDC itself can provide an element of continuity in territories where newly elected governments may need expatriate help in administration and management of development programmes for which hitherto colonial officials have been responsible; it welcomes establishment of territorial development corporations and likes to work with them.

(6) Exceptionally CDC is ready to carry executive responsibility in new schemes specially directed to benefit local people, if such schemes are viable and it feels thereto competent.

10 Markets

(1) CDC terms of reference suggest expansion of production of foodstuffs and raw materials; its field of operation is mostly tropical.

(2) 1955 was a boom year in industrialised markets of North America and Western Europe; territories in which CDC is mostly engaged can hardly look forward to more favourable economic conditions but in fact prices of many commodities were lower at year end than beginning, the outlook uncertain.

(3) CDC itself benefited from the high rubber prices and from improved prices for hardwoods, but unhappily two copper projects will not start producing till late 1956; otherwise prices of CDC products—hemp, rice, hides, bananas—have tended to drop.

(4) There is pressure from synthetic substitutes against raw materials traditionally grown in tropics; and of these CDC is directly interested in rubber, hemp, ramie (now discontinued), tung oil, and (through tanning materials) leather; as to foodstuffs it has been found that by heavy capital applications (fertilisers, mechanical aids) production can be so stepped up in developed countries as to undercut producers in underdeveloped and more remote lands.

(5) CDC must assess what will be saleable at a profit in 10–20 years' time, in competition with scientific ingenuity financed in industrialised countries (with high taxation) from capital allowances chargeable before assessment of profits; increasing association with local people in CDC projects, through smallholder and co-operative schemes, will not make decisions involving their livelihoods any easier.

(6) People will continue to live and make a living in the tropics; CDC helps raise the living standard, but assured markets for tropical produce efficiently grown are essential; UK decision to support banana and citrus growers in West Indies may help towards one solution.

11 Mandate

(1) CDC duty is to help economic development of British dependent territories, and in the process to have special regard to the interests of their inhabitants irrespective of race or colour or confession or anything else.

(2) (a) CDC is not responsible for comprehensive planning; nor for social services such as health and education which are, or should be, financed from CD&W or other government funds;

(b) basic services such as power, communications and housing should be integrated in governmental plans; CDC stands by to help with essential capital development for which finance is not otherwise available.

(3) The terms of reference are commercial; profitability is an essential factor as to choice of job and method of working.

12 The Law

(1) (a) CDC has been of help to territories urgently needing houses and roads for development; many governments have these high on their priority list;

(b) the fine record of Federal and Colonial Building Society in Singapore and Malaya, and loans for African housing to Kenya and Southern

Rhodesia stimulated proposals for similar loans from Nyasaland and Northern Rhodesia, and for a building society in Lagos;

(c) the West African works contracts have resulted in much needed road construction, even if at a heavy cost to CDC;

(d) about £7.5m is contractually involved, of which a good deal is still to be paid over; and more is morally committed.

- (2) (a) But in October CDC was informed that the Overseas Resources Development Act was now so interpreted that all these projects (severally approved by successive Secretaries of State) were *ultra vires*; they were not 'projects' as in 1 (1) of the Act; neither were a number of proposals which CDC was considering;

(b) CDC consequently has in effect had to default on both legal and moral engagements (see (1) (d) above);

(c) having taken legal advice and consulted eminent counsel, CDC declined to accept the official legal view.

- (3) (a) CDC's partners and associates, governmental and commercial, present and prospective, have been inconvenienced and embarrassed; and CDC stock has fallen;

(b) Secretary of State has promised validating and enabling legislation to take care of past, present and future; CDC hopes it may come quick.

13 Selection pattern

(1) New projects, on stringent analysis, should—as already and often stated—show likelihood of being financially self-supporting if not definitely profitable.

(2) But within that limitation preference will be given to work likely, on long rather than short view, to be most beneficial to local inhabitants, with priority to projects and procedures which help people to help themselves.

(3) No form of economic betterment is (or should be) outside CDC charter; promotion or endorsement by local Authority should be evidence of planned development in territory in interest of its inhabitants.

(4) CDC considers that it should, exceptionally, be willing and enabled to undertake work of great potential benefit but more than doubtful profitability, such expenditures to be separately recorded and results judged on other than profit basis; otherwise much that could and should be done must be passed by.

(5) It points again to the opportunity, advisability, and indeed in its view duty of co-ordination of CDC and CD&W funds; governments might thereby meet essential but financially unremunerative elements, CDC and its partners taking care of the rest.

(6) The investment in government backed loans will before long ensure that annual administrative overheads will be covered.

(7) CDC claims maximum flexibility in its statutory task, without restriction of investment functionally or geographically but with some sort of rational balance; no ban, general or particular, on any undertaking or kind of undertaking, that is, no *a priori* exclusion.

14 Organisation

- (1) As forecast the High Commission Territories now form a separate Region; Regional Controller (HCT) took charge 10.11.55.
- (2) Staff strength at 31.12.55—head office 171 (1954, 168); regional offices 90 (1954, 88).
- (3) Administration costs 1955—head office £193,414 (1954, £198,679); regional offices £145,363 (1954, £129,154).
- (4) Numbers and costs were at nadir in 1954; with increasing business there will likely be further increase.

15 Acknowledgements

- (1) The gratitude of the Corporation's Board is given:
 - (a) to all associates for the contribution of each to 1955—private enterprise partners and managers, members of subsidiary and associated company boards, scientific panel and individual experts, auditors;
 - (b) to the general manager, Mr William Rendell;
 - (c) to staff of all grades, at home and overseas, for hard and increasingly well directed labour; and in particular to the executive management board (controllers in London and overseas); and to project managers.
- (2) On 8.3.56 the Board considered a final draft of this report with the consolidated statement of accounts and audited accounts from 45 projects round the world; it could not have been done much quicker.

II FINANCIAL REPORT

16 Accounts for 1955

Accounts and supporting statements for year to 31.12.55 are:

Statement 1 Balance Sheet

2 Consolidated Balance Sheet

3 Notes forming part of the Accounts

4 Consolidated Profit and Loss Account

5 Details of projects supporting Consolidated Profit and Loss Account

6 Details of assets and liabilities of continuing projects

7 Investments at cost less amounts written off

17 Balance Sheet and Consolidated Balance Sheet

(1) Provisions for losses on abandoned projects have been applied against book values of assets, as for previous year.

(2) Book values of fixed assets of abandoned projects, less provisions, have been further reduced to £263,218; most of this is accounted for by remaining land, buildings and plant at Eleuthera.

(3) Cash at banks and in hand £2,456,327 includes £1,785,000 held against final call on Kenya Power Co Ltd debentures.

(4) Special Losses Account is dealt with in 7.

(5) Provisions against book value of expenditure on continuing projects and of investments have been reduced from £1,300,572 in 1954 Consolidated Balance Sheet to £435,000 this year as result of virtual completion of redding-up process.

18 Notes forming part of the Accounts

Circumstances of note (8) are dealt with in 12.

19 Consolidated Profit and Loss Account

(1) Net profits from direct projects and subsidiary companies were £113,165 (loss £271,353 in 1954).

(2) Net revenue before administrative expenditure etc was £1,058,158 (£117,775 in 1954).

(3) Operating results are analysed in 5.

(4) Consolidated profit attributable to Corporation after meeting all outgoings including Colonial Office interest (but cf 8 (2)) was £409,233 (loss £511,108 in 1954).

BALANCE SHEET

31.12.54			
£		£	£
30,145,500	CAPITAL LIABILITY TO COLONIAL OFFICE		
7,772,200	Long-term advances	37,548,500	
250,000	Medium-term advances	9,695,950	
	Short-term advances	250,000	
38,167,700			47,494,450
	CURRENT LIABILITIES		
—	Amounts owing to subsidiary companies	56,584	
893,125	Creditors and accrued charges	694,255	
1,126,183	Bank loan	325,000	
			1,075,839
	PROVISIONS		
1,773,260	Continuing projects including subsidiaries		998,901
	Relevant notes in Statement 3 form part of this Balance Sheet.		
	(Sgd.) J. C. W. Reith G. Tyser		
£41,960,268			£49,569,190

Report to the Colonial Development Corporation by the Auditors appointed under Section 16 (3)

We have audited the above Balance Sheet and have obtained all the information and explanations from our examination, proper books of account have been kept by the Corporation and adequate In our opinion and to the best of our information and according to the explanations given to applicable thereto a true and fair view of the state of the Corporation's affairs as at 31st December,

We have examined the annexed Consolidated Balance Sheet (Statement 2) and the Consolidated subsidiary companies, certain of which have not been audited by us. In our opinion such Balance properly prepared so as to give a true and fair view of the state of affairs as at 31st December, 1955, companies so far as concerns the Corporation.

11 Ironmonger Lane, London, E.C.2.
22nd March, 1956.

31.12.54		Cost less sales	Depreciation and amounts written off	
£		£	£	£
	FIXED ASSETS			
3,789,697	Freehold and leasehold land, planta-	4,487,584	703,337	3,784,247
741,240	tions, concessions and buildings ...	882,986	178,503	704,483
186,032	Plant and machinery	—	—	—
498	Contracting plant	—	—	—
	Ships and vessels	—	—	—
116,068	Land clearance equipment, tractors and	217,768	168,170	49,598
137,301	agricultural equipment	180,535	131,317	49,218
	Motor vehicles and rolling stock ...	172,832	87,986	84,846
118,575	Furniture, fixtures, office and hotel			
	equipment			
5,089,411		5,941,705	1,269,313	4,672,392
56,277	PROGRESS PAYMENTS ON FIXED ASSETS			70,405
393,309	FIXED ASSETS OF ABANDONED PROJECTS at estimated			
844,789	realisable values			256,939
	FORESTRY CROPS AT COST			1,171,576
	EXPENDITURE ON DEVELOPMENT INCLUDING REVENUE			
	EXPENDITURE CARRIED FORWARD AT COST LESS			
	AMOUNTS WRITTEN OFF			
137,332	Land clearance		139,989	
633,833	Mining investigations and development		470,540	
726,586	General development, surveys and revenue expen-		613,010	
12,000	diture carried forward		20,000	
	Investigation syndicate			1,243,539
	INVESTMENTS AT COST LESS AMOUNTS WRITTEN OFF			
87,852	Quoted (market value £1,588,420-1954 £76,907) ...		1,802,405	
11,909,688	Unquoted		16,770,770	
	SUBSIDIARY COMPANIES			18,573,175
5,006,079	Investments at cost less amounts written off ...		4,803,330	
4,646,323	Advances less amounts written off		4,576,446	
				9,379,776
29,543,479				35,367,802
	CURRENT ASSETS			
1,055,297	Stocks, stores and livestock at cost or market value			
94,049	whichever is lower or at valuation		658,533	
51,801	Growing crops at cost or valuation		87,778	
493,287	Work in progress at valuation		3,380	
	Debtors and prepayments less provisions		472,236	
	Treasury bills		648,366	
528,328	Cash at banks and in hand		2,355,746	
	PROFIT AND LOSS ACCOUNT			4,226,039
3,924,559	Balance per Statement 4			1,954,908
	SPECIAL LOSSES ACCOUNT			
	Amounts transferred by Corporation from Profit and Loss Account,			
	being losses on:			
	(a) abandoned projects;			
	(b) completed works contract;			
	(c) continuing projects—abandoned assets and activities.			
6,269,468	and amounts written off investments and assets of continuing			
	projects.			8,020,441
£41,960,268				£49,569,190

of the Overseas Resources Development Act, 1948, by the Secretary of State for the Colonies which to the best of our knowledge and belief were necessary for that purpose. So far as appears returns have been received from overseas offices.

us, the said Balance Sheet, which is in agreement with the books, gives with the notes on Statement 3 1955.

Profit and Loss Account (Statement 4) with the audited accounts of the Corporation and its Sheet and Profit and Loss Account with the notes on Statement 3 applicable thereto have been and of the profit for the year ended on that date of the Corporation and also of the subsidiary

(Signed) PEAT, MARWICK, MITCHELL & Co.
Chartered Accountants
Auditors

CONSOLIDATED BALANCE SHEET OF CORPORATION AND

31.12.54			
£		£	£
38,167,700	CAPITAL LIABILITY		47,494,450
763,505	Advances from Colonial Office		
(Dr.)10,179	INTEREST OF MINORITY SHAREHOLDERS IN SUBSIDIARY COMPANIES OVERSEAS		541,740
1,732,992	CAPITAL RESERVE—net excess of tangible assets at date of acquisition over cost of investments in subsidiary companies less amounts written off		10,460
1,421,694	CURRENT LIABILITIES		
—	Creditors and accrued charges	1,089,562	
	Bank loan and overdrafts—unsecured	358,519	
	Bank loan—secured	1,124,158	2,572,239
	PROVISIONS		
1,300,572	Book value of expenditure on continuing projects and of investments	435,000	
105,000	Replanting—rubber plantations	131,464	566,464
	Relevant notes in Statement 3 form part of this Balance Sheet.		
£43,481,284			£51,185,353

STATEMENT 2

SUBSIDIARY COMPANIES AT 31.12.55

31.12.54		Cost, net book value at date of acquisition of shares or valuation, less sales	Depreciation and amounts written off	
£		£	£	£
	FIXED ASSETS			
7,156,150	Freehold and leasehold land, plantations, concessions and buildings ...	7,113,335	995,381	6,117,954
2,530,137	Plant and machinery ...	2,019,929	360,769	1,659,160
186,032	Contracting plant ...	—	—	—
186,645	Ships and vessels ...	251,980	46,993	204,987
197,162	Land clearance equipment, tractors and agricultural equipment...	388,141	258,699	129,442
280,083	Motor vehicles and rolling stock ...	487,480	239,562	247,918
190,632	Furniture, fixtures, office and hotel equipment ...	264,569	126,807	137,762
10,726,841		10,525,434	2,028,211	8,497,223
149,436	PROGRESS PAYMENTS ON FIXED ASSETS ...			70,405
394,725	FIXED ASSETS OF ABANDONED PROJECTS at estimated realisable values ...			263,218
844,789	FORESTRY CROPS AT COST ...			1,171,576
	EXPENDITURE ON DEVELOPMENT INCLUDING REVENUE EXPENDITURE CARRIED FORWARD AT COST LESS AMOUNTS WRITTEN OFF			
137,332	Land clearance ...		139,989	
1,386,490	Mining investigations and development ...		1,341,635	
911,021	General development, surveys and revenue expenditure carried forward ...		712,936	
12,000	Investigation syndicate ...		20,000	
2,446,843				2,214,560
380,000	SHARES IN A SUBSIDIARY COMPANY NOT CONSOLIDATED AT COST ...			130,000
29,123	Advances to subsidiary companies not consolidated			—
14,678,117	INVESTMENTS AT COST LESS AMOUNTS WRITTEN OFF (Statement 7) ...			23,596,095
29,649,874				35,943,077
	CURRENT ASSETS			
2,050,623	Stocks, stores and livestock at cost or market value whichever is lower or at valuation ...		1,426,124	
94,049	Growing crops at cost or valuation ...		87,778	
51,801	Work in progress at valuation ...		3,380	
814,612	Debtors and prepayments less provisions ...		629,632	
—	Treasury bills ...		648,366	
610,978	Cash at banks and in hand ...		2,456,327	
3,622,063				5,251,607
15,320	PRELIMINARY EXPENSES OF SUBSIDIARY COMPANIES ...			15,320
3,924,559	PROFIT AND LOSS ACCOUNT			
	Balance per Statement 4 ...			1,954,908
	SPECIAL LOSSES ACCOUNT			
	Amounts transferred by Corporation from Profit and Loss Account, being losses on:			
	(a) abandoned projects;			
	(b) completed works contract;			
	(c) continuing projects—abandoned assets and activities.			
6,269,468	and amounts written off investments and assets of continuing projects. ...			8,020,441
£43,481,284				£51,185,353

NOTES FORMING PART OF THE ACCOUNTS

(1) Maximum borrowing powers of Corporation are:

(a) £100m and

(b) £10m temporarily by way of overdraft or otherwise.

(2) Assets and liabilities in colonial and foreign currencies have been converted at rates ruling at 31.12.55.

(3) Corporation has contractual commitments for capital expenditure of £1,515,000 (for group £1,765,000) and for debentures, loans and partly paid shares of £9,000,000 (for group £8,550,000). Corporation is contingently liable in respect of guarantees.

(4) Total depreciation and amortisation charged by Corporation and its consolidated subsidiaries in respect of year to 31.12.55 amounted to £533,347 (1954 £590,876). In addition a provision of £35,000 (1954 £35,000) has been made for replanting rubber plantations.

(5) 'Freehold and leasehold land, plantations, concessions and buildings' includes expenditure on land, conveyance of which has not yet been completed.

(6) Owing to a change in financial year end of Tristan da Cunha Development Co Ltd no audited accounts have been made up since 31.12.54.

(7) Under terms of Colonial Office official letter of 16.5.51 long-term advances during each year to 31st March are treated as a single advance made on that date and are repayable by annuities for 33 years beginning at end of 7 years. Interest charge in annuities is based on specified rates of interest applied to outstanding advances over 40 years. On this basis interest applicable to period to 31.12.55 was £4,351,760 before taking account of interest to be waived on abandoned projects under Section 5 of Overseas Resources Development Act 1954. No provision has been made in Profit and Loss Account for interest or repayment of long-term advances at 31.12.55 other than interest portion (£770) accrued to 31.12.55 of annuity payment due to Colonial Office on 31.3.56.

(8) Secretary of State for Colonies has recently informed Corporation that he is advised that Corporation's projects relating to housing and road construction do not fall within function of Corporation as in Section 1 subsection (1) of Overseas Resources Development Act 1948 and that he is unable under Section 11 subsection (2) to approve further borrowing by Corporation for such projects. Corporation after consulting counsel does not accept this interpretation of Act. Corporation has contractual obligations to provide further funds for certain of projects in question.

STATEMENT 4

CONSOLIDATED PROFIT AND LOSS ACCOUNT—YEAR TO 31.12.55

Year to 31.12.54		£	£
£ (Loss) 271,353	NET PROFITS OF DIRECT PROJECTS AND SUBSIDIARY COMPANIES (per Statement 5)		113,165
389,128	<i>After providing in 1954 for trading loss of a subsidiary not consolidated £49,000</i>		
—	INCOME FROM INVESTMENTS (per Statement 5)		800,148
117,775	PROFIT ON REALISATION OF AN INVESTMENT		144,845
54,761			1,058,158
23,284	PROVISION against abandoned and continuing projects and investments... ..	54,788	
173,732	INVESTIGATION EXPENDITURE ON PROJECTS NOT FOLLOWED UP	10,688	
	ADMINISTRATIVE EXPENDITURE (Head Office and overseas offices)	188,610	
	The above administrative expenditure is stated after making allocations to:		
	1954		
	£	£	
	Projects — Revenue Expenditure	74,209	
	72,687	74,209	
	16,857 Fixed assets and forestry crops	36,568	
	Expenditure on development		
	15,661 etc	17,763	
	48,896 Abandoned projects	21,627	
	154,101	150,167	
		£	
	REMUNERATION OF MEMBERS		
2,805	Fees	2,750	
3,500	Salaries	3,500	
400	Insurance premium to secure pension for former member	210	6,460
			260,546
(Loss) 140,707	PROFIT before charging Colonial Income Tax and interest payable to Colonial Office		797,612
115,110	COLONIAL INCOME TAX		59,271
(Loss) 255,817	CONSOLIDATED PROFIT OF CORPORATION AND SUBSIDIARIES, subject to interest payable to Colonial Office		738,341
9,856	<i>Deduct: Profits less losses attributable to interest of minority shareholders</i>		22,352
265,673			715,989
245,435	<i>Deduct: Interest payable to Colonial Office</i>		
	(a) on short and medium term loans	305,986	
	(b) on long-term loans (see Note 7)	770	306,756
(Loss) £511,108	CONSOLIDATED PROFIT ATTRIBUTABLE TO CORPORATION (being also PROFIT OF CORPORATION FOR YEAR after providing for its share of losses less profits carried forward in accounts of subsidiaries)		£409,233
£			£
(Dr.) 9,682,919	BALANCE ON PROFIT AND LOSS ACCOUNT AT 1.1.55... ..		(Dr.) 3,924,559
	Add: Undistributed profits attributable to Corporation at 31.12.54 of Chilanga Cement Ltd which has ceased to be a subsidiary during year representing in accounts of Corporation an increase by an equivalent amount in its provision for its share of losses less profits carried forward in the accounts of subsidiaries		190,555
			4,115,114
	<i>Deduct: PROFIT AS ABOVE—under Section 14 Overseas Resources Development Act 1948 appropriated by Corporation to Reserve Account and applied to reduce the amount of losses carried forward</i>		409,233
(Dr.) 511,108			(Dr.) 3,705,881
(Dr.) 10,194,027	Amount transferred to Special Losses Account		1,750,973
6,269,468			(Dr.) £1,954,908
(Dr.) £3,924,559	BALANCE CARRIED TO BALANCE SHEETS (Statements 1 and 2)		

Notes (4) and (7) on Statement 3 form part of this Profit and Loss Account.

STATEMENT

**DETAILS OF PROJECTS SUPPORTING CONSOLIDATED
PROFIT AND LOSS ACCOUNT—YEAR TO 31.12.55**

1954			Net trading	
Loss	Profit		Loss	Profit
£	£		£	£
114,676	—	DIRECT PROJECTS AND SUBSIDIARY COMPANIES	37,730	—
—	1,296	British Guiana Timbers Ltd	—	3,512
6,413	—	Fort George Hotel	1,531	—
—	13,418	Dominica Electricity Services	—	9,234
—	3,321	Melville Hall Estate	—	3,997
—	2,188	Jamaica Cooling Store	—	11,576
—	124,992	St Vincent Electricity Services	—	150,157
6,750	—	Federal and Colonial Building Society Ltd ...	—	7,315
—	5,364	Kulai Oil Palm Estate	—	5,419
161,547	—	Singapore Factory Development	46,391	—
—	216,718	Borneo Abaca Ltd	—	—
7,916	—	Chilanga Cement Ltd.	9,021	—
68,256	—	Kasungu Tobacco Estates	26,469	—
—	—	Bechuanaland Cattle Ranch	—	42
5,275	—	Bushman Pits Ranch	—	97,943
22,053	—	Lobatsi Abattoir	—	1,474
48,353	—	Molopo Ranch	47,524	—
—	33,374	Swaziland Irrigation Scheme	—	10,545
177,478	—	Mampong-Bolgatanga Road	37,828	—
12,128	—	Cocoa and Gusau-Sokoto Roads	3,759	—
—	7,821	Omo Sawmills of Nigeria Ltd	—	22,204
630,845	408,492	SUNDRY INCOME	210,253	323,418
408,492	—			210,253
£222,353	Net Loss	NET PROFIT (Statement 4)		£113,165
	Interest			Interest and Dividends
	—	INVESTMENTS		
31,550	—	Barbados Electric Supply Corporation Ltd ...		7,012
21,145	—	British Guiana Consolidated Goldfields Ltd ...		37,463
4,404	—	British Guiana Rice Development Co Ltd ...		32,175
—	—	Potaro Hydro-electric Co Ltd		9,878
4,286	—	Trinidad Cement Ltd*		153,374
15,000	—	Jamaica Citrus Growers Ltd		3,729
230,498	—	Jamaica Public Service Co Ltd		15,000
1,250	—	Central Electricity Board, Malaya		286,004
2,984	—	East Africa Industries Ltd		11,485
—	—	Kenya Housing Authority		25,590
—	—	Kenya Meat Commission		4,099
11,747	—	Kenya Power Co Ltd		23,931
—	—	Kilembe Mines Ltd		36,774
—	—	Central African Airways Corporation		13,014
5,100	—	Chilanga Cement Ltd		57,593
56,250	—	Ubombo Ranches (Pty) Ltd		5,100
4,914	—	Lagos Executive Development Board		56,250
£389,128	—	Sundry		21,677
		INCOME FROM INVESTMENTS (Statement 4) ...		£800,148

* Includes £98,039 for prior years.

DETAILS OF ASSETS AND LIABILITIES

	Head Office and overseas offices	British Guiana Timbers Ltd	British Honduras Fruit Co Ltd (citrus)
	£	£	£
FIXED ASSETS			
Freehold and leasehold land, plantations, concessions and buildings	234,717	707,711	69,841
Plant and machinery	1,991	418,557	500
Ships and vessels	—	194,699	—
Land clearance equipment, tractors and agricultural equipment	64	92,216	1,846
Motor vehicles and rolling stock	12,009	89,317	723
Furniture, fixtures, office and hotel equipment	79,426	18,175	1,716
	328,207	1,520,675	74,626
Less DEPRECIATION			
Freehold and leasehold land, plantations, concessions and buildings	24,031	73,675	1,441
Plant and machinery	964	77,160	134
Ships and vessels	—	36,923	—
Land clearance equipment, tractors and agri- cultural equipment	—	48,211	1,006
Motor vehicles and rolling stock	6,908	34,402	719
Furniture, fixtures, office and hotel equipment	44,569	7,344	543
	76,472	277,715	3,843
NET BOOK VALUE OF FIXED ASSETS	251,735	1 242,960	70,783
PROGRESS PAYMENTS ON FIXED ASSETS	—	—	—
FORESTRY CROPS	—	—	—
LAND CLEARANCE	—	—	—
MINING INVESTIGATIONS AND DEVELOPMENT	—	—	—
GENERAL DEVELOPMENT, SURVEYS AND REVENUE			
EXPENDITURE CARRIED FORWARD	60,540	77,562	4,633
INVESTIGATION SYNDICATE	20,000	—	—
INVESTMENTS			
Shares in a subsidiary company not consolidated	130,000	—	—
Shares in associated companies	3,589,459	10,000	—
Debentures, secured and unsecured loans	15,619,971	17,644	—
Building Society advances on mortgage	—	—	—
CURRENT ASSETS			
Stocks, stores and livestock	6,032	196,057	1,819
Growing crops	—	—	—
Work in progress	—	—	—
Debtors and prepayments, less provisions	295,622	77,486	51
Treasury bills	648,366	—	—
Cash at banks and in hand	2,218,845	31,659	15
PRELIMINARY EXPENSES of subsidiary companies	—	10,151	—
TOTAL ASSETS	22,840,570	1,663,519	77,301
INTEREST OF MINORITY SHAREHOLDERS in sub- sidiary companies overseas	—	28,383	—
CREDITORS AND ACCRUED CHARGES	773,616	55,022	701
BANK LOANS AND OVERDRAFTS	325,000	—	—

STATEMENT 6

OF CONTINUING PROJECTS

Cramer Estates	Fort George Hotel	Dominica Electricity Services	Melville Hall Estate	Jamaica Cooling Store	St Vincent Electricity Services
£	£	£	£	£	£
18,276	232,404	104,454	25,434	94,039	84,006
—	1,211	86,407	1,442	34,009	116,178
—	—	—	—	—	—
—	—	—	—	—	—
750	1,000	1,573	4,632	4,077	1,471
695	13,148	3,946	939	1,953	2,285
19,721	247,763	196,380	32,447	134,078	203,940
—	—	—	—	—	—
129	140,348	10,063	2,407	10,368	6,430
—	38	10,575	353	7,639	11,704
—	—	—	—	—	—
—	—	—	—	—	—
750	187	1,166	3,730	2,929	666
353	4,435	2,369	597	1,351	871
1,232	145,008	24,173	7,087	22,287	19,671
—	—	—	—	—	—
18,489	102,755	172,207	25,360	111,791	184,269
—	—	—	—	—	—
—	—	—	6,057	—	—
—	—	—	—	—	—
—	—	8,537	—	6,376	4,132
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	8,464	10,510	4,169	1 298	11,661
—	—	—	7,732	—	—
1,805	1,406	3,786	1,019	5,939	3,779
6,731	5,240	3,393	1,999	5,629	3,872
—	—	—	—	—	—
27,025	117,865	198,433	46,336	131,033	207,713
—	—	—	—	—	—
1,250	3,826	4,438	1,251	2,170	4,780
—	—	—	—	—	—

DETAILS OF ASSETS AND LIABILITIES

	Federal and Colonial Building Society Ltd	Kulai Oil Palm Estate	Singapore Factory Develop- ment
	£	£	£
FIXED ASSETS			
Freehold and leasehold land, plantations, concessions and buildings	42,121	546,564	42,769
Plant and machinery	—	39,649	—
Ships and vessels	—	—	—
Land clearance equipment, tractors and agricultural equipment	—	—	—
Motor vehicles and rolling stock	5,135	5,404	—
Furniture, fixtures, office and hotel equipment	15,317	6,583	—
	62,573	598,200	42,769
Less DEPRECIATION			
Freehold and leasehold land, plantations, concessions and buildings	1,132	29,194	—
Plant and machinery	—	16,946	—
Ships and vessels	—	—	—
Land clearance equipment, tractors and agricultural equipment	—	—	—
Motor vehicles and rolling stock	1,280	1,782	—
Furniture, fixtures, office and hotel equipment	8,977	1,893	—
	11,389	49,815	—
NET BOOK VALUE OF FIXED ASSETS	51,184	548,385	42,769
PROGRESS PAYMENTS ON FIXED ASSETS	—	67,905	—
FORESTRY CROPS	—	—	—
LAND CLEARANCE	—	—	—
MINING INVESTIGATIONS AND DEVELOPMENT	—	—	—
GENERAL DEVELOPMENT, SURVEYS AND REVENUE EXPENDITURE CARRIED FORWARD	—	58,461	—
INVESTIGATION SYNDICATE	—	—	—
INVESTMENTS			
Shares in a subsidiary company not consolidated	—	—	—
Shares in associated companies	—	66	—
Debentures, secured and unsecured loans	51,048	—	77,967
Building Society advances on mortgage	4,119,228	—	—
CURRENT ASSETS			
Stocks, stores and livestock	—	12,569	—
Growing crops	—	—	—
Work in progress	—	—	—
Debtors and prepayments, less provisions	6,617	8,551	895
Treasury bills	—	—	—
Cash at banks and in hand	1,985	534	—
PRELIMINARY EXPENSES of subsidiary companies	—	—	—
TOTAL ASSETS	4,230,062	696,471	121,631
INTEREST OF MINORITY SHAREHOLDERS in sub- sidiary companies overseas	314,859	—	—
CREDITORS AND ACCRUED CHARGES	241,289	15,296	53
BANK LOANS AND OVERDRAFTS	1,148,643	—	—

OF CONTINUING PROJECTS

STATEMENT 6 (continued)

Borneo Abaca Ltd	Macalder- Nyanza Mines Ltd	Kivira- Songwe Coalfield Investigation	Tanganyika Coalfields and Liganga Iron Investigations	Tanganyika Wattle Estates	Kasungu Tobacco Estates
£	£	£	£	£	£
1,566,271	258,724	—	2,641	177,670	62,482
368,684	321,992	—	3,250	47,065	5,840
56,659	—	—	—	—	—
46,833	7,353	—	—	40,801	8,659
173,857	19,994	1,386	—	13,587	8,396
25,097	28,702	1,152	150	10,649	4,765
2,237,401	636,765	2,538	6,041	289,772	90,142
171,138	31,403	—	357	23,301	16,086
53,557	47,560	—	1,374	5,065	2,479
9,463	—	—	—	—	—
20,926	7,353	—	—	39,469	2,803
45,202	14,860	116	—	13,569	8,254
6,810	13,725	160	100	5,902	3,124
307,096	114,901	276	1,831	87,306	32,746
1,930,305	521,864	2,262	4,210	202,466	57,396
—	—	—	—	—	—
—	—	—	—	448,557	—
—	—	—	—	102,919	2,140
—	917,687	10,082	495,458	—	—
81,485	—	—	—	987	8,775
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
308,697	231,962	103	439	24,826	16,223
—	—	—	—	2,548	16,784
—	—	—	—	—	—
55,260	6,747	110	3	8,695	283
—	—	—	—	—	—
9,535	10,705	1,566	4	6,891	5,322
—	5,169	—	—	—	—
2,385,282	1,694,134	14,123	500,114	797,889	106,923
35,436	40,000	—	—	—	—
57,449	61,377	1,373	2,763	13,160	6,449
—	—	—	—	—	—

DETAILS OF ASSETS AND LIABILITIES

	Vipya Tung Estates	Bechuana- land Cattle Ranch	Bushman Pits Ranch
	£	£	£
FIXED ASSETS			
Freehold and leasehold land, plantations, concessions and buildings	743,795	96,441	7,000
Plant and machinery	12,785	20,049	1,530
Ships and vessels	—	—	—
Land clearance equipment, tractors and agricultural equipment	31,466	9,669	—
Motor vehicles and rolling stock	8,101	12,245	1,190
Furniture, fixtures, office and hotel equipment	7,513	5,821	—
	803,660	144,225	9,720
Less DEPRECIATION			
Freehold and leasehold land, plantations, concessions and buildings	241,839	21,886	350
Plant and machinery	5,364	7,662	75
Ships and vessels	—	—	—
Land clearance equipment, tractors and agricultural equipment	21,170	8,051	—
Motor vehicles and rolling stock	7,596	10,521	193
Furniture, fixtures, office and hotel equipment	4,999	3,013	—
	280,968	51,133	618
NET BOOK VALUE OF FIXED ASSETS	522,692	93,092	9,102
PROGRESS PAYMENTS ON FIXED ASSETS	—	—	2,500
FORESTRY CROPS	—	—	—
LAND CLEARANCE	—	—	—
MINING INVESTIGATIONS AND DEVELOPMENT	—	—	—
GENERAL DEVELOPMENT, SURVEYS AND REVENUE			
EXPENDITURE CARRIED FORWARD	—	863	3,452
INVESTIGATION SYNDICATE	—	—	—
INVESTMENTS			
Shares in a subsidiary company not consolidated	—	—	—
Shares in associated companies	—	—	—
Debentures, secured and unsecured loans	—	—	—
Building Society advances on mortgage	—	—	—
CURRENT ASSETS			
Stocks, stores and livestock	29,240	96,264	—
Growing crops	—	—	—
Work in progress	—	—	—
Debtors and prepayments, less provisions	5,870	1,334	1,526
Treasury bills	—	—	—
Cash at banks and in hand	4,992	1,134	—
PRELIMINARY EXPENSES of subsidiary companies	—	—	—
TOTAL ASSETS	562,794	192,687	16,580
INTEREST OF MINORITY SHAREHOLDERS in sub- sidiary companies overseas	—	—	—
CREDITORS AND ACCRUED CHARGES	10,491	3,734	1,118
BANK LOANS AND OVERDRAFTS	—	—	—

STATEMENT 6 (continued)

OF CONTINUING PROJECTS

Lobatsi Abattoir	Molopo Ranch	Swaziland Irrigation Scheme	Usutu Forests	Road Contracts	Omo Sawmills of Nigeria Ltd.
£	£	£	£	£	£
339,217	78,168	831,902	765,605	—	142,723
328,980	11,663	74,903	96,034	—	63,606
—	—	—	—	—	622
—	1,735	109,790	15,584	—	23,966
1,080	4,400	45,631	53,603	—	20,752
12,290	2,084	14,214	5,219	—	2,730
681,567	98,050	1,076,440	936,045	—	254,399
46,253	12,096	72,079	46,120	—	27,966
45,421	2,828	25,915	34,101	—	19,552
—	—	—	—	—	607
—	1,585	84,619	10,473	—	13,217
1,075	3,490	40,134	28,251	—	11,926
4,267	730	7,063	2,190	—	1,422
97,016	20,729	229,810	121,135	—	74,690
584,551	77,321	846,630	814,910	—	179,709
—	—	—	—	—	—
—	—	—	977,454	—	—
—	—	28,873	—	—	—
—	—	—	—	—	—
38,799	21,816	350,122	84,777	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	12	—	—
—	—	30,000	—	—	—
—	—	—	—	—	—
26,955	137,928	185,227	77,994	1,066	32,046
—	—	52,114	8,600	—	—
—	—	—	—	3,380	—
24,717	17,095	10,068	15,954	45,339	15,941
—	—	—	—	—	—
39,020	78	9,726	26,212	383	1,417
—	—	—	—	—	—
714,042	254,238	1,512,760	2,005,913	50,168	229,113
—	—	—	—	—	71,815
22,506	7,259	66,524	45,783	17,132	16,740
—	—	—	—	—	9,034

INVESTMENTS AT COST LESS AMOUNTS WRITTEN OFF

	£	£
SHARES IN ASSOCIATED COMPANIES		
(a) quoted		
British Guiana Consolidated Goldfields Ltd (market value £65,920)		87,852
(b) unquoted		
Potaro Hydro-electric Co Ltd	13,083	
Trinidad Cement Ltd	1,150,000	
West Indies Navigation Co Ltd	15,000	
Malayan Cocoa Ltd	33,200	
United Cocoa Development Co Ltd	5,297	
East Africa Industries Ltd	275,000	
Tangold Mining Co Ltd	125,000	
Kilembe Mines Ltd	1,000,000	
Chilanga Cement Ltd	825,000	
CDC-Keir & Cawder Contracting Ltd	49,997	
Highways Construction (Nigeria) Ltd	10,000	
Greenheart (Demerara) Inc	10,000	
Sundries	108	
		3,511,685
DEBENTURES, SECURED AND UNSECURED LOANS		
(a) quoted		
Kenya Power Co Ltd (market value £1,522,500)		1,714,553
(b) unquoted		
Barbados Electric Supply Corporation Ltd	150,000	
British Guiana Consolidated Goldfields Ltd	588,704	
British Guiana Rice Development Co Ltd	896,000	
Potaro Hydro-electric Co Ltd	270,000	
Cayman Islands Airport	49,950	
Jamaica Citrus Growers Ltd	72,000	
Jamaica Public Service Co Ltd	294,000	
West Indies Navigation Co Ltd	20,000	
Turks Islands Salt Co Ltd	10,000	
Central Electricity Board, Malaya	7,077,950	
East Africa Industries Ltd	95,000	
Kenya Housing Authority	670,000	
Kenya Meat Commission	250,000	
Tangold Mining Co Ltd	13,750	
Mbeya Exploration Co Ltd	34,770	
Kilembe Mines Ltd	1,050,000	
Central African Airways Corporation	500,000	
Chilanga Cement Ltd	72,000	
High Commission Printing and Publishing Co Ltd	9,000	
Swaziland Cannery (Pty) Ltd	60,000	
Ubombo Ranches (Pty) Ltd	98,179	
CDC-Keir & Cawder Contracting Ltd	224,115	
Highways Construction (Nigeria) Ltd	50,000	
Highways Engineering (Nigeria) Ltd	100,000	
Lagos Executive Development Board	1,250,000	
Advances on mortgage	171,211	
Sundries	86,148	
		14,162,777
BUILDING SOCIETY ADVANCES ON MORTGAGE		
Federal and Colonial Building Society Ltd		4,119,228
per Statement 2		£23,596,095

III PROJECT REPORTS

CARIBBEAN REGION

20 Regional summary

- (1) There are 18 interests in British West Indies, British Guiana, British Honduras; at 31.12.55 capital approved, £7,529,000, employed £6,485,000.
- (2) The first voyage of ss 'West Indian' started on 20.1.55; in the year she carried 25,202 tons of cargo and 7,042 passengers. This inter-island service will help materially in one of the crucial problems of the new Federation; but if it is to continue after 1957 costs will have to come down—particularly those caused by port delays and inefficiencies.
- (3) In British Guiana, exports from British Guiana Timbers Ltd exceeded £320,000 of which about half brought US dollars. The colony 1956 export figures of gold and rice should show value of CDC work.
- (4) British Honduras Government is still discussing afforestation and cocoa (smallholders) schemes. CDC has accepted Government offer for some of Cramer lands required for cocoa.
- (5) Prospects for banana and citrus growers and ancillary industries in British Honduras and some of the islands have been improved by the new UK support schemes. CDC interests in Jamaica, Dominica and British Honduras are affected.

BAHAMAS

21 Eleuthera

- (1) Remaining 6,000 acres and assets thereon are leased for seven years from 1.7.54 with option to buy; no options exercised in 1955.*
- (2) There was considerable development work by Rock Sound Properties Ltd on land bought or leased from CDC and adjacently.

BARBADOS

22 Barbados Light and Power Co Ltd

(Barbados Electricity Supply Corporation Ltd in 1954 report)

- (1) (a) In line with agreements already reported Barbados Light and Power Co Ltd was incorporated in Barbados on 6.5.55 as a subsidiary of Barbados Electricity Supply Corporation Ltd to take over latter's business;
(b) Company's authorised capital—5½% preference shares BWI \$500,000, ordinary BWI \$4,500,000; \$3,226,835 ordinary shares issued to BESC Ltd; successful public issue of the preference shares in Barbados January 1956.
- (2) In 1954 CDC approved debenture loan £250,000 to BESC Ltd, £150,000 drawn at 31.12.55; this was replaced by BLP Co Ltd debentures with conversion rights at par up to one quarter outstanding loan.
- (3) (a) Considerable damage to distribution system, quickly repaired, was done by hurricane 'Janet';
(b) Company sold 16,490,614 kWh in year ended 30.6.55 (14,578,621 in year to 30.6.54).

* Since submission of this report notice of exercise of all options given 5.4.56.

BRITISH GUIANA

23 British Guiana Consolidated Goldfields Ltd

- (1) (a) Authorised capital £499,999.10.0 in 2/- ordinary shares; issued £294,628 of which CDC holds £87,893.16.0;
(b) 1948 loan of £178,704 against debenture is repayable over 15 years from 31.12.56 with option to convert at par into ordinary shares before then;
(c) under 1951 loan agreement further £410,000 outstanding against second debenture.
- (2) 1955 gold production was 18,588 fine oz (20,965 in 1954); profit after depreciation, amortisation and debenture interest £32,594 before tax (£39,703 in 1954).
- (3) Ore reserves as for last year depleted by 1955 dredging (1,958,847 cu yds).
- (4) (a) Output of old Mahdia dredge 614 fine oz (2,339 in 1954); area finished in May;
(b) grade of ground worked by Potaro dredge slightly lower than last year; output 17,974 fine oz from 1,853,169 cu yds (18,626 from 1,814,874 cu yds in 1954).
- (5) Konawaruk dredge should be completed in May 1956; expected start work in June when Potaro Hydro-electric Co Ltd (see 26) may be ready to supply power from first unit of Tumatumari station.

24 British Guiana Rice Development Co Ltd

- (1) (a) £1,042,000 loan agreed in 1952 for expansion of rice production; repayable five years after drawings;
(b) amount drawn at 31.12.55 £646,000.
- (2) Additional £250,000 short-term loan authorised for seasonal working capital drawn again in 1955.
- (3) Application for further finance to complete the scheme being made.
- (4) Capital and interest guaranteed by British Guiana Government.

25 British Guiana Timbers Ltd

- (1) (a) Issued capital BG \$7,248,000 (£1,510,000) of which CDC holds BG \$7,073,200 (£1,473,583) in ordinary shares; remainder held by Industrial Holdings (BG) Ltd (Bookers) and Greenheart (Demerara) Inc (of USA); Steel Bros & Co Ltd holding bought out by other shareholders on ending of managing agency;
(b) CDC has also advanced £431,629 on loan; total CDC outlay at cost less amounts written off £1,639,816.
- (2) New forest lease signed 21.9.55; concession area increased by 85%; Company now assured of adequate supply of greenheart for at least 40 years.
- (3) (a) Second old sawmill (Stampa) closed in May 1955; La Penitence sold in 1954 (last year's report);
(b) appointment of a new mill manager from 1.3.55 and installation of additional resaws at new Houston mill quickly brought increase in volume and quality of lumber and by end of year there was something like maximum output with present plant; single shift production now equals output on two shifts in 1954;

(c) because closure of Stampa reduced log requirements, deliveries from concessions fell from 28,282 tons in 1954 to 24,457 in 1955;

(d) Houston produced 11,472 tons lumber (1954 11,782) and Stampa 1,143 tons (3,841 in 1954).

(4) (a) Sales were:

	1955		1954	
	tons	£	tons	£
Logs and piling ...	6,449	139,435	6,640	133,486
Lumber ...	15,054	420,998	13,055	328,158
Totals ...	21,503	£560,433	19,695	£461,644

(b) stocks were substantially reduced;

(c) exports increased in value by 32%, £243,596 in 1954 to £322,367 in 1955;

(d) markets by values were:

	1955	1954
UK and Continent ...	25%	24%
USA ...	27%	22%
West Indies ...	6%	5%
Local ...	42%	49%

(e) prices increased in all markets; but in last quarter export markets except in USA were barely steady;

(f) Company made gift of lumber to Governments of Barbados and Grenada for hurricane relief;

(g) net loss for year was £37,730; there was trading profit of £3,617 in the second half; (1954 loss £114,676).

(5) (a) Company's efficiency improved, production costs lower, sales better; still a long way to go before Company satisfactory;

(b) though new wage rates for sawmilling industry introduced in 1955 did not seriously affect Company, which was already paying nearly as much, any further wage increases unrelated to productivity cannot be passed on to customers in what is now a buyer's market and would retard improvement.

26 Potaro Hydro-electric Co Ltd

(1) Company formed to install hydro-electric station at Tumatumari Falls on Potaro River, primarily for power to British Guiana Consolidated Goldfields Ltd.

(2) (a) Share capital BG \$480,000 (£100,000), of which Goldfields Co 55% CDC 45%;

(b) additional finance by CDC against debenture, advanced at 31.12.55 £270,000.

(3) Contractors are behind construction schedule; head works and power station nearing completion but one section of foundations had to be cut out and replaced; normal dry season failed for second year running.

(4) Delays mean scheme cannot be completed before end year but one turbogenerator may be working by June.

(5) Long delay in delivery of steel sections for towers held up transmission line but these now all shipped and erection should be finished by May.

(6) Company had spent £299,083 at 31.12.55.

BRITISH HONDURAS

27 Barton Ramie Investigation

- (1) (a) As forecast last year this was shut down in June 1955;
(b) assets are being realised; land leased to local farmers.
- (2) Owing largely to competition of synthetic substitutes there is no market in sight for ramie on plantation scale production; investigation has shown that good quality fibre can be grown in British Honduras and lessees are continuing small scale cultivation with cattle grazing.
- (3) Spent to 31.12.55 £184,396.

28 British Honduras Fruit Co Ltd (citrus)

- (1) 506 acres oranges and 31 acres cocoa continue to do well despite unusually dry weather in May and June.
- (2) Announcement by UK and BWI Governments of price support scheme for three years has enhanced prospects.
- (3) Possibilities of association with private enterprise still being examined.
- (4) Spent to 31.12.55 £76,676.

29 Cramer Estates

- (1) Joint development schemes with British Honduras Government and private interests in cocoa and reforestation not yet materialised.
- (2) 134,642 acres sold during year, 150,750 acres left at 31.12.55; rather than hold large tracts against possible betterment CDC has accepted Government offer for land for cocoa and with Government approval is negotiating sale of remainder to private interests.
- (3) Capital at 31.12.55 £25,775.

30 Fort George Hotel, Belize

- (1) Custom increased, mainly from tourists attracted by the hotel.
- (2) Swimming pool was opened in September—a great attraction to visitors and to citizens of Belize, for whom a swimming club has been formed.
- (3) Trading profit £3,512 in 1955 (£1,296 in 1954).
- (4) Hotel depends on tourists; more publicity help from Government would be welcome.
- (5) Capital at 31.12.55 £114,039 (£150,000 written off in 1953).

DOMINICA

31 Dominica Electricity Services

- (1) As to electricity supply:
 - (a) extension of service continued; costs reduced, revenue increased on tariff fixed by law;
 - (b) joint Government/CDC investigation into possible expansion of generating facilities has just been made by consultants, report awaited.
- (2) As to cold storage and ice, demand has increased but is still disappointing
- (3) Sales of current increased by 35% from 840,700 kWh in 1954 to 1,146,496 kWh in 1955 with consequent reduction in loss from £6,413 for 1954 to £1,531 in 1955.
- (4) Capital at 31.12.55 £207,615.

32 Melville Hall Estate

- (1) (a) 266 acres bananas, 215 coconuts; small areas of cocoa, citrus and coffee;
(b) estate continues to supply banana planting material to other Windward Islands producers.
- (2) (a) 105,843 stems bananas sold (103,279 in 1954); and 89.09 tons copra (82.57 in 1954);
(b) trading profit declined to £9,234 (£13,418 in 1954) because of lighter crop following exceptional drought early in year; effect worse but for good management.
- (3) Spent at 31.12.55 £46,975; accumulated loss now reduced to £1,890 (£11,124 at 31.12.54).
- (4) Prospects remain good subject to tropical hazards and hurricane risks.

JAMAICA AND DEPENDENCIES

33 Cayman Islands Airport

- (1) £55,500 loan (1953) to finance construction.
- (2) Principal and interest secured by charge on revenue of Cayman Islands and guaranteed by Government of Islands.
- (3) Repayment by 20 annual instalments; outstanding at 31.12.55 £49,950.

34 Jamaica Citrus Growers Ltd

- (1) Loan of £110,000 (1951) to finance extension of Company's fruit processing factory.
- (2) Principal and interest secured by charge on assets; parent body, Citrus Growers Association Ltd, has undertaken to guarantee principal and interest.
- (3) Repayable over 10 years from 31.3.52; outstanding at 31.12.55 £72,000.

35 Jamaica Cooling Store

- (1) This started at 80,000 cu ft to store citrus for export.
- (2) A cold room of 6,000 cu ft came into operation in November and is well booked; it takes care of meat, butter, poultry, fish; further extensions in mind.
- (3) Net profit improved to £3,997 on storage charges of £22,702 (£3,321 on £21,665 in 1954).
- (4) Capital at 31.12.55 £128,862.

36 Jamaica Public Service Co Ltd

- (1) Loan to the public company responsible for electric light and power in Kingston and St Andrew and elsewhere.
- (2) £300,000 issued in 1953 at 98%.
- (3) Principal and interest secured by charge on assets.
- (4) Loan repayable at par in 1963 with option to Company to redeem earlier at premium.

37 Turks Islands Salt Co Ltd

- (1) Loan of £60,000 (1952) secured by charge on Company's assets; Company had been formed by Jamaica Government to work salt on Turks Islands.
- (2) Company increased sales—13,028 tons to 30.9.55 against 9,872 tons for previous year.
- (3) SS ' West Indian ' has loaded salt for other West Indian islands.
- (4) Company has defaulted on payment of interest to CDC since 1.1.53 and on instalments of capital since 1.1.55.
- (5) Future of Company still being discussed with Colonial Office.

ST VINCENT

38 St Vincent Electricity Services

- (1) As to electricity:
 - (a) extensions continued and sales increased;
 - (b) third generator installed;
 - (c) joint Government/CDC investigation into possible expansion of generating facilities has just been made by consultants, report awaited.
- (2) As to cold storage and ice:
 - (a) Bottlers (St Vincent) Ltd are responsible for letting storage space and selling ice;
 - (b) revenue increased but still not enough to cover costs.
- (3) Sales of current increased by 45% from 962,770 kWh in 1954 to 1,399,342 kWh in 1955 with profit increase from £2,188 for 1954 to £11,576 in 1955.
- (4) Capital at 31.12.55 £202,719.

TRINIDAD

39 Trinidad Cement Ltd

- (1) (a) Issued capital BWI \$7,680,000 of \$5,520,000 (£1,150,000) 5% cumulative redeemable preference and \$2,160,000 (£450,000) ordinary shares;
 - (b) in March 1955 CDC was called on, in line with pre-incorporation agreement, to sell its holding of £150,000 ordinaries to The Rugby Portland Cement Co Ltd for £300,000;
 - (c) CDC now owns all preference shares, having acquired balance of 100,000 BWI \$5 shares.
- (2) (a) Company has had a successful year;
 - (b) preference dividends £155,536, including £98,039 accumulated at 31.12.54, received.

40 West Indies Navigation Co Ltd

- (1) Company incorporated in Trinidad to operate shipping service (passenger and freight) in BWI; general managers Jardine, Matheson & Co (Caribbean) Ltd.
- (2) Issued capital BWI \$216,000 held equally by Jardine, Indo-China Steam Navigation Co Ltd and CDC.

(3) Agreement with local governments under which ship provides a service linking specified ports in consideration of which UK Government and Governments of BWI territories and of British Guiana contribute subsidy £50,000 per annum for three years towards working expenses.

(4) First voyage by ss 'West Indian', chartered from I-CSN Co, started 20.1.55; eleven round voyages in 1955, 37,000 miles steamed, 224 ports of call, 25,202 tons cargo carried 19,421,587 freight ton miles and 7,042 passengers carried 1,587,382 passenger miles; also one diversion with relief supplies after 'Janet'.

(5) Service linked British territories in an area about size of Europe; vessel also called once at British Honduras port; in December 1955 service extended to British Guiana.

(6) Cargo and passengers exceeded estimate, but expenditure did so to a much greater extent due to high cost of port handling and other local operating costs, including ship maintenance; loss shown by draft accounts higher than expected; CDC has made provision for its share.

(7) Freight and passage rates increased in December; more cargo offers, including some rice tonnage between British Guiana and Jamaica; so, despite probability of further increases in expenditure, less loss but not profit is expected in 1956.

FALKLAND ISLANDS

41 Falkland Islands Freezer Co Ltd

(1) (a) Issued capital:

	<i>deferred shares</i>	<i>preferred shares</i>
CDC... ..	£10,000	£240,000
South American Export Syndicate Ltd	—	4,000
	<u>£10,000</u>	<u>£244,000</u>

(b) loans:

Falkland Islands Government;—debenture £50,000;

CDC—current account £31,890 at 31.12.55.

(2) This has been a sorry story. The invitation to establish a freezer came from the Falkland Islands Government and was accepted in October 1949.

(3) (a) There was gross under-estimating with inefficiency and delays in construction;

(b) but in 1953 a Company was formed to take over and run the freezer, Board including three Falkland Islands sheep farmers and representatives of Falkland Islands Government, Falkland Islands Co Ltd and South American Export Syndicate Ltd., who were managing agents;

(c) freezer was transferred to new Company at £250,000 after writing off £200,000 construction cost.

(4) During 1953 (part season only) and 1954 deliveries were less than half estimate agreed by sheep owners in 1952; more than 25% were rejected by Ministry of Food inspector and rest were hard to sell in U.K.

(5) (a) With no assurance as to quantity and quality of deliveries it was clear in 1954 that freezer could not operate;

- (b) as to quantity in 1955, sheep owners when asked would not make an estimate even as high as 1954 deliveries;
 - (c) and they would give no expectation of improved quality.
- (6) (a) At CDC request Government had tried to form local co-operative or consortium to buy freezer—without success;
- (b) and for 1955 season Government would not accept a lease of freezer (even at peppercorn rent) with a free gift of stores.
- (7) (a) CDC believes that local interests could make a success of freezer if they were so minded but, as foreshadowed last year, for lack of local support it did not open for 1955 season;
- (b) it is now an abandoned project.
- (8) (a) Court appointed official of Falkland Islands Government as Official Receiver 27.9.55 on application with CDC concurrence of Falkland Islands Government as debenture holder;
- (b) Receiver states prospects of disposal reasonably good.

FAR EAST REGION

42 Regional summary

- (1) In a year of constitutional transfer of large responsibilities to elected governments in Singapore and Federation of Malaya private investors were shy of new ventures and new ministers required time to take hold.
- (2) In Singapore an industrial development company, with 50% CDC participation, almost ready in mid-year to slip off the stocks had to be shelved to give new Ministry time to consider plans of their own. Federal and Colonial Building Society (now Malaya Borneo Building Society) continues to expand; it is now at work in Federation and North Borneo as well as in Singapore.
- (3) Success of the pioneer Malayan Cocoa Ltd led to United Cocoa Development Co Ltd, with international sponsorship including shareholders of Malayan Cocoa Ltd and a second estate in Trengganu; this might spread into other States.
- (4) Federation Government plans for agricultural development, with help to co-operative and smallholder schemes, are taking time to work out, but CDC help is available; Regional Controller was a member of a governmental committee which advised establishment of a Land Development Authority.
- (5) Borneo Abaca Ltd has had a difficult year owing to abaca disease; things should go much better in future. Company employs 13% of North Borneo's registered labour force; provides houses, schools and hospitals for one in 70 of the population; exported rubber and hemp worth £872,000, 7% of 1955 exports.
- (6) At 31.12.55 capital approved, £15,443,000, employed £13,015,000.

SINGAPORE AND FEDERATION OF MALAYA

43 Central Electricity Board

- (1) Drawing of loans completed in year—£7,077,950.
- (2) Connaught Bridge power station near Kuala Lumpur was completed to a capacity of 80,000 kW; this feeds into Malayan central network which now covers Selangor and Negri Sembilan and settlement of Malacca.
- (3) Units sold (288 million) increased by 19% over 1954, revenue by 17½%; both more than doubled since 1950; operating expenses per unit sold fell by 7½% in year.
- (4) More power at lower cost is produced for Malaya's tin mines, industries and homes.

44 Federal and Colonial Building Society Ltd

- (1) (a) Authorised share capital M\$50m (£5,833,333);
 (b) at 31.12.55 CDC had subscribed M\$10m (£1,166,667) in shares and M\$10,850,000 (£1,265,833) in loans, total M\$20,850,000 (£2,432,500); Government of Federation of Malaya had subscribed M\$2.5m in shares; balance of mortgages financed by bank loan, deposits and internal reserves;
 (c) arrangements completed for Hongkong and Shanghai Banking Corporation to lend up to M\$30m of which M\$9,635,639 had been taken up by 31.12.55; local capital has also been attracted in form of deposits (M\$1,288,017).
- (2) (a) Progress here shown:

	Applications approved		Mortgage advances outstanding	
	Number	Amount	Number	Amount
		\$000's		\$000's
1950 ...	220	4,053	114	1,986
1951 ...	613	9,106	531	6,791
1952 ...	404	6,797	914	12,665
1953 ...	316	3,533	1,236	16,537
1954 ...	1,056	10,819	1,975	22,700
1955 ...	2,057	21,205	3,578	35,308
Total ...	4,666	55,513		

- (b) rate of interest charged to borrowers 6½%.
- (3) Society has strong local board; chairman is Singapore manager, Hongkong and Shanghai Banking Corporation.
- (4) Society is agent or manager for four staff housing loans schemes (Government of Singapore, Singapore City Council, University of Malaya, Singapore Improvement Trust); Society invests funds on security of landed properties within conditions of Trustees Ordinance as agent of Federation Employees' Provident Fund Board and of Singapore Central Provident Fund Board.

- (5) (a) Society's accounts show increased earnings and conservative distribution:

	Net profit (after tax)	Dividends		Balances at 31.12.	
		Rate	Amount (less tax)	General Reserve	Profit & Loss Account
	\$000's		\$000's	\$000's	\$000's
1950	17 L	—	—	—	17 L
1951	99 P	—	—	75	7 P
1952	324 P	3%	163	225	18 P
1953	456 P	4%	230	450	20 P
1954	577 P	5%	315	700	32 P
1955	681 P	5%	418	950	44 P

(b) CDC's return at 31.12.55 in form of loan interest and dividend was at the rate of 4.74%; interest on its own borrowings invested in Society was at 3.82%.

- (6) (a) Society's general manager visited Nigeria and advised Federal Government on establishment of building societies and Western Regional Production Development Board on development of housing and industrial estates;

(b) following policy of training and promoting local staff, directors appointed Society's Accountant to be Secretary and Accountant;

(c) extension to Borneo going ahead; Society's name is changed to 'Malaya Borneo Building Society Ltd';

(d) Society's activities continue to mean more and cheaper houses and more savings invested by more people in their own homes.

- (7) Society's credit is now firmly established so that it has been able to attract large local funds and so has not, as yet, been hampered by CDC's inability to fulfil commitments—see 12 (2).

45 Kulai Oil Palm Estate

- (1) (a) The new manager took over in difficult circumstances four months after murder of his predecessor, Mr. W. A. Gibson; notwithstanding commendable efforts of assistant in charge, there was considerable deterioration due to insecurity and dislocation; but plantations have been restored to first class condition, though no new planting was possible;

(b) planted acreage 1,277 pre-war palms and 3,070 planted since 1950; total planned about 5,000 acres.

- (2) (a) Production from pre-war palms was best yet; harvesting of first 171 acres of new palms (1951) started on 1.7.55; total 839 tons oil, 197 tons kernels (671 and 172 in 1954);

(b) average sales price of oil was £75.5 per ton f o b (£70 in 1954);

(c) higher prices and increased production gave profit of £7,315 (loss of £6,750 in 1954) after charging £1,639 amortisation and £5,101 rehabilitation.

- (3) (a) New factory, nearly ready for shipment, will be erected in 1956;

(b) scheme prepared to encourage more extensive planting of oil palms in South Johore; neighbouring estates and small farmers will be offered processing facilities in new factory.

- (4) Three houses for Asian staff and 100 quarters for labour built in year costing £17,500.
- (5) Costs of production likely to rise in 1956 because of low initial yield of young palms coming into bearing; no significant improvement expected before 1958 when new plantations will be maturing and new factory nearing full production.
- (6) Capital at 31.12.55, £652,690.

46 Malayan Cocoa Ltd

- (1) Planting on Malaya's first cocoa estate has gone well; new planting continued during 1955 bringing total area to 456 acres at 31.12.55; to be increased to 500 acres in 1956.
- (2) Experience from estate and from government experimental station is to be applied by Government in developing pilot schemes for smallholders.
- (3) Foundations of Malayan cocoa industry have been well laid by partners in this Company—Cadbury Bros Ltd, Harrisons & Crosfield Ltd and CDC—Department of Agriculture heartily co-operating.
- (4) Authorised capital M\$2m (£233,333); issued capital M\$1,200,000, CDC share M\$400,000 (M\$280,000 paid up).
- (5) Spent at 31.12.55, £84,800.

47 Singapore Factory Development

- (1) (a) In 1951 52-acre plot was purchased in Singapore and divided into factory sites to be sold for cash, CDC retaining control of development;
(b) loans for factory construction are provided against mortgage.
- (2) 24½ acres sold to 31.12.55.
- (3) Four factories—textile mill and edible oil refinery (both constructed with financial assistance from CDC) and polish and hemp rope factories—are in production.
- (4) Directors of Federal & Colonial Building Society Ltd continue to act as advisory committee; their general manager manages factory estate.
- (5) (a) Net revenue for year £5,419;
(b) capital at 31.12.55 £121,578.

48 United Cocoa Development Co Ltd

- (1) Offer of 16,000 £10 shares in this Company (formed 29.9.55, authorised capital £200,000) was made in October to members of chocolate manufacturers and confectionery trades in UK and other main consuming countries; offer fully subscribed.
- (2) Promoters were Cadbury Bros Ltd, Harrisons & Crosfield Ltd, CDC (associates in Malayan Cocoa Ltd) and Van Houten & Zoon NV; Harrisons & Crosfield Ltd are secretaries and Harrisons & Crosfield (Malaya) Ltd managing agents in Malaya.
- (3) Company has applied for lease of about 1,200 acres of land suitable for cocoa cultivation near to Malayan Cocoa Ltd estate on Jerangau Road in Trengganu State.
- (4) Venture is designed to encourage expansion of cocoa growing in Malaya on basis of cultivation experience in pilot estate of Malayan Cocoa Ltd.
- (5) CDC has taken up 2,119 shares 25% paid (£5,297) at 31.12.55.

NORTH BORNEO

49 Borneo Abaca Limited

(1) (a) Issued capital M\$17,142,900 (£2m); M\$16,714,300 (£1,950,000) held by CDC and M\$428,600 (£50,000) by Harrisons & Crosfield Ltd; at 31.12.55 CDC had also advanced £794,228 on loan account;

(b) Company's estates are in three widely separated groups:

(i) main block at Tawau is 17,000 acre Kuhara rubber estate (12,000 acres planted) and 8,000 acre Table abaca estate (1,500 acres planted);

(ii) Balung estate, 750 acres abaca, is 20 miles east of Tawau;

(iii) Mostyn estate of 5,500 acres (800 acres planted abaca) is on north coast of Semporna Peninsula, 100 sea miles from Tawau.

(2) *Abaca*

(a) During year, 1,000 acres of mature abaca were eradicated at Table and Mostyn owing to disease, including virtually all the 1952/53 areas which had been planted with diseased material; improved control measures recommended by Professor C. W. Wardlaw and Mr. E. P. Foster (lately North Borneo Government Plant Inspector now serving Australian Government, which kindly permits him to visit project) were adopted; reduced incidence gives hopes that disease can by constant vigilance be kept under control;

(b) there survived at 31.12.55 about 2,300 acres mature abaca, 700 acres immature—Balung 700 acres virtually disease free, Mostyn 600 acres and Table 1,000 acres, 700 acres immature at Table and Mostyn;

(c) no new planting in 1955 pending evidence that disease was under control; now decided to plant up to 500 acres in 1956 if no signs of increased disease;

(d) decorticating factory at Table operated throughout year with increasing efficiency, both as to throughput and quality of fibre;

(e) hemp production 2,647 tons (1,814 in 1954) of which 1,720 tons deco (factory) and 927 tons hagotan (small machines);

(f) average price of one representative grade decorticated hemp was £128 per ton (£123 in 1954);

(g) trading loss was £78,710 after charging export duty £24,988 and amortisation on plantations £30,965, to which has to be added £134,987, book value of eradicated areas written off (old legacy).

(3) *Rubber*

(a) Rubber had a good year—production up by 23% from 4,200,000 lbs (1954) to 5,180,000 (1955)—giving with high prices trading profit of £231,642;

(b) improved labour recruitment enabled start on replanting programme with 218 acres planted—290 acres jungle reserve cleared for planting in 1956;

(c) in April 1955 North Borneo Government introduced a rubber replanting fund; simultaneous reduction export duty is welcome.

(4) *Cocoa*

Trial plots were set on Tiger and Table estates at Tawau over past five years and more recently at Mostyn; Mr O. J. Voelcker (lately Director

of Agriculture, Malaya) who is consultant to Malayan Cocoa Ltd (see 46) visited North Borneo in January, 1956; on his recommendation 100 acres will be planted on Tiger estate initiatory to commercial estate of 600 acres.

(5) General

(a) Abaca losses £213,697 with unallocated overheads of £64,336, less rubber profit £231,642, left an overall loss £46,391 (£161,547 in 1954); project paid export duty £95,000;

(b) project management and staff under new general management have done really well in difficult and discouraging circumstances; their success in getting on terms with abaca disease enabled decisions to be taken on project future as a whole which should make it profitable; these are:

(i) abaca at Table to be expanded to minimum 2,500 acres to feed corona factory so long as no disease returns;

(ii) rubber to be replanted on Kuhara to annual maximum of 600 acres depending on labour recruitment;

(iii) cocoa to be grown on Tiger estate—present plan maximum 600 acres;

(iv) Mostyn, remote from Tawau headquarters, to be hived off; if current negotiations with prospective associates are successful cultivation will be expanded with agreed crops and losses on an uneconomically small abaca estate will be eliminated.

EAST AFRICA REGION

50 Regional summary

(1) For work in Kenya, Tanganyika and Uganda at 31.12.55 capital approved £13,088,000, employed £7,902,000.

(2) Of eight mining projects and investigations two—Macalder-Nyanza Mines Ltd and Kilembe Mines Ltd—are completing construction stage and come into production this year. Of the investigations one—Mbeya Exploration Co Ltd—successfully completed first stage and started second in January; a second—Tangold Mining Ltd—finished final stage of investigation near end of year and consultants' report (New Consolidated Gold Fields Ltd) on prospects is now being studied; a third—Murongo Mines—was also completed; production prospects, as explained later, are not good enough so investigation has been wound up.

(3) Margarine production at Unilever-managed East Africa Industries Ltd began in October. Orders for the extract factory for Tanganyika Wattle Estates were placed; good progress was made in adjoining Native Authority wattle growing scheme.

(4) CDC, by taking up £3.5m of a public issue of debenture stock by Kenya Power Co Ltd, enabled it to raise £7.5m to provide electric power for growing industrial demands of Nairobi and Western Kenya.

KENYA

51 East Africa Industries Ltd

(1) (a) Business is oil refining and manufacture of margarine and other edible oil products; soap and glycerine come later;

(b) shareholders are Unilever Ltd 50%, CDC 33½%, Industrial Development Corporation (Kenya Government) 16½%; Unilever Ltd manages.

- (2) (a) Disposal continues for account of CDC and IDC (original shareholders) of assets unconnected with present business;
- (b) formulations and refractory brick businesses were sold;
- (c) surplus assets realised £33,224; CDC received £8,100 in dividend.
- (3) CDC holding £255,000 (cost £275,000) and loan £95,000 at 31.12.55.
- (4) Margarine plant opened 15.10.55.
- (5) Net profit £25,187 on sales totalling £316,138 (£33,269 on £277,930 in 1954).

52 Kenya Housing Authority

- (1) £2m loan to Kenya Government for approved municipal and private housing programmes for Africans in urban districts.
- (2) Kenya Central Housing Board has three major schemes for housing—Nairobi, Mombasa, Nakuru—to accommodate up to 28,000 persons.
- (3) Government guarantees interest and principal.
- (4) Drawn at 2.2.55 £670,000 and nothing since; Kenya Government gave notice 24.11.55 of intention to draw £140,000 in January 1956; but CDC was unable to meet its obligations—see 12 (2).

53 Kenya Meat Commission

- (1) £250,000 loan to Kenya Meat Commission to expand undertaking.
- (2) Loan fully drawn in September 1955.
- (3) Kenya Meat Commission is a 1950 statutory body; it owns and operates modern abattoirs near Nairobi and at Mombasa and has branches elsewhere in Colony; it buys slaughter stock and markets meat and by-products.
- (4) Corporation is represented on Commission board by its Regional Controller.

54 Kenya Power Co Ltd

- (1) Kenya Power Co Ltd was incorporated in Kenya on 1.2.54 as a private company and converted into a public company on 27.7.55; authorised and issued share capital 2,000 EA shgs (£100) owned equally between Government of Kenya, Power Securities Corporation Ltd and East African Power and Lighting Co Ltd; business is to purchase and supply electricity in bulk and to own and operate hydro-electric stations.
- (2) In September 1955 Company made a public issue of £7.5m 5½% debenture stock at 101% (redeemable 1975/85 at 101%) of which CDC subscribed £3.5m stock.
- (3) Company has bought hydro-electric stations at Tana and Wanjii in Western Kenya from East African Power and Lighting Company; it has contracted with Uganda Electricity Board to buy power from Owen Falls; it will build 250-mile transmission line from Uganda to Nairobi at estimated cost £3.3m.
- (4) Company has been granted 50 years bulk supply licence by Kenya Government to supply electricity to East African Power and Lighting Co Ltd, authorised distributors for Nairobi and other areas in Western Kenya.

55 Macalder-Nyanza Mines Ltd

- (1) Spent at 31.12.55, £1,632,757, financed £500,000 in ordinary shares (92% held by CDC) and £1,132,757 CDC loan.

- (2) (a) All work in 1955 was on mine preparation and plant construction to bring mine into production in 1956;
(b) April 1956 date for start of mining, milling and production of concentrates is likely to be achieved, with full production (10,000 tons ore per month) by last quarter 1956.
- (3) (a) Slow deliveries will delay completion roast-leach plant for production cement-copper till June 1956;
(b) Kilembe Mines Ltd smelter at Jinja is now unlikely to be ready before October 1956; this raises disposal problems for Macalder.
- (4) (a) Work has started on hydro-electric station on Kuja River;
(b) completion expected 1957; meanwhile plant will run on diesel power.

TANGANYIKA

56 Kivira-Songwe Coalfield Investigation

- (1) (a) Investigation of this small coalfield near Mbeya, south-west Tanganyika, started August 1955, in connection with potential power requirements of Mbeya Exploration Co Ltd—see 58;
(b) good progress has been made with first stage of geological survey.
- (2) Spent at 31.12.55, £12,750.

57 Liganga Iron Ltd

- (1) Authorised capital 600,000 EA shgs (£30,000) of which 32½% (£9,750) will eventually be held by CDC, balance by Frobisher Ltd of Canada, Anglo-American Corporation of South Africa Ltd and Tanganyika Government.
- (2) No field work in 1955; final report completed; iron ore deposits about 50 miles north of coalfields east of Lake Nyasa will likely become worth working only should other development take place in area.
- (3) Spent at 31.12.55, £19,015.

58 Mbeya Exploration Co Ltd

- (1) (a) Company was registered in Tanganyika on 26.5.55 to explore pyrochlore (niobium ore) deposits north of Lake Nyasa;
(b) authorised and issued capital 2,000 EA shgs (£100) in shares of 20 shgs each, of which N. V. Billiton Maatschappij 70%, CDC 30%;
(c) balance is provided by loans from N. V. Billiton Maatschappij and CDC in same proportions.
- (2) N. V. Billiton Maatschappij are consulting engineers and managing agents.
- (3) (a) First stage—geological mapping, diamond drilling (4,233 ft), underground development (526 ft) and metallurgical research—completed on schedule and within estimated cost (£170,000);
(b) indicated ore reserves 20·6 million tons at 0·32% Nb₂O₅.
- (4) Second stage—pilot milling with further diamond drilling and underground development—started 1.1.56.
- (5) Alternative power sources for production stage, including Kivira-Songwe coalfield (see 56), being studied by consulting engineers.
- (6) At 31.12.55 CDC had lent £34,800.

59 Murongo Mines Investigation

- (1) (a) Because of improved price of tin, caretaking operations were extended to limited underground prospecting of main reef;
 (b) 910 ft of development drives, cross-cuts and raises were done; small test mill erected; bulk sampling tests at 10 tons a day carried out.
- (2) (a) There is now enough information for assessment of orebody; results indicate about $\frac{1}{4}$ million tons at grade 0.3% tin per ton, with much additional tonnage inferred;
 (b) with this grade and present capital costs of equipment operations on scale of 200 tons a day should pay, given long term metal price averaging £800 a ton which, under present circumstances, is higher than can be expected;
 (c) investigation has been closed down, staff and plant withdrawn.
- (3) (a) 29 tons of 70% tin concentrates produced £12,980 towards cost of investigation; this has enabled exploration to be completed for a net expenditure of £4,205 in 1955;
 (b) spent at 31.12.55 £259,845, of which £245,845 written off in the accounts.

60 Tanganyika Coalfields Ltd

- (1) (a) Authorised capital 2,000,000 EA shgs (£100,000); CDC participation will eventually be 35 $\frac{1}{2}$ % £35,500; balance by Anglo-American Corporation of South Africa Ltd, Frobisher Ltd of Canada and Tanganyika Government;
 (b) balance of consideration to CDC will be met by issue of unsecured notes by Company.
- (2) No field work in 1955; final report completed incorporating re-assessment of reserves of extractable coal in fields east of Lake Nyasa from seams 3 ft or more thick:

			Proved	Indicated
			million tons	million tons
Mchuchuma	...	...	186.6	12
Mbalawala	...	...	97.7	nil
Mbuyura	...	...	nil	15
Total			284.3	27

- (3) A review of comparative costs of Tanganyika and USA coal delivered in UK is overdue; missing link is extension of part completed railway from railhead near Nachingwea to Mchuchuma.
- (4) Kivira-Songwe coalfield (see 56) north-west of Lake Nyasa is being separately investigated.
- (5) Spent at 31.12.55 £478,265.

61 Tanganyika Wattle Estates

- (1) (a) In late 1949 CDC set out to plant 30,000 acres of wattle (for tanning extract); job now complete on schedule and 3,000 acres more;
 (b) plantations thrive despite minor damage from frost and dieback.
- (2) Factory buildings and houses begun; most of extraction plant ordered; commercial production in 1959.

(3) Arrangements for management and financial participation by private enterprise associate have reached advanced stage; Tanganyika Government will also participate.

(4) Native Authority's 20,000-acre Bena Wattle Scheme, in which CDC helps Africans to grow wattle, started well; 500 acres planted 1954/55; 1,500 more this season; local interest stimulated by CDC purchase (for processing and re-sale) of bark from trees grown by Africans.

(5) Job has given quite an amount of employment and has raised living standards; Government, encouraged by CDC, has built modern hospital.

(6) Prospects depend on competition between leather and synthetics; in present circumstances outlay seems justified.

(7) Spent at 31.12.55 £784,606.

62 Tangold Mining Co Ltd

(1) (a) Authorised and issued capital 5m EA shgs (£250,000) in shares of 20 EA shgs each held equally by CDC and New Consolidated Gold Fields Ltd;

(b) additional finance by loan in same proportions.

(2) (a) Second stage of exploration and development on nos 1 and 2 levels completed 1.5.55;

(b) consulting engineers (New Consolidated Gold Fields Ltd) recommended further stage (IIA) of development and diamond drilling on no 3 level;

(c) stage IIA completed by end year; total work in 1955—development 2,379 ft, excavations 13,318 cu ft, surface diamond drilling 829 ft, underground diamond drilling 5,976 ft.

(3) Consulting engineers now considering results before making final recommendations.

(4) Spent by Company at 31.12.55 £277,500.

63 Williamson Diamonds Ltd

(1) CDC agreed to lend £500,000, if called on, to assist extensive mechanisation of mine.

(2) Nothing drawn at 31.12.55 nor to date of signing this report.

UGANDA

64 Kilembe Mines Ltd

(1) (a) Authorised and issued capital 100m EA shgs (£5m) in shares of 20 shgs each, of which CDC 20%; Kilembe Copper Cobalt Ltd (subsidiary of Frobisher Ltd of Canada) owns 70% and Uganda Development Corporation 10%;

(b) preparatory to public issue by Kilembe Copper Cobalt Ltd in October in Canada, further capital needed to bring mine to production was assessed at £2.1m by independent consultant;

(c) CDC has lent half this sum, £750,000 against 6% debenture and £300,000 against 6% unsecured notes; other participants have provided balance.

(2) Frobisher Ltd are consulting engineers and general managers.

- (3) (a) Ore reserves unchanged;
- (b) underground development and preparation for production well advanced; 11,054 ft and 35,610 cu ft excavations in 1955.
- (4) (a) Plant construction at mine, Kasese and Mobuku according to programme; mine, concentrator, copper section of roast-leach plant (Kasese) and hydro-electric scheme (Mobuku) expected to start in June 1956 as scheduled, with build-up to full scale production of 40,000 short tons ore per month by September 1956;
- (b) progress at Jinja smelter slower; completion now estimated October 1956;
- (c) construction of cobalt roast-leach plant (Kasese) has been postponed pending results of tests in USA and Canada.
- (5) Railway authorities now expect rail link with Kampala ready for freight end March 1956, about a year behind schedule.

CENTRAL AFRICA REGION

65 Regional summary

- (1) As intimated last year High Commission Territories became a separate region from 4.11.55; Central Africa Region is now Federation of Rhodesia and Nyasaland.
- (2) Capital approved £6,022,000, employed £2,361,000; there are three plantations in Nyasaland, cement works in Northern Rhodesia, airways for Federation.
- (3) CDC expects to help finance Kariba hydro-electric scheme. There is great opportunity (and if Kariba is to be justified urgent need) for development, and CDC would be glad to help wherever projects are sited in Federation. CDC feels a particular interest in Nyasaland where expansion of existing projects probably depends on the Shire Valley scheme. Communications and housing (Southern Rhodesia African housing loan) to stabilise labour for new urban industries are urgent matters.

FEDERATION OF RHODESIA AND NYASALAND

66 Central African Airways Corporation

- (1) £1,750,000 loan (1954) to finance purchase of five Vickers Viscount aircraft and spares; these are expected to be in service in July 1956.
- (2) Loan, each instalment repayable over 10 years, is guaranteed by Government of Federation and secured by charge on CAA assets; it will be fully drawn in 1956.
- (3) Lent at 31.12.55 £500,000.

NORTHERN RHODESIA

67 Chilanga Cement Ltd

- (1) (a) Authorised capital £2m divided into 500,000 £1 5% cumulative preference shares and 1,500,000 £1 ordinary;
- (b) issued at 31.12.55 300,000 preference and 1,500,000 ordinary shares;
- (c) CDC hold 225,000 preference and 600,000 ordinary; balance of ordinary shares held by Northern Rhodesia Government, The Premier

Portland Cement Company (Rhodesia) Ltd (Company's general managers), Rhodesian Anglo-American Ltd and British South Africa Company;

(d) loan capital at 31.12.55 £180,000, of which CDC £72,000 (£216,542 at 31.12.54).

(2) (a) New general managers increased production and reduced costs which enabled prices to be reduced and profits increased;

(b) production 89,768 tons (81,842 in 1954); operating profit £226,996 (£216,718 in 1954).

(3) Company secured contract for supply of cement for preliminary works at Kariba in 1956.

(4) Second unit construction continued in 1955; expected to come into operation in April 1956; rated capacity will then be trebled.

NYASALAND

68 Kasungu Tobacco Estates

(1) On this pilot estate area farmed in 1955 (348 acres) was slightly less than in 1954 (380 acres).

(2) (a) Unsuitable weather reduced yields throughout Nyasaland; CDC estates affected—average yield of flue-cured tobacco from 345 acres being 587 lbs per acre (749 lbs in 1954);

(b) but quality improved and price realised rose to 35.23d per lb (26.48d in 1954); realisation per acre went up from £57 in 1952 to £86 in 1955; an experimental crop of burley from 3 acres realised 24.8d per lb average.

(3) (a) 1955/56 programme is 380 acres Virginia flue-cured and 50 acres burley air-cured;

(b) on expert advice, and with aid of tractors, date of completing planting has been still further advanced; this has probably been a major factor in marked reduction of disease; moreover earliest plantings in 1954/55 were least affected by adverse weather.

(4) Long term lease of adjoining Manyani estate was purchased in 1955 with view to expansion when economics of project proved; if current crop satisfactory, cautious expansion is likely.

(5) (a) Loss for year £9,021 (£7,916 in 1954);

(b) spent at 31.12.55 £178,743 (£172,565 at 31.12.54); fixed assets and development £68,311; net current assets £32,163; accumulated losses £78,269.

69 Nyika Forestry Development Syndicate

(1) CDC, with Imperial Tobacco Co Ltd and Albert E. Reed & Co Ltd, began investigation in 1952 of possibilities of softwood afforestation on this plateau and of manufacture of pulp or paper.

(2) Report of consulting engineers showed hydro-electric potential of nearby rivers inadequate for mill's requirements and too costly to develop; Syndicate's attention now directed towards power from Shire River.

(3) Consulting engineers' report on harbour possibilities at Deep Bay satisfactory.

- (4) Negotiations begun with Nyasaland Government as to terms on which Syndicate might operate if full-scale project is considered commercially viable.
- (5) Meanwhile pilot forestry scheme continued; trial plantations extended; more roads made; survey of plateau begun.
- (6) Syndicate funds £60,000 (CDC one-third); spent at 31.12.55 £45,137.

70 Vipya Tung Estates

- (1) Nyasa Tea Estates Ltd became managing agents 1.4.55.
- (2) (a) Late rainy season delayed 1955 plantings until January 1956 when 460 acres were planted;
(b) 4,200 acres established at 31.12.55; 1,080 additional acres ready for planting.
- (3) Experiments with coffee by itself and interplanted with tung continue.
- (4) (a) 1956 plans are to plant another 700 acres tung;
(b) and to build tung processing factory (first stage) to operate for 1957 harvest.
- (5) 147 tons of nuts (mill weight on dry basis) were harvested (104 tons in 1954) estimated to produce 42 tons of oil.
- (6) Spent at 31.12.55 £764,881; on reassessment after project reorganisation it was decided to treat £213,423 of this expenditure as lost leaving a book value £551,458 carried forward.

SOUTHERN RHODESIA

71 Southern Rhodesia African Housing

- (1) £1m loan to Southern Rhodesia Government to help finance urban schemes for African housing, with object of building up a stable and efficient labour force (most of it from Nyasaland and Northern Rhodesia) and developing local industry.
- (2) Repayment 1966-1985.
- (3) An instalment of £500,000 due 31.12.55 could not be paid by CDC—see 12 (2).

HIGH COMMISSION TERRITORIES REGION

72 Regional summary

- (1) Regional Office opened in Johannesburg 10.11.55, enabling Regional Controller and staff to maintain closer contact with work in Bechuanaland and Swaziland and with Administrations.
- (2) The four Bechuanaland jobs (capital approved £3,007,000, employed £1,798,000) are all of the cattle genus. Lobatsi Abattoir, opened in 1954 not without foreboding, had a successful year; CDC is considering whether and how BP producers might be associated financially in the works which process their cattle; meanwhile profits go to help the ranching operations which, despite drastic reorganisation, will show a loss for some years yet.
- (3) Messrs J. H. N. Hobday, C. W. Freeman and R. E. Glover are watching and advising on the Bechuanaland ranching activities, and CDC is very grateful to them.

(4) In Swaziland (capital approved £6,713,000, capital employed £3,775,000) construction of main irrigation canal at Swaziland Irrigation Scheme began last autumn. At Usutu Forests final decisions on timber use remain dependent on solution of effluent (pulpmill) and transport problems.

(5) CDC has no interest in Basutoland and wishes it had.

73 High Commission Printing & Publishing Co Ltd

(1) Loan secured on assets of Company and guaranteed by parent company, Bantu Press (Pty) Ltd; repayment is over 10 years and began in 1955 (£1,000).

(2) Company publishes local language newspapers in High Commission Territories.

(3) Outstanding at 31.12.55 £9,000.

BECHUANALAND

74 Bechuanaland Cattle Ranch

(1) (a) Herd was concentrated on Panda-ma-Tenga and reduced from 13,656 head to 8,862 in 1955;

(b) after further survey and on recommendation of Mr J. H. N. Hobday remaining outstation, Nata, is to be held for breeding; Panda-ma-Tenga will be used for fattening cattle from Nata or Bushman Pits Ranch (see 75);

(c) closure of agricultural section was completed in year and agricultural operations now restricted to fodder and silage on cattle sections.

(2) (a) Birth rate continues to improve;

(b) deaths and losses were still too high, mostly early in year; but aged and debilitated cattle were sold when herd was reduced and death rate thereafter has fallen.

(3) (a) Sales 5,066 head, mainly to reduce herd; total included 1,831 slaughter cattle;

(b) 20 bulls bought.

(4) (a) Trading loss:

	1953	1954	1955
	£	£	£
Cattle	69,558	61,593	26,469
Agriculture	33,202	6,663	—
	<u>£102,760</u>	<u>£68,256</u>	<u>£26,469</u>

(b) some years must pass before Nata breeding and Panda-ma-Tenga fattening show up in cattle sales; there will be more loss but operations will be expanded as and when justified.

(5) Capital losses of £424,487 from reduction and reorganisation written off.

(6) Book value is £188,953 apart from losses and amounts written off £654,888; fixed assets and development £93,955; net current assets including livestock £94,998.

75 Bushman Pits Ranch (Ngamiland Cattle Exporters' Association)

- (1) Association occupied ranch July 1955; 3,500 immature cattle are being grazed at Bushman Pits till ready to be fattened off by CDC at Panda-ma-Tenga.
- (2) Banks and CDC have joint arrangement providing finance to members on cattle delivered to ranch.
- (3) (a) Spent to 31.12.55 £15,420;
(b) surplus for year (charges and interest received less depreciation on CDC assets used and amortisation of development expenditure) £42.

76 Lobatsi Abattoir

- (1) 1955 was first full year of operation; 67,084 head of cattle slaughtered.
- (2) Meat was sold to traditional markets for Bechuanaland Protectorate cattle—Union of South Africa, Northern Rhodesia and Belgian Congo; hides, offal and other by-products mostly sold locally.
- (3) All markets have commented favourably on condition of meat deliveries; results reflect great credit on manager and staff.
- (4) Teething troubles of abattoir are not yet fully settled—insulation, water supply, waste disposal.
- (5) In 1955 abattoir purchase and sale prices related to Johannesburg controlled price for meat; Union of South Africa lifted meat price control from 16.1.56 and new agreements are being negotiated with producers and customers; interim arrangements have been made.
- (6) Net profit for year £97,943 is specially welcome and satisfactory in view of past history.
- (7) Capital at 31.12.55 £691,536.

77 Molopo Ranch

- (1) (a) Ranching is now concentrated on 200,000 acres, remaining area to west reserved for settlement scheme (see 78); aim is to establish self-contained herd, to improve breeding and pasture management;
(b) development of water supplies has continued in line with 1954 geophysical survey; eight borings put down; six struck water, four with high yields; four further boreholes planned.
- (2) (a) In 1955 breeding potential and quality were improved by purchase of 1,065 breeders and 46 bulls;
(b) death rate 3% per annum remains satisfactorily low; birth rate continues to rise but full effect of improved breeding capacity will not be seen till 1957;
(c) 3,429 head slaughter stock sold to Lobatsi Abattoir; weight and quality well above average from Protectorate;
(d) herd strength 9,769 head (11,778 at 31.12.54).
- (3) Trading loss £22,053 in 1954 was turned into profit £1,474 in 1955; it will be some years before profit can again be expected as numbers of saleable cattle will fall temporarily.
- (4) Spent at 31.12.55 £339,899; fixed assets £77,321; development £21,816; net current assets £147,842, including livestock £132,368.

Molopo Settlement Scheme

- (1) Government scheme is being drawn up for settlement on areas vacated in concentrating Molopo Ranch (see 77); discussions between Development Secretary and CDC Regional Controller are nearing completion; CDC will finance further basic development.
- (2) (a) Preliminary survey of water resources made; water availability will determine size and shape of farms;
(b) fencing being erected to conserve grazing along line of Molopo River.
- (3) Meanwhile these areas have been let to graziers; rents received in 1955, £2,669, are included in revenue of Molopo Ranch.
- (4) Net value of existing assets is included in amount spent on Molopo Ranch.

SWAZILAND

79 Swaziland Cannery (Pty) Ltd

- (1) Company formed 1953 by John Heath Cannery Ltd and others in UK to operate a factory on land adjacent to Usutu Orchards.
- (2) First season's canning December 1954 to February 1955 was unprofitable owing to pineapple crop failure; CDC agreed 15.6.55 to provide £65,000 for additional working capital on secured loan ranking *pari passu* with £35,000 loan of Barclays Overseas Development Corporation Ltd: £60,000 of CDC loan drawn at 31.12.55; issued share capital at 31.12.55 after reconstruction £24,000.
- (3) Swaziland pineapple crop has again suffered from unfavourable weather conditions which caused delay in start of canning till January 1956.
- (4) Company's products are packed and sold under brand 'Dominic'.
- (5) Cannery has long term contracts with Swaziland producers (CDC included) for pineapples and should stimulate agricultural development by providing markets for this and other crops.

80 Swaziland Irrigation Scheme

- (1) Scheme to develop 105,000 acres in Northern Swaziland for irrigated and dry land farming and ranching.
- (2) (a) Sir Alexander Gibb & Partners, consulting engineers, completed designs, specifications and contract documents for Komati Irrigation Canal (stage I) early in 1955; are now supervising construction;
(b) contract for building diversion weir and headworks was awarded on tender to John Laing & Company (SA) Pty Ltd; work started in July;
(c) second contract for main canal (27½ miles) and subsidiary canal to supply (by obligation) former owner's property (12½ miles) was awarded on tender to Keir & Cawder Ltd; work started in October;
(d) progress has been slow; contractors have had difficulty in getting labour; some decomposed rock was revealed in excavation for weir foundations.

- (3) (a) 1954/55 rice crop 1,790 short tons from 1,766 acres was much less than it might have been; one-third of crop lost owing to rice beetle, red rice and bad weather;
 (b) quality varied; earlier plantings, choked by volunteer growth, were poor with high red grain content; later plantings produced rice of good quality which sold well despite competition from imported rice;
 (c) about two-thirds of 1955/56 rotation crops, planted in autumn to clean up rice lands, were lost because of unusually heavy rains in November.
- (4) (a) 70-acre experimental citrus orchard, now three years old, is growing well and may be enlarged;
 (b) sugar cane trials continue to show encouraging results;
 (c) experimental winter potatoes were disappointing; will be tried again under different conditions;
 (d) experiments with irrigated winter wheat were successful; more will be grown next season.
- (5) Maize and groundnuts were grown without irrigation; maize yielded well; groundnuts started well but heavy late rains delayed harvesting, reduced yields and induced rancidity.
- (6) (a) Cattle herd of about 8,000 head earned a small gross profit; sales £26,505;
 (b) forage crops and irrigated winter grazing are being tried to bring stock to slaughter weight more quickly.
- (7) Trading results:

	1955 £	1954 £
Gross profit/loss:		
Rice	4,952 L	15,306 L
Livestock	720 P	4,601 P
Other crops	7,325 L	1,844 P
	<hr/> 11,557 L	<hr/> 8,861 L
Administrative and special charges...	35,967	39,492
Net loss	<hr/> £47,524	<hr/> £48,353

(8) Spent at 31.12.55 £1,700,110; fixed assets and development £1,255,495; net current assets £220,605; cumulative losses £224,010.

(9) At 31.12.55 CDC had capital commitments of about £1,075,000 on gravity canal and head-works which will irrigate 16,000 acres; further expenditure will be needed on land preparation and distribution system.

(10) Experience indicates that crops can be grown economically with gravity water, which should be much cheaper than present pumped water; sub-irrigation plans are being worked on.

(11) If all goes well, canal may be enlarged (with no alteration to head-works) with reservoir at Sand River; this would double irrigable area and substantially reduce capital cost per acre of irrigated land.

81 Ubombo Ranches (Pty) Ltd

(1) £85,000 was lent to Company in 1953 to develop irrigable land in Swaziland; repayable by 1973.

(2) Loan is secured on land and is guaranteed by principal individual shareholders.

- (3) Main irrigation canal has been completed and is operating satisfactorily; distributory and drainage systems are being gradually developed.

82 Usutu Forests

- (1) (a) Corporation bought in 1955 3,160 acres of 7 to 12 year old plantations at Gege, about 40 miles from Usutu, and 1,300 adjacent acres for afforestation;
(b) there are now 118,000 acres of which 69,000 are growing pines and 21,000 more will be planted;
(c) there is also in prospect the Swazi National Forest of 3,500 acres which marches with Usutu.
- (2) (a) In 1955 12,311 more acres were planted (and 193 acres in the Swazi National Forest); over 14 million transplants raised; trees continue to grow well;
(b) 60 miles new roads built; 250 miles to date;
(c) 16,800 sq ft new buildings erected; mainly permanent housing for African workers and 3 schools for their children; small hydro-electric installation under construction.
- (3) (a) Bowater Paper Corporation is advising on utilisation of forest product; a mission visited the job in September;
(b) problems as to disposal of pulp mill effluent and of transport to markets have to be solved before final decision.
- (4) Better management led to improved results from Usutu Orchards farm; deliveries of pineapples to Swaziland Cannery (Pty) Ltd (see 79) after year end total 85 tons, value £1,352.
- (5) Spent at 31.12.55 £1,959,736; fixed assets and development £1,877,141; net current assets £82,595.

TRISTAN DA CUNHA

83 Tristan da Cunha Development Co Ltd

- (1) A public company, incorporated in South Africa, with authorised capital £250,000, all issued and paid in full; CDC holds £130,000.
- (2) In 1954/55 fishing season (August 1954 to March 1955) production was 24,905 cases of crawfish tails, etc—increase of 3,248 cases over 1953/54 despite earlier closing season.
- (3) (a) Profit for year to 31.12.54 was £2,215 (£6,278 in 1953); sales (mainly to USA) increased by 15% but operating costs of second vessel, which started fishing November 1953, proved higher than costs of vessel it replaced; and wages and selling expenses increased;
(b) Company's accounting year end is changed to 30th June to coincide with fishing season; next audited accounts will be to 30.6.56.
- (4) (a) Company has recently been relieved of social service obligations in original agreement but will carry Tristan officials and cargo on special terms;
(b) possibility of engaging in South African coastwise trade during closed season for fishing is being investigated.

WEST AFRICA REGION

84 Regional summary

- (1) Expansion was slower than hoped and West Africa continues to be the least active region for reasons stated last year; at 31.12.55 capital approved £2,911,000, employed £2,508,000.
- (2) Work continued on roads in Gold Coast and Nigeria. Recent UK grant of £1.5m to Nigeria Government for roads emphasised their importance to country's economy.
- (3) General manager of Federal and Colonial Building Society, Singapore, visited Nigeria and in report to Federal Government recommended establishment of a building society in Lagos on lines similar to that in Singapore.
- (4) Omo Sawmills of Nigeria Ltd exported timber worth £86,452 (48% of value, 38% of volume of production) during year. Competition in export markets for hardwoods is fierce, and maintenance of the industry's position depends on greater efficiency and reduction of costs.
- (5) Developments in Far East have encouraged a number of commercial and managing agency firms to consider investment in plantations in West Africa. CDC was consulted in recent formation of Nigerian Joint Agency of five prominent London plantations agency houses; and it is trying to encourage estate development in association with Eastern and Western Regional Production Boards.

GOLD COAST

85 CDC-Keir & Cawder Contracting Ltd (name changed to Coast Construction Co Ltd after submission of this report).

- (1) (a) Legal formalities delayed Company incorporation in Gold Coast till 9.11.55;
(b) authorised and issued capital £100,000 in £1 ordinary shares held equally by CDC and Keir & Cawder Ltd;
(c) shareholders have agreed to provide additional finance by loan up to £420,000.
- (2) (a) Keir & Cawder Ltd manages Company through its associate Stirling-Astaldi (West Africa) Ltd (see 86);
(b) progress satisfactory; one bridge building contract and one road well under way; three more roads started; total value over £1.3m.
- (3) Profits on first jobs which have been in progress for some time have been more than offset by initial expenses of new contracts.
- (4) CDC will be unable to meet its commitments—see 12 (2).

86 Mampong-Bolgatanga road

- (1) (a) Contract worth over £1.9m for resurfacing 287 miles of road virtually completed at end year; some extra work in Bolgatanga town in hand;
(b) Stirling-Astaldi (West Africa) Ltd have been managing agents since 1.9.53;
(c) bulk of contracting plant and stores disposed of to CDC-Keir & Cawder Contracting Ltd—see 85.
- (2) Much of earlier losses recovered by managing agents' energy and resource; 1955 profit £10,545 (£33,734 in 1954), reducing overall loss to about £120,000.

NIGERIA

87 Cocoa and Gusau-Sokoto roads

- (1) (a) Cocoa roads (Western Region)—178 miles resurfacing: work completed, $2\frac{1}{2}$ miles still under maintenance;
(b) Gusau-Sokoto road (Northern Region)—98 miles resurfacing: contract completed.
- (2) Highways Construction Ltd have been managing agents since 1.2.54.
- (3) (a) Operating loss for year on Cocoa roads £50,732; on Gusau-Sokoto road £50,190; total £100,922;
(b) after crediting provisions of previous years and allowing for losses on disposal of assets, net loss for 1955 on both contracts £37,828.
- (4) (a) Cumulative loss on completed contracts (value £560,000) will be about £500,000 due primarily (but not entirely) to unrealistic tendering (at agreed prices contract could not have covered costs);
(b) negotiations on increased prices for contracts continue.
- (5) All plant and equipment sold to Highways Engineering (Nigeria) Ltd—see 89.

88 Highways Construction (Nigeria) Ltd

- (1) (a) Company incorporated in Nigeria on 29.3.55 in association with Highways Construction Ltd;
(b) authorised capital £40,000 in £1 ordinary shares; 40,000 shares issued, 10/-paid, to Highways Construction Ltd and CDC equally;
(c) additional finance by CDC by loan up to £150,000; advanced at 31.12.55 £50,000.
- (2) Two contracts secured, total value approximately £450,000.
- (3) More work is needed for Company to operate profitably; loss at 31.12.55 £9,181.
- (4) CDC will be unable to meet its commitments—see 12 (2).

89 Highways Engineering (Nigeria) Ltd

- (1) (a) Wholly owned subsidiary of Highways Construction (Nigeria) Ltd; authorised and issued capital £10,000 in £1 ordinary shares;
(b) CDC is creditor for £100,000 for CDC assets transferred.
- (2) Company took over all CDC contracting equipment in Nigeria and depot and workshops at Apapa; plant and repair facilities not required by parent company are available for hiring out.
- (3) Loss to year end £42,050; largely due to plant not being fully employed.

90 Lagos Executive Development Board

- (1) Loan of £1,250,000 at $4\frac{1}{2}\%$ finances reclamation and development of 772 acres at Apapa for industrial, commercial and residential purposes.
- (2) (a) Loan drawn in two instalments in 1950 and 1951;
(b) agreement provides that Board may refund, or CDC retire, loan at end of 10, 20 or 30 years from 1.9.50; otherwise repayable by equal annual instalments 1.9.61–1.9.90;
(c) loan guaranteed by Federal Government of Nigeria.
- (3) Reclamation and site development completed; water, electricity and telephone services available; at 31.12.55 practically half of industrial and residential plots already leased.

91 Nigerian Building Society Investigation

- (1) In June 1954 CDC and Nigerian Federal Government discussed a building society in Lagos to relieve acute housing shortage and develop city as modern commercial and industrial centre.
- (2) As mentioned in 44 and 84 at invitation of Government general manager of Federal and Colonial Building Society Ltd visited Nigeria in September 1955 to investigate and report.
- (3) His recommendations were accepted by Government who invited CDC quickly to establish society; there was great local interest and enthusiasm.
- (4) Minimum finance required over first three years £1.5m; proposed contributions—CDC £1m, Government £0.5m.
- (5) Negotiations had to be broken off by CDC at Colonial Office request—see 12 (2).

92 Omo Sawmills of Nigeria Ltd

- (1) (a) Capital issued £250,000 of which CDC share increased from £143,080 to £161,497 by purchase of retired employee's shares; rest held by William Mallinson & Sons Ltd, by local timber interests headed by Chief T. A. Odutola and by former shareholders of A. Norman Rushforth Ltd;
(b) Company obtained concessions in Omo and Oshun forest reserves of Western Region in 1950—429 square miles, one quarter to be cut in 25 years.
- (2) (a) Sawmill performance improved; input 30% and conversion rate 1% higher than in 1954; quality of lumber produced remains high;
(b) sales fetched £178,283 (£139,962 in 1954); exports rose from 35% by value in 1954 to 48% because more mahogany produced;
(c) loss for 1955 £3,759 (£12,128 in 1954);
(d) improvement in production and in proportion of mahogany not yet enough to turn loss to profit.
- (3) Order book remains good but trading results most disappointing; future profits depend mainly on getting more administrative and operating efficiency.

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