

COLONIAL DEVELOPMENT
CORPORATION 889

ANNUAL REPORT
AND STATEMENT
OF ACCOUNTS

For year to

31.12.56

*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
17th April 1957*

LONDON

HER MAJESTY'S STATIONERY OFFICE

THREE SHILLINGS NET

COLONIAL DEVELOPMENT CORPORATION

000

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 31.12.56.

(Sgd) J. C. W. Reith

H. N. Hume

Hugh Beaver

A. Gaitskell

J. Hathorn Hall

Macdonald of Gwaenysgor

G. Tyser

21 March 1957

Members

Lord Reith
(*Chairman*)

Sir Nutcombe Hume
(*Deputy Chairman*)

Sir Hugh Beaver

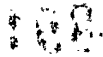
A. Gaitskell

Sir John Hathorn Hall

Lord Macdonald of Gwaenysgor

G. Tyser

At 31.3.57, to the great regret of their colleagues, Mr. Tyser retires after six years service on the Board and Sir John Hall after five.



Executive Chief Officers

General Manager	...	...	W. Rendell, ACA
Head Office Controllers			
Finance	...	...	G. W. Totman, ACA
Investigations	...	...	R. Prentice, CA
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, MBE
High Commission Territories			G. C. Wishart, LLB
West Africa	...	...	G. I. Firmston-Williams

Regions

Caribbean	...	British Honduras, British Guiana, all British West Indies Islands, Bahamas and Falkland Islands; hq Bridgetown; 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), Ghana* (including Togo-land), Gambia, Sierra Leone ; hq Lagos.

* Ghana and Malaya—see §15 (3) for interdictions.

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COLONIAL DEVELOPMENT CORPORATION

ANNUAL REPORT 1956

I GENERAL REVIEW

Report and Accounts are for year to 31.12.56; later information included where interesting.

1 Revenue account

(1) Surplus for 1956 after providing interest £416,173 was £572,809 (1955 £306,756 interest, £409,233 profit).

(2) Net operating profit from direct projects and subsidiaries was £371,718 (1955 £113,165).

(3) Borneo Abaca Ltd and British Guiana Timbers Ltd among others continued 1955 improvement, both making a profit. Macalder-Nyanza Mines Ltd, on reopening, was the only substantial loss; better results are expected when initial troubles are overcome and efficiency improved—if the price of copper does not drop much further.

2 Number of projects

(1) Eight new ones:

- Amalgamated Engineering Co Ltd, Nigeria
- Coastal Hotels Ltd, Kenya
- Federal Land Development Authority, Malaya
- Federal Power Board (Kariba)
- Kaduna Housing, Northern Nigeria
- Nyasaland African Housing
- Ox Bow Lake Power and Water Investigation, Basutoland
- Unga Ltd, Kenya

(2) Contracts for Mampong-Bolgatanga road (Ghana) and Cocoa and Gusau-Sokoto roads (Nigeria) are finished; debenture rights in Turks Islands Salt Co Ltd waived; Cramer Estates sold; Nyika Forestry Investigation discontinued for reasons in § 69; there are thus 66 continuing projects and investigations (63 last year).

3 Grouping of continuing projects

These 66 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			7,642
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	392	4,508
British Honduras	British Honduras Fruit Co. Ltd (citrus)	130	
	Fort George Hotel	286	416
Dominica	Dominica Electricity Services	225	
	Melville Hall Estate	80	305
Jamaica	Cayman Islands Airport	60	
	Jamaica Citrus Growers Ltd	110	
	Jamaica Cooling Store	138	
	Jamaica Public Service Co Ltd	300	608
St Vincent	St Vincent Electricity Services	210	210
Trinidad	Trinidad Cement Ltd	1,200	
	West Indies Navigation Co Ltd	145	1,345
Far East			16,043
Singapore and Federation of Malaya	Central Electricity Board	7,166	
	Federal Land Development Authority	600	
	Malaya Borneo 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	12,638
North Borneo	Borneo Abaca Ltd	3,405	3,405
East Africa			15,484
Kenya	Coastal Hotels Ltd	125	
	East Africa Industries Ltd	500	
	Kenya Housing Authority	2,000	
	Kenya Meat Commission	250	
	Kenya Power Co Ltd	3,535	
	Macalder-Nyanza Mines Ltd	2,380	
	Unga Ltd	850	9,640
Tanganyika	*Liganga Iron Ltd	30	
	*Mbeya Exploration Co Ltd	330	
	*Rungwe Coal Co	20	
	*Tanganyika Coalfields Ltd	450	
	Tanganyika Wattle Estates	1,270	
	Tangold Mining Co Ltd	1,000	
	Williamson Diamonds Ltd	500	3,600
Uganda	Kilembe Mines Ltd	2,244	2,244
Central Africa			22,002
Central Africa Federation	Central African Airways Corporation	1,750	
	Federal Power Board (Kariba)	15,000	16,750
Northern Rhodesia	Chilanga Cement Ltd	1,500	1,500
Nyasaland	Kasungu Tobacco Estates	193	
	Nyasaland African Housing	1,000	
	Vipya Tung Estates	1,559	2,752
Southern Rhodesia	Southern Rhodesia African Housing	1,000	1,000
High Commission Territories			9,881
Basutoland	High Commission Printing & Publishing Co Ltd	10	10
Bechuanaland	*Ox Bow Lake Power and Water	1	1
	Bechuanaland Cattle Ranch	1,229	
	Bushman Pits Ranch	1,032	
	Lobatsi Abattoir	746	3,007
	Molopo Ranch		
	Molopo Settlement Scheme		
Swaziland	Swaziland Cannery (Pty) Ltd	85	
	Swaziland Irrigation Scheme	3,388	
	Ubombo Ranches (Pty) Ltd	85	
	Usutu Forests	3,175	6,733
Tristan da Cunha	Tristan da Cunha Development Co Ltd	130	130
West Africa			3,149
Ghana	Coast Construction Co Ltd	350	350
Nigeria	Amalgamated Engineering Co Ltd	50	
	Coast Construction (Nigeria) Ltd	295	
	Coast Engineering Ltd	10	
	Kaduna Housing	1,250	
	Lagos Executive Development Board	1,000	
	Nigeria Housing Development Society Ltd	194	2,799
	Omo Sawmills of Nigeria Ltd		
	Total		74,201

* Investigations.

4 New capital approved and deployed

(1) Capital approved for new jobs and for further stages of existing ones was £20m; gross new expenditures were £9m and would have been more but for delay in getting 1956 enabling Act through (see § 12).

(2) This table shows comparison with previous years; figures in last column cannot tally with accounts which give net figures after realisations and eliminations for abandoned jobs.

				Approved £m	Spent £m (gross)
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
1956	...	...	...	20.0	9.0

5 Capital distribution of continuing projects

(1) Here is functional classification of capital approved and deployed:

(1) Category	(2) Number		(3) Capital approved at 31.12				(4) Capital deployed at 31.12			
			1955		1956		1955		1956	
			£000's	%	£000's	%	£000's	%	£000's	%
Agriculture ...	12	13	11,394	20.8	12,039	16.3	7,572	20.0	8,567	18.6
Animal Products	6	6	3,257	5.9	3,257	4.4	2,048	5.4	2,045	4.5
Factories ...	6	8	3,413	6.2	4,333	5.9	2,609	6.9	3,296	7.0
Fisheries ...	1	1	130	0.2	130	0.2	130	0.3	130	0.3
Forestry ...	5	4	6,721	12.3	6,701	9.2	4,549	12.0	5,114	11.2
Hotels ...	1	2	286	0.5	411	0.6	264	0.7	260	0.5
Minerals ...	10	9	6,355	11.6	7,716	10.4	4,891	13.0	5,776	12.7
Property and Housing ...	7	8	7,985	14.6	9,935	13.1	4,139	10.9	5,516	12.5
Power ...	7	9	12,001	21.9	27,079	36.3	9,954	26.3	12,645	27.5
Transport and Communications	8	6	3,311	6.0	2,600	3.6	1,688	4.5	2,404	5.2
Total ...	63	66	54,853	100.0	74,201	100.0	37,844	100.0	45,753	100.0

(2) Basic development (power, housing, transport and communications) gained 10.5% capital approved, and 3.5% capital deployed, largely by Kariba.

(3) Total capital for such work is disclosed immediately; figures may suggest that allocation is disproportionate; but big plantation jobs such as Usutu Forests and Swaziland Irrigation are not yet ready for the further large outlays which will be required for processing plant for products; others await basic services, eg a railway for Tanganyika coal.

6 Projects as revenue earners

(1) Table below separates projects to show:

- (a) those directly managed and subsidiary companies;
- (b) investments and commercial loans;
- (c) government or government guaranteed and safe public utility loans.

	(a) Direct projects and subsidiary companies (consolidated)	
	Investigations and development (1)	Revenue-earning (2)
	Br Honduras Fruit Co Ltd (citrus) Molopo Settlement Scheme Nigeria Housing Development 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 Dominica Electricity Services Fort George Hotel Jamaica Cooling Store Kasungu Tobacco Estates Kulai Oil Palm Estate Lobatsi Abattoir Macalder-Nyanza Mines Ltd Malaya Borneo Building Society Ltd Melville Hall Estate Molopo Ranch Omo Sawmills of Nigeria Ltd Singapore Factory Development St Vincent Electricity Services Swaziland Irrigation Scheme (rice, general farming)
Capital	£ 4,800,000	£ 14,800,000
Revenue	nil	350,000

Capital — nearest £100,000

(2) As to (a) and (b), jobs and investigations in early stages of development and not yet earning anything are shown separately from those which might be expected to earn something.

(3) Figures in col 2 show that CDC-controlled jobs are in much better shape than before.

7 "Finance-house" business

(1) Investments in col 5 which have been called "finance-house" activities and which some suggest bulk too large, are not an excessive part of the whole.

(b) Investments and commercial loans		(c) Loans
Investigations and development (3)	Revenue-earning (4)	(5)
Coastal Hotels Ltd Federal Land Development Authority Kaduna Housing *Liganga Iron Ltd Malayan Cocoa Ltd *Mbeya Exploration Co Ltd *Ox Bow Lake Power & Water Potaro Hydro-electric Co Ltd *Rungwe Coal Co *Tanganyika Coalfields Ltd Tangold Mining Co Ltd United Cocoa Development Co Ltd	Amalgamated Engineering Co Ltd Barbados Light & Power Co Ltd Br Guiana Consolidated Goldfields Ltd Chilanga Cement Ltd Coast Construction Co Ltd (Ghana) Coast Construction (Nigeria) Ltd. East Africa Industries Ltd HC Printing & Publishing Co Ltd Kilembe Mines Ltd Jamaica Citrus Growers Ltd Jamaica Public Service Co Ltd Swaziland Cannery (Pty) Ltd Trinidad Cement Ltd Tristan da Cunha Development Co Ltd Ubombo Ranches (Pty) Ltd Unga 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 Federal Power Board (Kariba) Kenya Housing Authority Kenya Meat Commission Kenya Power Co Ltd Lagos Executive Development Board Nyasaland African Housing Southern Rhodesia African Housing
£ 1,200,000 20,000	£ 7,400,000 210,000	£ 17,500,000 740,000

Revenue — nearest £10,000

* Investigations

(2) In present state of London capital market these outlays are the only practical way to stimulate urgently needed basic development such as power, communications and housing, in many places a pre-requisite to more direct development.

(3) CDC does not give "finance-house" business any special priority; and—let this be clear—all such investments must be of high development value *per se*.

(4) CDC can only carry the more risky jobs, particularly in agriculture, if it can at least cover its overheads from such safe investments.

8 New business

(1) In 1956, 52 new schemes—recognisable as schemes—were submitted to CDC—apart from ideas; after investigation and negotiation eight new projects were approved. At 31.12.56, 36 were under investigation.

(2) Schemes may be suggested by private interests or by colonial governments or by CDC itself; majority are put to Regional Controllers but some come to head office particularly when UK companies are concerned.

(3) Each new scheme submitted is scrutinised to see if a *prima facie* case for CDC support can be established; if so normal procedures of examination and investigation follow.

(4) Tests applied are:

(a) eligibility in terms of 1956 Act;

(b) good development endorsed by territorial government;

(c) viability both as to scheme as a whole and CDC participation;

(d) availability of expert management when appropriate, with substantial financial stake;

(e) association with local interests.

(5) Examination and investigation (technical and financial) may be carried out by CDC staff or by experts hired for the job; CDC support for a full scale job may be conditional on a small scale pilot scheme being first mounted.

(6) Such procedures take time and cost money; but they result in sound decisions and minimise failures which hurt the territories as well as CDC.

9 Outstanding issues

1955 report showed three major outstanding issues between CDC and Authority; Corporation powers, Special Losses Account, interest rates; it is a matter of regret that none is yet settled except powers as to housing and West African roads, and that others have arisen.

10 Special Losses

(1) "Special Losses" are losses on pre-1951 commitments abandoned wholly or in part; assessed last year at £8,020,441 (1955 § 7).

(2) Secretary of State has power to waive interest on capital lost on abandoned undertakings, and has exercised it in relation to about £5.7m of Special Losses.

(3) But, even if fully used, interest waiver does not relieve CDC of its obligation to repay the Special Losses capital and in circumstances described in (4) CDC's statutory duty to pay its way will be almost impossible.

(4) The load cannot be borne by other jobs which probably cannot do much more than service their own capital—particularly if CDC is prevented from taking on projects offering large capital gain, now disallowed by Authority on “ alternative sources ” criterion (see § 13).

11 Colonial Office interest

(1) Rates

(a) 1955 report § 8(1) gave four increases in borrowing rates that year; here are the rates since:

Rates at	Short-term	Medium-term	Long-term
17.1.56	4%	5%	4¾%
1.4.56	5¼%	5¼%	5%
15.8.56	5%	5½%	5¼%
16.2.57	4¾%	5%	5%

(b) borrowing rates at this level mean that new jobs must show equivalently high returns and CDC is faced with completing existing jobs with money costing sometimes almost double what they were budgeted on;

(c) high interest rates are no doubt required to control home economy; but this policy slows down colonial development that is necessary or desirable.

(2) Charges

(a) In March 1956 CDC was presented with a new schedule of annuities payable which revoked the previously agreed interest-free period from drawing date to next March 31—on basis of which CDC had ordered its affairs since 1951;

(b) CDC has accepted that revised calculation is required by Act, but it will cost CDC about £957,000 additional interest over the loan period on £50m drawn to date; and there will be extra interest on future drawings; all this is unwelcome.

12 CDC powers and “ amending legislation ”

(1) The legislation (Overseas Resources Development Act, 1956) that was to validate, retrospectively and prospectively, certain kinds of activity held to be *ultra vires* became law on 2.8.56.

(2) There had of course been loss of immediate revenue, and embarrassment and irritation to borrowers whose schemes had been suspended.

(3) It was long and complicated; it removed some doubts—notably as to validity of past activities; but it was soon evident that new ones had been created.

(4) Section 2, intended to clarify CDC power to operate in Southern Rhodesia, says Secretary of State must not authorise a project unless satisfied that it is “ needed for or in connection with the promotion, in part of the Federation outside Southern Rhodesia, of new enterprises to which the said Section 1 applies, or for or in connection with the expansion in such part of the Federation of existing enterprises ”. CDC urged such word as “ advantageous or convenient ” instead of “ needed ”.

(5) Section 2 was construed as affording the Secretary of State no discretion to authorise CDC to participate in a Southern Rhodesian undertaking, originally on ground that, despite evidence of value to the Northern Territories, ‘ need ’ had not been proved.

13 Alternative finance

- (1) This project led to another difference with Colonial Office which finally advanced the further argument that CDC participation should be disallowed on ground that alternative finance was available.
- (2) If this argument as to alternative finance were to apply generally in future and if CDC had to produce evidence that alternative finance were NOT available, then association with credit-worthy borrowers would never be possible.
- (3) They would obviously refuse to allow CDC or Government to 'test the market'; and be equally unwilling to provide any certificate likely to damage their credit.

14 Borrowing limit

- (1) 1948 Act limited CDC long-term borrowing to £100m outstanding.
- (2) At 31.12.56 total capital approved was £85m; further capital required to bring existing projects to fruition may be as much as £15m.
- (3) Present limit is thus in sight; Colonial Office was warned in May; any further supply of funds seems now to be involved in the promised review of Commonwealth development.
- (4) Approximate capital requirements of new schemes currently under examination amount to £38m.
- (5) Unless CDC is to refuse new and pressing business more credit is now urgent.

15 Emergent territories

- (1) 1948 Act empowered CDC to operate in territories defined therein; and this can continue even if they emerge into independence.
- (2) In August 1956 CDC was informed that Government "had in mind" that no new projects should be started after a colony became independent.
- (3) At end November CDC was told that certain new schemes under examination for Gold Coast and Malaya were to be arbitrarily excluded, no new proposal was to be submitted—eight months ahead for Malaya.
- (4) Although this prohibition was informal CDC regarded it as binding, morally if not legally.
- (5) To CDC dismay, Ghana Independence Bill—precedent for all new emerging territories—included clause 3 (4):

"Without prejudice to the continuance of any operations commenced by the Colonial Development Corporation in any part of Ghana before the appointed day, as from that day the expression 'colonial territories' in Overseas Resources Development Acts 1948 to 1956, shall not include Ghana or any part thereof."
- (6) Disappointment and protest reported from Ghana and Malaya at prospect of losing CDC help.
- (7) Wisdom of including clause 3 (4) was hotly challenged in both Houses of Parliament on ground that it appeared to deprive Ghana of all prospect of UK Government funds for development; Government maintained that agencies other than CDC were available and that a decision as to appropriate methods would be taken in light of review of Commonwealth development already in hand.
- (8) Government was still urged to drop the clause as infelicitous, and rely on informal agreement with CDC pending outcome of promised review; but Government insisted on retaining the clause.

16 Chosen instrument

It is surely commonsense that the now established, efficient and profitable CDC should be permitted to invest in emergent and emerged territories; CDC has been assured on behalf of both Ghana and Malaya Governments that it would be a great pity if emerging members of Commonwealth were, at a critical stage, to be deprived of help of the experienced CDC personnel; of course "Colonial" would have to come out of CDC title.

17 Acknowledgements

- (1) CDC is grateful for continued co-operation of:
 - (a) all associates—private enterprise partners and managers, members of subsidiary and associated company boards;
 - (b) scientific panel, individual experts and advisers;
 - (c) Governors and overseas governments;
 - (d) auditors—London and overseas.
- (2) Executive organisation at head office, with maximum possible devolution to regional organisation, continues to work to the satisfaction and pride of the directors, under their general manager Mr William Rendell, and to his high credit.

18 Accounts for 1956

Accounts and supporting statements for year to 31.12.56 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 projects
- 7 Investments at cost less amounts written off.

19 Balance Sheet and Consolidated Balance Sheet

- (1) Surplus assets £53,741 (£263,218 in 1955) include assets of abandoned projects, disposal of which has almost been completed.
- (2) Special Losses Account is dealt with in § 10.
- (3) Increased provision against book value of expenditure on continuing projects and of investments £595,000 (£435,000 in 1955) covers losses by West Indies Navigation Co Ltd (§ 37), Tristan da Cunha Development Co Ltd (§ 84) and Swaziland Cannery (Pty) Ltd (§ 80).
- (4) Debit balance on Profit and Loss Account is reduced to £1,382,099 after transfer of net profit £572,809.

20 Consolidated Profit and Loss Account

- (1) Net profits from direct projects and subsidiary companies were £371,718 (£113,168 in 1955).
- (2) Net revenue before administrative expenditure etc, was £1,498,969 (£1,058,158 in 1955).
- (3) Operating results are analysed in § 6.
- (4) Investigation expenditure written off includes £26,091 for Nyika Forestry Investigation (§ 69).
- (5) Administrative expenditure, before allocations to projects etc, was: head office £209,920 (1955 £193,414); regional offices £145,564 (1955 £145,363); end year staff at head office 165 (1955 171) and at regional offices 93 (1955 90).

BALANCE SHEET

31.12.55		£	£
	CAPITAL LIABILITY TO COLONIAL OFFICE		
37,548,500	Long-term advances	40,153,046	
9,695,950	Medium-term advances	11,143,950	
250,000	Short-term advances	450,000	
47,494,450			51,746,996
	CURRENT LIABILITIES		
56,584	Amounts owing to subsidiary companies	1,349	
694,255	Creditors and accrued charges	943,356	
325,000	Bank loan and overdrafts	426,911	
			1,372,116
	PROVISIONS		
998,901	Continuing projects including subsidiaries		1,100,871
	Relevant notes in statement 3 form part of this Balance Sheet.		
	<p>(Sgd.) J. C. W. REITH G. TYSER <i>Members.</i></p> <p>W. RENDELL <i>General Manager.</i></p>		
£49,569,190			£54,219,983

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, 1956, companies so far as concerns the Corporation.

11 Ironmonger Lane, London, E.C.2.

21st March, 1957.

AT 31.12.56

31.12.55		Cost less sales	Depreciation and amounts written off	£
£		£	£	
	FIXED ASSETS			
	Freehold and leasehold land, planta- tions, concessions, buildings and constructions	5,366,686	789,776	4,576,910
3,784,247	Plant and machinery	1,066,281	251,024	915,257
704,483	Land clearance equipment, tractors and agricultural equipment	232,185	178,563	53,622
49,598	Motor vehicles and rolling stock	182,635	116,367	66,268
49,218	Furniture, fixtures, office and hotel equipment	184,054	107,072	76,982
84,846				
4,672,392		7,031,841	1,442,802	5,589,039
70,405	PROGRESS PAYMENTS ON FIXED ASSETS... ..			179,663
256,939	SURPLUS ASSETS awaiting disposal at estimated realisable values			31,511
1,171,576	FORESTRY CROPS AT COST			1,440,545
	EXPENDITURE ON DEVELOPMENT INCLUDING REVENUE EXPENDITURE CARRIED FORWARD AT COST LESS AMOUNTS WRITTEN OFF			
139,989	Land clearance		208,237	
470,540	Mining investigations and development		503,531	
	General development, surveys and revenue expen- diture carried forward		555,592	
613,010	Investigation syndicate		—	
20,000				1,267,360
	INVESTMENTS AT COST LESS AMOUNTS WRITTEN OFF			
1,802,405	Quoted (market value £3,020,674—1955 £1,588,420)		3,587,405	
16,770,770	Unquoted		21,422,199	25,009,604
	SUBSIDIARY COMPANIES			
4,803,330	Investments at cost less amounts written off		5,375,684	
4,576,446	Advances less amounts written off		4,280,829	9,656,513
35,367,802				43,174,235
	CURRENT ASSETS			
658,533	Stocks, stores and livestock at cost or market value whichever is lower or at valuation		675,892	
87,778	Growing crops at cost or valuation		81,948	
3,380	Work in progress at valuation		—	
472,236	Debtors and prepayments less provisions		410,184	
648,366	Treasury bills		—	
2,355,746	Cash at banks and in hand		475,184	1,643,208
	PROFIT AND LOSS ACCOUNT			
1,954,908	Balance per statement 4			1,382,099
8,020,441	SPECIAL LOSSES ACCOUNT			
	Amounts transferred from Profit and Loss Account—as at 31.12.55			8,020,441
£49,569,190				£54,219,983

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 1956.

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

31.12.55		£	£
£			
47,494,450	CAPITAL LIABILITY Advances from Colonial Office		51,746,996
541,740	INTEREST OF MINORITY SHAREHOLDERS IN SUBSIDIARY COMPANIES OVERSEAS		970,128
10,460	CAPITAL RESERVE—net excess of tangible assets at date of acquisition over cost of investments in subsidiary companies less amounts written off		13,150
	CURRENT LIABILITIES		
1,089,562	Creditors and accrued charges	1,952,170	
358,519	Bank loan and overdrafts—unsecured	464,289	
1,124,158	Bank loan—secured	2,430,057	4,846,516
	PROVISIONS—		
	Book value of expenditure on continuing projects and of investments	595,000	
566,464	Replanting—rubber plantations	154,833	749,833
	Relevant notes in statement 3 form part of this Balance Sheet.		
£51,185,353			£58,326,623

AND SUBSIDIARY COMPANIES AT 31.12.56

31.12.55		Cost, net book value at date of acquisition of shares or valuation, less sales	Depreciation and amounts written off	
£		£	£	£
	FIXED ASSETS			
6,117,954	Freehold and leasehold land, plantations, concessions, buildings and constructions...	8,341,226	1,184,548	7,156,678
1,659,160	Plant and machinery	2,481,328	520,212	1,961,116
204,987	Ships and vessels	262,377	76,282	186,095
129,442	Land clearance equipment, tractors and agricultural equipment...	421,273	294,666	126,607
247,918	Motor vehicles and rolling stock	482,975	246,178	236,797
137,762	Furniture, fixtures, office and hotel equipment	295,797	163,694	132,103
8,497,223		12,284,976	2,485,580	9,799,396
70,405	PROGRESS PAYMENTS ON FIXED ASSETS ...			179,663
263,218	SURPLUS ASSETS awaiting disposal at estimated realisable values			53,741
1,171,576	FORESTRY CROPS AT COST			1,440,545
	EXPENDITURE ON DEVELOPMENT INCLUDING REVENUE EXPENDITURE CARRIED FORWARD AT COST LESS AMOUNTS WRITTEN OFF			
139,989	Land clearance		208,237	
1,341,635	Mining investigations and development		1,473,805	
712,936	General development, surveys and revenue expenditure carried forward		646,232	
20,000	Investigation syndicate			
2,214,560				2,328,274
130,000	SHARES AT COST IN AND ADVANCES TO A SUBSIDIARY COMPANY NOT CONSOLIDATED			130,161
23,596,095	INVESTMENTS AT COST LESS AMOUNTS WRITTEN OFF (statement 7)			32,157,855
35,943,077				46,089,635
	CURRENT ASSETS			
1,426,124	Stocks, stores and livestock at cost or market value whichever is lower or at valuation less advances...		1,647,431	
87,778	Growing crops at cost or valuation		81,948	
3,380	Work in progress at valuation		—	
629,632	Debtors and prepayments less provisions		574,725	
648,366	Treasury Bills		—	
2,456,327	Cash at banks and in hand		515,024	
5,251,607				2,819,128
15,320	PRELIMINARY EXPENSES OF SUBSIDIARY COMPANIES			15,320
1,954,908	PROFIT AND LOSS ACCOUNT			
	Balance per statement 4			1,382,099
8,020,441	SPECIAL LOSSES ACCOUNT			
	Amounts transferred from Profit and Loss Account—as at 31.12.55			8,020,441
£51,185,353				£58,326,623

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 31.12.56.
- (3) Corporation has contractual commitments for capital expenditure of £590,000 (for group £740,000) and for debentures, loans and partly paid shares of £18m (for group £20m); Corporation is contingently liable in respect of guarantees.
- (4) Total depreciation and amortisation charged by Corporation and its consolidated subsidiaries for year to 31.12.56 was £562,329 (1955 £533,347). In addition provision of £35,000 (1955 £35,000) has been made for replanting rubber plantations.
- (5) "Freehold and leasehold land, plantations, concessions, buildings and constructions" includes expenditure on land, conveyance of which has not yet been completed.
- (6) Accounts of Tristan da Cunha Development Co Ltd made up for eighteen months to 30.6.56 have not been consolidated; provision has been made in Corporation accounts for its share of accumulated losses of Company.
- (7) Under terms of Colonial Office directions long term (40 years) advances are repayable by annuities for 33 years beginning at end of seven years from 31st March following dates of advances. Interest charged in annuities is based on specific rates of interest applied to outstanding advances from date of each advance; the precise method of calculation is under discussion between Corporation and Colonial Office; maximum amount of interest applicable to period to 31.12.56 would be £6,828,742. No provision has been made in Profit and Loss Account for outstanding interest on long term advances at 31.12.56 other than interest portion (£29,677) accrued to 31.12.56 of annuity payments notified by Colonial Office as due on 31.3.57. No account has been taken in above figures of interest to be waived under section 5 of Overseas Resources Development Act, 1954, amount of which has not yet been ascertained.

CONSOLIDATED PROFIT AND LOSS ACCOUNT—YEAR TO 31.12.56

Year to 31.12.55		£	£
	NET PROFITS OF DIRECT PROJECTS AND SUBSIDIARY COMPANIES (per statement 5)		371,718
113,165	INCOME FROM INVESTMENTS (per statement 5)		1,093,172
800,148	PROFIT ON REALISATION OF INVESTMENTS		34,079
144,845			1,498,969
1,058,158	PROVISION against abandoned and continuing projects and investments... ..	149,569	
54,788	INVESTIGATION EXPENDITURE WRITTEN OFF	38,521	
10,688	ADMINISTRATIVE EXPENDITURE (head office and overseas offices)	218,912	
188,610	The above administrative expenditure is stated after making allocations to:		
	1955		
	£	£	
	Projects — Revenue Expenditure	80,927	
	74,209	23,594	
	36,568 Fixed assets and forestry crops Expenditure and development		
	17,763 etc.	15,999	
	21,627 Abandoned projects	16,052	
	150,167	136,572	
		£	
	REMUNERATION OF MEMBERS:		
2,750	Fees	2,500	
3,500	Salaries	3,500	
210	Insurance premium to secure pension for former member	305	
		6,305	413,307
	PROFIT before charging Colonial Income Tax and interest payable to Colonial Office		1,085,662
797,612	COLONIAL INCOME TAX		97,525
59,271	CONSOLIDATED PROFIT OF CORPORATION AND SUBSIDIARIES, subject to interest payable to Colonial Office		988,137
738,341	Add: Losses less profits attributable to interest of minority shareholders		845
(Dr.) 22,352			988,982
715,989	Deduct: Interest payable to Colonial Office		
305,986	(a) on short and medium term loans	386,237	
770	(b) on long term loans (see Note 7)	29,936	
			416,173
	CONSOLIDATED PROFIT ATTRIBUTABLE TO CORPORATION (being also PROFIT OF CORPORATION FOR YEAR after writing back provisions previously made in respect of subsidiaries to the extent of its share of profits less losses of subsidiaries for the year carried forward in their accounts)		£572,809
£409,233			
	BALANCE ON PROFIT AND LOSS ACCOUNT AT 1.1.56		£
(Dr.) 3,924,559	Add: Adjustment in respect of undistributed profits of Chilanga Cement Ltd. on its ceasing to be a subsidiary		(Dr.) 1,954,908
190,555			—
(Dr.) 4,115,114	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		572,809
409,233	Amount transferred to Special Losses Account		—
(Dr.) 3,705,881			
1,750,973 ^v	BALANCE CARRIED TO BALANCE SHEETS (statements 1 and 2)		(Dr.) £1,382,099
(Dr.) £1,954,908			

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

STATEMENT 5

**DETAILS OF PROJECTS SUPPORTING CONSOLIDATED
PROFIT AND LOSS ACCOUNT—YEAR TO 31.12.56**

1955			Net trading	
Loss	Profit		Loss	Profit
£	£		£	£
37,730	—	DIRECT PROJECTS AND SUBSIDIARY COMPANIES		
—	—	British Guiana Timbers Ltd*	—	33,629
—	3,512	British Honduras Fruit Co Ltd (citrus)	8	—
1,531	—	Fort George Hotel	—	3,871
—	9,234	Dominica Electricity Services	3,569	—
—	3,997	Melville Hall Estate	—	15,404
—	11,576	Jamaica Cooling Store	—	6,101
—	150,157	St Vincent Electricity Services	—	14,056
—	7,315	Malaya Borneo Building Society Ltd	—	192,867
—	5,419	Kulai Oil Palm Estate	—	1,900
46,391	—	Singapore Factory Development	—	4,383
—	—	Borneo Abaca Ltd	—	83,905
9,021	—	Macalder-Nyanza Mines Ltd	77,168	—
—	—	Kasungu Tobacco Estates	—	1,187
26,469	—	Vipya Tung Estates	4,137	—
—	42	Bechuanaland Cattle Ranch	5,578	—
—	97,943	Bushman Pits Ranch	729	—
—	1,474	Lobatsi Abattoir	—	60,798
47,524	—	Molopo Ranch and Settlement Scheme	—	9,008
3,759	—	Swaziland Irrigation Scheme	14,026	—
27,283	—	Omo Sawmills of Nigeria Ltd	—	22,526
—	22,204	Road contracts	—	1,356
		SUNDRY INCOME		25,942
199,708	312,873		105,215	476,933
	199,708			105,215
Net Profit	£113,165	NET PROFIT (statement 4)		£371,718
	<i>Interest and Dividends</i>			<i>Interest and Dividends</i>
	7,012	INVESTMENTS		8,204
	37,463	Barbados Light and Power Co Ltd		37,317
	32,175	British Guiana Consolidated Goldfields Ltd		41,639
	9,878	British Guiana Rice Development Co Ltd		16,032
	3,729	Potaro Hydro-electric Co Ltd		3,192
	15,000	Jamaica Citrus Growers Ltd		15,000
	153,374†	Jamaica Public Service Co Ltd		56,216
	286,004	Trinidad Cement Ltd		300,853
	11,485	Central Electricity Board, Malaya		4,954
	25,590	East Africa Industries Ltd		35,130
	4,099	Kenya Housing Authority		15,118
	23,931	Kenya Meat Commission		188,519
	—	Kenya Power Co Ltd		1,807
	36,774	Unga Ltd		62,951
	13,014	Kilembe Mines Ltd		75,565
	—	Central African Airways Corporation		11,911
	57,593	Federal Power Board (Kariba)		77,460
	1,294	Chilanga Cement Ltd		11,393
	5,100	Southern Rhodesia African Housing		3,897
	1,873	Swaziland Cannery (Pty) Ltd		5,891
	—	Ubombo Ranches (Pty) Ltd		19,000
	56,250	Coast Construction Co Ltd		2,722
	18,510	Amalgamated Engineering Co Ltd		3,477
		Coast Construction (Nigeria) Ltd		56,250
		Lagos Executive Development Board		38,674
		Sundry		
	£800,148	INCOME FROM INVESTMENTS (statement 4)		£1,093,172

* After additional depreciation provision relating to prior years of £18,747.

† Includes £98,039 for prior years.

DETAILS OF ASSETS AND

	British Guiana Timbers Ltd	British Honduras Fruit Co Ltd (citrus)
	£	£
FIXED ASSETS		
Freehold and leasehold land, plantations, concessions, buildings and constructions	700,881	87,568
Plant and machinery	418,571	500
Ships and vessels	197,963	—
Land clearance equipment, tractors and agricultural equipment	93,043	1,953
Motor vehicles and rolling stock	82,746	697
Furniture, fixtures, office and hotel equipment	18,648	1,714
	1,511,852	92,432
Less DEPRECIATION		
Freehold and leasehold land, plantations, concessions, buildings and constructions	95,634	1,984
Plant and machinery	108,351	184
Ships and vessels	60,576	—
Land clearance equipment, tractors and agricultural equipment	54,697	1,436
Motor vehicles and rolling stock	41,728	58
Furniture, fixtures, office and hotel equipment	9,612	755
	370,598	4,417
NET BOOK VALUE OF FIXED ASSETS	1,141,254	88,015
PROGRESS PAYMENTS ON FIXED ASSETS	—	—
FORESTRY CROPS	—	—
LAND CLEARANCE	—	—
MINING INVESTIGATIONS AND DEVELOPMENT	—	—
GENERAL DEVELOPMENT, SURVEYS AND REVENUE EXPEN- DITURE CARRIED FORWARD	76,832	4,633
INVESTMENTS		
Shares in associated companies	10,000	—
Debentures, secured and unsecured loans	11,688	—
Building Society advances on mortgage	—	—
CURRENT ASSETS		
Stocks, stores and livestock less advances	213,894	2,060
Growing crops	—	—
Debtors and prepayments, less provisions	57,372	115
Cash at banks and in hand	6,112	895
PRELIMINARY EXPENSES of subsidiary companies	10,151	—
TOTAL ASSETS	1,527,303	95,718
INTEREST OF MINORITY SHAREHOLDERS in subsidiary companies overseas	28,460	—
CREDITORS AND ACCRUED CHARGES	79,556	423
BANK LOANS AND OVERDRAFTS	—	—

LIABILITIES OF PROJECTS

Fort George Hotel	Dominica Electricity Services	Melville Hall Estate	Jamaica Cooling Store	St Vincent Electricity Services	Malaya Borneo Building Society Ltd
£	£	£	£	£	£
232,404	108,237	28,747	96,973	90,991	81,748
1,211	100,581	1,324	34,208	132,573	—
—	—	—	—	—	—
1,000	1,307	4,475	4,077	2,094	7,643
13,566	4,169	1,151	2,038	2,643	25,979
248,181	214,294	35,697	137,296	228,301	115,370
142,819	12,946	2,927	12,701	9,328	1,867
189	14,304	483	9,462	17,951	—
—	—	—	—	—	—
437	675	2,199	3,324	1,260	2,405
5,772	2,849	718	1,595	1,118	19,300
149,217	30,774	6,327	27,082	29,657	23,572
98,964	183,520	29,370	110,214	198,644	91,798
—	—	—	—	—	—
—	—	5,890	—	—	—
—	—	—	—	—	—
—	199	—	6,196	277	—
—	—	—	—	—	—
—	—	—	—	—	125,473
—	—	—	—	—	6,198,590
8,927	13,109	2,939	1,738	13,452	—
—	—	7,572	—	—	—
2,191	2,952	247	10,632	5,782	11,311
2,563	2,739	329	1,656	1,916	3,305
—	—	—	—	—	—
112,645	202,519	46,347	130,436	220,071	6,430,477
—	—	—	—	—	618,095
2,692	7,257	1,250	2,423	5,215	808,163
—	—	—	—	—	2,467,435

DETAILS OF ASSETS AND

	Kulai Oil Palm Estate	Singapore Factory Development
	£	£
FIXED ASSETS		
Freehold and leasehold land, plantations, concessions, buildings and constructions	671,237	42,769
Plant and machinery	50,092	—
Ships and vessels	—	—
Land clearance equipment, tractors and agricultural equipment	—	—
Motor vehicles and rolling stock	6,268	—
Furniture, fixtures, office and hotel equipment	10,022	—
	737,619	42,769
Less DEPRECIATION		
Freehold and leasehold land, plantations, concessions, buildings and constructions	40,322	—
Plant and machinery	22,532	—
Ships and vessels	—	—
Land clearance equipment, tractors and agricultural equipment	—	—
Motor vehicles and rolling stock	3,188	—
Furniture, fixtures, office and hotel equipment	2,833	—
	68,875	—
NET BOOK VALUE OF FIXED ASSETS	668,744	42,769
PROGRESS PAYMENTS ON FIXED ASSETS	165,152	—
FORESTRY CROPS	—	—
LAND CLEARANCE	—	—
MINING INVESTIGATIONS AND DEVELOPMENT	—	—
GENERAL DEVELOPMENT, SURVEYS AND REVENUE EXPENDITURE CARRIED FORWARD	77,996	—
INVESTMENTS		
Shares in associated companies	141	—
Debentures, secured and unsecured loans	—	89,077
Building Society advances on mortgage	—	—
CURRENT ASSETS		
Stocks, stores and livestock less advances	9,119	—
Growing crops	—	—
Debtors and prepayments, less provisions	9,006	2,495
Cash at banks and in hand	1,505	—
PRELIMINARY EXPENSES of subsidiary companies	—	—
TOTAL ASSETS	931,663	134,341
INTEREST OF MINORITY SHAREHOLDERS in subsidiary companies overseas	—	—
CREDITORS AND ACCRUED CHARGES	21,119	1,234
BANK LOANS AND OVERDRAFTS	—	—

LIABILITIES OF PROJECTS

Borneo Abaca Ltd	Macalder- Nyanza Mines Ltd	Rungwe Coal Company	Tanganyika Coalfields and Liganga Iron Investigations	Tanganyika Wattle Estates	Kasungu Tobacco Estates
£	£	£	£	£	£
1,688,702	447,795	—	2,641	220,450	72,491
381,676	578,498	—	1,893	145,676	7,547
63,768	—	—	—	—	—
50,593	19,122	—	—	40,831	9,837
180,046	10,138	2,708	—	11,580	6,382
27,795	34,513	1,796	150	11,381	4,632
2,392,580	1,090,066	4,504	4,684	429,918	100,889
236,957	40,023	—	357	30,425	17,638
79,905	74,341	—	942	6,357	2,918
15,088	—	—	—	—	—
30,931	15,016	—	—	39,675	3,106
66,163	7,017	995	—	11,579	6,364
10,518	14,651	726	100	7,229	3,443
439,562	151,048	1,721	1,399	95,265	33,469
1,953,018	939,018	2,783	3,285	334,653	67,420
—	—	—	—	—	—
—	—	—	—	558,173	—
—	—	—	—	103,215	1,235
—	1,003,554	41,877	496,654	—	—
72,499	—	—	—	6,055	11,553
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
319,260	395,918	60	437	40,328	17,475
—	—	—	—	1,994	19,029
30,730	11,947	28	24	13,581	891
15,342	6,663	1,014	4	10,786	2,969
—	5,169	—	—	—	—
2,390,849	2,362,269	45,762	500,404	1,068,785	120,572
37,408	206,386	—	—	—	—
98,047	100,197	19,888	2,595	18,564	7,537
—	—	—	—	—	—

DETAILS OF ASSETS AND

	Vipya Tung Estates	Bechuanaland Cattle Ranch
	£	£
FIXED ASSETS		
Freehold and leasehold land, plantations, concessions, buildings and constructions	782,413	98,359
Plant and machinery	30,978	21,834
Ships and vessels	—	—
Land clearance equipment, tractors and agricultural equipment	24,038	10,600
Motor vehicles and rolling stock	7,856	11,795
Furniture, fixtures, office and hotel equipment	7,766	5,863
	853,051	148,451
Less DEPRECIATION		
Freehold and leasehold land, plantations, concessions, buildings and constructions	223,038	27,044
Plant and machinery	4,709	10,474
Ships and vessels	—	—
Land clearance equipment, tractors and agricultural equipment	19,745	9,087
Motor vehicles and rolling stock	7,759	8,935
Furniture, fixtures, office and hotel equipment	6,136	3,724
	261,387	59,264
NET BOOK VALUE OF FIXED ASSETS	591,664	89,187
PROGRESS PAYMENTS ON FIXED ASSETS	—	—
FORESTRY CROPS	—	—
LAND CLEARANCE	—	—
MINING INVESTIGATIONS AND DEVELOPMENT	—	—
GENERAL DEVELOPMENT, SURVEYS AND REVENUE EXPENDITURE CARRIED FORWARD	—	—
INVESTMENTS		
Shares in associated companies	—	—
Debentures, secured and unsecured loans	—	—
Building Society advances on mortgage	—	—
CURRENT ASSETS		
Stocks, stores and livestock less advances	32,385	114,806
Growing crops	—	311
Debtors and prepayments, less provisions	10,961	1,662
Cash at banks and in hand	1,881	6,394
PRELIMINARY EXPENSES of subsidiary companies	—	—
	636,891	212,360
INTEREST OF MINORITY SHAREHOLDERS in subsidiary companies overseas	—	—
CREDITORS AND ACCRUED CHARGES	9,358	4,987
BANK LOANS AND OVERDRAFTS	—	—

LIABILITIES OF PROJECTS

Bushman Pits Ranch	Lobatsi Abattoir	Molopo Ranch and Settlement Scheme	Swaziland Irrigation Scheme	Usutu Forests	Omo Sawmills of Nigeria Ltd
£	£	£	£	£	£
8,799	358,101	89,003	1,380,708	840,358	145,865
2,582	330,615	12,929	73,734	98,193	72,629
—	—	—	—	—	646
—	—	1,869	130,652	14,213	26,218
1,190	1,080	3,607	42,906	53,572	19,070
487	14,206	2,530	14,753	5,859	3,094
13,058	704,002	109,938	1,642,753	1,012,195	267,522
1,298	81,246	16,334	80,089	62,120	34,654
366	77,857	3,770	33,216	44,530	25,871
—	—	—	—	—	618
—	—	404	96,803	9,743	14,209
178	1,080	3,262	33,342	26,442	12,440
67	5,909	1,230	8,823	2,875	1,786
1,909	166,092	25,000	252,273	145,710	89,578
11,149	537,910	84,938	1,390,480	866,485	177,944
1,161	—	—	—	—	—
—	—	—	—	1,239,660	—
—	—	—	97,897	—	—
—	—	—	—	—	—
3,102	75,429	21,737	318,899	93,296	430
—	—	—	34	12	—
—	—	—	102,791	—	—
—	—	—	—	—	—
—	27,200	105,466	190,377	78,081	44,638
—	—	—	42,817	10,225	—
10,850	31,035	174	12,224	21,602	20,568
—	2,029	336	12,102	8,149	6,449
—	—	—	—	—	—
26,262	673,603	212,651	2,167,621	2,317,510	250,029
—	—	—	—	—	79,779
73	17,799	9,734	186,823	27,728	26,704
9,643	92,268	—	—	—	—

STATEMENT 7

INVESTMENTS AT COST LESS AMOUNTS WRITTEN OFF

	£	£
SHARES IN ASSOCIATED COMPANIES		
(a) quoted		
British Guiana Consolidated Goldfields Ltd (market value £63,174)		87,852
(b) unquoted		
Potaro Hydro-electric Co Ltd	72,000	
Trinidad Cement Ltd	1,092,500	
West Indies Navigation Co Ltd	15,000	
Malayan Cocoa Ltd	37,867	
United Cocoa Development Co Ltd	10,595	
East Africa Industries Ltd	275,000	
Unga Ltd	250,000	
Tangold Mining Co Ltd	250,000	
Kilembe Mines Ltd	1,140,000	
Chilanga Cement Ltd	802,500	
Coast Construction Co Ltd	50,000	
Coast Construction (Nigeria) Ltd	30,000	
Greenheart (Demerara) Inc	10,000	
Sundries	217	
		4,035,679
DEBENTURES, SECURED AND UNSECURED LOANS		
(a) quoted		
Kenya Power Co Ltd (market value £2,957,500)		3,499,553
(b) unquoted		
Barbados Light and Power Co Ltd	175,000	
British Guiana Consolidated Goldfields Ltd	624,447	
British Guiana Rice Development Co Ltd	1,094,000	
Potaro Hydro-electric Co Ltd	340,000	
Cayman Islands Airport	47,175	
Jamaica Citrus Growers Ltd	61,000	
Jamaica Public Service Co Ltd	294,000	
West Indies Navigation Co Ltd	92,500	
Central Electricity Board, Malaya	7,077,950	
East Africa Industries Ltd	100,000	
Kenya Housing Authority	950,000	
Kenya Meat Commission	237,500	
Unga Ltd	450,000	
Mbeya Exploration Co Ltd	140,170	
Kilembe Mines Ltd	1,050,000	
Central African Airways Corporation	1,750,000	
Federal Power Board (Kariba)	750,000	
Southern Rhodesia African Housing	750,000	
Chilanga Cement Ltd	72,000	
High Commission Printing and Publishing Co Ltd	8,000	
Swaziland Cannery (Pty) Ltd	68,250	
Ubombo Ranches (Pty) Ltd	98,179	
Coast Construction Co Ltd	280,808	
Amalgamated Engineering Co Ltd	50,000	
Coast Construction (Nigeria) Ltd	140,000	
Lagos Executive Development Board	1,250,000	
Advances on mortgage	153,453	
Sundries	231,749	
		18,336,181
BUILDING SOCIETY ADVANCES ON MORTGAGE		
Malaya Borneo Building Society Ltd		6,198,590
per statement 2		£32,157,855

CARIBBEAN REGION

21 Regional summary

- (1) British West Indies, British Guiana and British Honduras have 16 continuing projects for which capital approval at 31.12.56 was £7,642,000; employed £6,650,000.
- (2) No new jobs were started in 1956 but several schemes, particularly in British Honduras and British Guiana, are being examined; there is increasing American and Canadian interest in the area.
- (3) Liquidation of abandoned jobs was completed with the disposal of CDC properties in Andros, Eleuthera, and the Cramer Estates in British Honduras—for development schemes sponsored otherwise.
- (4) Federation should mean increased opportunity for development; one immediate issue is the future of the inter-island shipping service; improved communications are vital but the West Indies Navigation Co agreement expires in January 1958; continuation of the service—much desired by West Indian Governments—must be decided and terms negotiated at latest in May, somebody being authorised to settle in advance for Federation Government.

BARBADOS

22 Barbados Light & Power Co Ltd

- (1) Issued capital BWI \$3,727,880 in 645,576 \$5 ordinary shares (mostly held by parent UK Barbados Electric Supply Corporation Ltd) and 100,000 5½% preference shares of \$5 each (held by Barbados public).
- (2) (a) £250,000 secured loan (1954) from CDC, with conversion rights attaching 25% outstanding balance any time;
(b) £175,000 drawn 31.12.56; rest to be drawn in 1957; CDC loan finances new 2,500 kw steam generating station and extensions to distribution system.
- (3) Further expansion; units sold year ended 30.6.56 17,922,643 kwh (16,490,514 kwh in 1954/55).

BRITISH GUIANA

23 British Guiana Consolidated Goldfields Ltd

- (1) (a) 1956 was Potaro dredge's first bad year;
(b) both yardage and grade recovered were lower than ever before;
(c) unprecedented floods were the main cause; for two full months and parts of two more, dredge could not reach bedrock; gold was left behind;
(d) and new Konawaruk dredge did not get going at all as same floods held up work on Potaro Hydro-electric Co (see §26) so no power was available.
- (2) (a) Issued capital £294,628 in 2/- ordinary shares, CDC holding £87,893.16.0d.;
(b) CDC loans also outstanding; first debenture £178,704 and second debenture £445,743;
(c) to help Company over difficulties due to no revenue from Konawaruk dredge, terms of first debenture modified to spread repayments over last 13 years of loan, against extension conversion rights by two years till 31.12.58.

(3) (a) At 31.12.56 ore reserves were:

Class	Area	cu yds	gr/cu yd
Proved	Lower Potaro	6,070,000	4.10
	Middle Konawaruk	2,313,500	3.39
	Upper Konawaruk	26,610,500	3.16
	total and average	34,994,000	3.33
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

(b) drilling in Puruni valley did not show economic deposits.

(4) (a) 1956 results, Potaro dredge—12,387 fine oz from 1,666,692 cu yds (17,974 from 1,853,169 cu yds in 1955);

(b) loss after depreciation, amortisation and debenture interest, £43,160 (profit £32,594 in 1955).

24 British Guiana Rice Development Co Ltd

(1) (a) £1,042,000 loan, guaranteed by British Guiana Government, agreed in 1952 for expansion of rice production; repayable five years after drawing;

(b) amount drawn at 31.12.56 £844,000.

(2) Additional £250,000 short-term loan authorised for seasonal working capital again drawn in 1956.

(3) Company's new rice mill at Anna Regina was formally opened on 1.3.56; Company also has a mill at Mahaicony and an experimental and demonstration estate.

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); rest held by Industrial Holdings (BG) Ltd (Bookers) and Greenheart (Demerara) Inc (of USA);

(b) Company has reduced its current account with CDC from £431,629 to £257,256;

(c) total CDC outlay at cost less amounts written off £1,475,576.

(2) (a) Hard thinking and hard work have led to good progress; transport of logs—up to 80 feet long—by lorry through forest and by barge on 85 miles of river and sea to mill and ocean steamer is much more efficient; Houston sawmill operates smoothly at full capacity; both forest and mill costs have been substantially reduced;

(b) expatriate staff also reduced; training of Guianese for responsible positions continues; aim is maximum local employment consistent with efficiency;

(c) labour relations satisfactory; Company has made a new agreement with Sawmill and Forest Worker's Union, barring strikes and lockouts for one year.

- (3) (a) Deliveries from forest 25,443 tons (24,457 tons 1955);
 (b) Houston sawmill output 13,451 tons (of 50 cubic feet) of lumber, increase of 17% over 1955 (11,472).

- (4) (a) Sales were—

	1956		1955	
	tons	£	tons	£
Logs and piling ...	6,780	163,081	6,449	139,435
Lumber ...	13,892	424,027	15,054	420,998
Totals ...	20,672	587,108	21,503	560,433

(b) sawn timber stocks slightly reduced; larger stocks of logs and piling were necessary to ensure quick shipment against demand;

(c) exports up in value by 11% to £357,805 (£322,367 in 1955);

(d) markets by values were :

	1956	1955
UK and Continent ...	29%	25%
USA ...	27%	27%
West Indies ...	5%	6%
Local ...	39%	42%

(e) prices were better than in 1955 but would be higher if unique properties of greenheart for durable marine construction were more fully realised;

(f) sawmill's ability, with modern machinery, to fabricate special products to order often secured a premium; manufacture of by-products such as flooring blocks and strips increased;

(g) ocean freights, already high compared with other tropical timber areas, were increased twice during year;

(h) Company helped small loggers and millers to find markets for their products by buying 3,026 tons of logs and pilings. 275 tons of lumber.

(5) Net profit, before charging £19,868 interest on current account (1955 nil) and £30,000 special depreciation was £63,629 against net loss of £37,730 in 1955; £100,000 up on last year.

(6) Export sales can be further increased, and new markets are being sought; tendency to substitute imported cement for local lumber in new building causes some apprehension; and increasing distance of greenheart reserves makes further reduction in costs unlikely.

(7) But prospects are fair; and it is good at last to be out of the red.

26 Potaro Hydro-electric Co Ltd

(1) Company is installing hydro-electric station at Tumatumari Falls on Potaro River to supply power to British Guiana Consolidated Goldfields (see § 23).

(2) (a) Owing to prolonged severe flooding, work was only possible for about half the time which might have been expected;

(b) so spillwall, new intake gates and forward trash screen still uncompleted; await low river conditions;

(c) but power station building was finished and one water wheel lowered into place; floods stopped installation of second and damaged first;

- (d) ten mile transmission line to Goldfields Company's new dredge was completed except for end tower on island—ready for erection when island reappears.
- (3) (a) Both turbines ought to be ready to produce power by May 1957 but whether they can safely work depends on river falling low enough to let gates and screen be installed;
(b) main channel cannot be permanently closed till late in year.
- (4) (a) To meet increased cost caused by these delays and misfortunes, authorised and issued capital was increased by BG \$288,000 to BG \$768,000 (£160,000), of which Goldfields Company 55%, CDC 45%;
(b) CDC increased loan against debenture by £70,000; advanced at 31.12.56 £340,000.
- (5) This job has been bedevilled by weather, but nonetheless ought to have gone much quicker.

BRITISH HONDURAS

27 British Honduras Fruit Co Ltd (citrus)

- (1) 506 acres oranges and 31 acres high grade cocoa.
- (2) 3,484 boxes oranges produced; first harvest of cocoa pods provided beans for trial fermentation and seed for nursery.
- (3) Trading started in 1956, but citrus will not be fully mature until 1962/63 season, cocoa 1962.
- (4) Inability of locally owned processing factory (project's sole outlet for citrus) to take all ripe fruit in time adversely affected results; expert appraisal of factory's capacity should be available shortly.
- (5) Cocoa grows well; further expansion under consideration.
- (6) Capital at 31.12.56 £95,379.

28 Fort George Hotel

- (1) (a) Custom increased, again mainly from American tourists; construction of more bedrooms being considered; depends on continued increase in tourist trade;
(b) publicity help from Government gratefully acknowledged; a Tourist Board would be welcome.
- (2) Dinkler Hotels Company Inc of Atlanta, Georgia, undertook management on 1st November for a trial period.
- (3) 1956 trading profit £3,871 on takings £52,099 (£3,512 on £39,897 in 1955); reduced by abnormal expenses.
- (4) Capital at 31.12.56 £109,953 (£150,000 written off in 1953.)

DOMINICA

29 Dominica Electricity Services

- (1) (a) Distribution system further extended;
(b) consulting engineers, investigating expansion possibilities, recommended hydrological survey which was put in hand;
(c) industrial demand is low; potential demand predominantly domestic in rural districts;

- (d) before CDC can contemplate additional generating capacity to meet demand outside present scheduled areas, tariffs will have to be raised.
- (2) Units sold increased by 29% to 1,480,000 kwh (1,146,000 kwh in 1955); costs reduced but tariff still uneconomic; loss £3,569 (£1,531 in 1955) swollen by back provisions for amounts in dispute on supplies to Government institutions.
- (3) Capital at 31.12.56 £212,583.

30 Melville Hall Estate

- (1) (a) 284 acres bananas, 231 coconuts; small areas cocoa, citrus and coffee;
 (b) estate is largest banana producer in Windwards; example set under CDC management has stimulated development, particularly in north-east Dominica.
- (2) (a) 109,629 stems bananas sold through Dominica Banana Association (105,843 in 1955);
 (b) labour shortage reduced copra sales to 85.38 tons (89.09 in 1955); first cocoa crop expected in 1957;
 (c) trading profit £15,404 (£9,234 in 1955) a record despite much storm damage.
- (3) Capital at 31.12.56 £44,992.
- (4) (a) Labour becoming scarcer in Dominica so mechanization increases;
 (b) prospects remain good subject always to usual tropical hazards.

JAMAICA AND DEPENDENCIES

31 Cayman Islands Airport

- (1) £55,500 loan (1953) to finance construction.
- (2) Airport should encourage tourists.
- (3) Principal and interest secured on Islands' revenue and guaranteed by Government.
- (4) Repayment by 20 annual instalments; outstanding at 31.12.56 £47,175.

32 Jamaica Citrus Growers Ltd

- (1) Loan of £110,000 (1951) to finance extension of fruit-processing factory.
- (2) Company is great help to citrus industry and is good customer of Jamaica Cooling Store (see § 33).
- (3) CDC is represented on board by Regional Controller.
- (4) Principal and interest secured on assets and guaranteed by parent body, Citrus Growers' Association Ltd.
- (5) Repayable over ten years from 31.3.52; outstanding at 31.12.56 £61,000.

33 Jamaica Cooling Store

- (1) Capacity 80,000 cu ft cooling space and 6,000 cu ft cold added in 1955.
- (2) Store continues mainly to serve citrus exports but greater assistance to other Jamaica food producers in prospect.
- (3) New cold room a notable success; to meet increased demand one cooling room being converted to provide another 8,000 cu ft of cold space, with co-operation of Citrus Growers Association Ltd which has agreed to reduce calls on space.

- (4) Net profit improved further to £6,101 on storage charges of £27,032 (£3,997 on £22,702 in 1955).
- (5) Capital at 31.12.56 £128,043.
- (6) Local or other suitable participation would be welcome with view to further expansion.

34 Jamaica Public Service Co Ltd

- (1) Ten-year loan to body responsible for electricity supply in Kingston and St Andrew and elsewhere.
- (2) (a) £300,000 issued in 1953 at 98 %; repayable at par;
(b) principal and interest secured on assets.
- (3) Units sold have more than trebled in ten years.
- (4) New 27,000 hp steam generating station at Hunts Bay, near Kingston, opened in May and new 3,500 hp hydro station, located on Rio Bueno in Parish of Trelawny, opened in June.

ST VINCENT

35 St Vincent Electricity Services

- (1) (a) Third 400 kva generator commissioned;
(b) extensions to distribution system completed 1956 will take almost all generating capacity of existing hydro-electric station;
(c) consulting engineers investigated hydro-electric possibilities of Richmond River; recommended preliminary survey; this completed at year end.
- (2) Units sold 1,750,000 kwh (1,399,000 kwh in 1955); profit £14,056 (£11,576 in 1955); Colonial Office interest reduces profit to £5,476 (accumulated loss £4,112).
- (3) Capital at 31.12.56 £189,461.

TRINIDAD

36 Trinidad Cement Ltd

- (1) (a) Issued capital BWI \$7,404,000 divided into \$2,160,000 ordinary shares and \$5,244,000 5% cumulative redeemable preference;
(b) The Rugby Portland Cement Co Ltd owns all ordinary shares; CDC all preference;
(c) CDC holding reduced to \$5,244,000 (£1,092,500) by redemption of 55,200 preference shares.
- (2) (a) Company again had a successful year; output exceeded that for 1955;
(b) preference dividends £56,216, including accrued dividend on shares redeemed during year, have been received.

37 West Indies Navigation Co Ltd

- (1) (a) Company incorporated in Trinidad; issued capital BWI \$216,000 (£45,000) held equally by Jardine, Matheson & Co Ltd, Indo-China Steam Navigation Co Ltd and CDC; in addition CDC has advanced BWI \$444,000 (£92,500) for working capital;
(b) general managers Jardine, Matheson & Co (Caribbean) Ltd.

- (2) Under agreement with local governments Company operates shipping service (passenger and freight) in BWI and to British Guiana; UK and local governments contribute subsidy £50,000 per annum for three years till January 1958.
- (3) (a) ss "West Indian" sailed ten round voyages between British Guiana and Jamaica in 1956 with five diversions to Turks Islands; addition of Georgetown to schedule during 1956 increased length of each voyage and reduced number of voyages;

	1956	1955
(b) miles steamed	36,000	37,000
ports of call	206	224
cargo, tons	28,885	25,202
freight-ton miles	28,790,799	19,421,587
passengers	5,497	7,042
passenger miles	1,645,075	1,587,382
- (4) Cost of ship operation and bunkering, port-handling charges and repairs still increase; cargo working in some ports still far too slow.
- (5) (a) Draft accounts show loss BWI \$170,670 in 1956 (1955 loss BWI \$466,573);
 - (b) freight rates increased 10% 1.1.57 and cargo offerings gradually increase; so 1957 prospects are better than 1956 though with rising costs third year is likely still to show a loss at present rate of subsidy.
- (6) (a) Future of Company has to be decided early in 1957 as existing temporary arrangements end in January 1958; shipping expert from UK has carried out investigation on behalf of Regional Economic Committee; his report is now being considered by Standing Federation Committee;
 - (b) service is popular and badly needed; its continuation and probable extension seem desirable but financial arrangements will need adjustment.

FAR EAST REGION

38 Regional summary

- (1) Capital approved for eight projects in Federation of Malaya, Singapore and North Borneo £16,043,000; employed £13,528,000.
- (2) Malayan independence has dominated the year; it has been a pleasure to CDC to work with the Federal elected Government; CDC was asked to help—not only financially—in three main lines of economic development, for which Government is working out plans—housing, agriculture, industry; and is very glad to do so.
- (3) Malaya Borneo Building Society, originally wholly owned, increased its mortgage assets by more than 50% to M\$53,130,768 (£6,198,590) without increase of CDC investment; an example of pioneering in which local funds are now mobilised to match CDC money twice over; still quicker expansion with more local money is arranged for 1957.
- (4) Malaya's Federal Land Development Authority, mentioned as in outline design last year, was established on 1.8.56, with CDC's Regional Controller as first chairman at request of elected Minister; planning for several projects is well ahead; CDC has agreed to contribute £600,000; Regional Controller also reported for Government on future of Rural and Industrial Development Authority, spending May 1956 on this task.

(5) Efforts sponsored by CDC to establish a sound instrument to assist Malayan industry, abortive in 1955, are now materialising; agreement was reached in principle with Federal Government, banks, and insurance companies to establish a Malayan Industrial Development Corporation in 1957.

(6) In Singapore, the factory development project has entered a second phase; in partnership with Singapore Improvement Trust, which provides prepared land and services, 25 small factory units will be built for small manufacturers.

(7) In North Borneo hemp disease appears at last to have been brought under control on Borneo Abaca Estates and eradicated areas are being replanted; rubber replanting is well under way; a start made with cocoa; exports from project were worth £852,000; special attention is now being given to development possibilities in Sarawak.

(8) On Colonial Secretary's instruction CDC—with utmost regret—has abandoned all investigation of new projects in the Federation (see § 15(3)).

SINGAPORE AND FEDERATION OF MALAYA

39 Central Electricity Board

(1) Since 1950, CDC lent £7,077,950, full amount of agreed loans, for construction of 80,000 kw Connaught Bridge (thermal) power station near Kuala Lumpur, formally opened in May.

(2) (a) Units sold (in million kwh):

	<i>Years ended 31st August</i>		
	1956	1955	1950
Industry and commerce ...	139	125	59
Mining	121	103	63
Domestic	80	60	19
Total	340	288	141

(b) Revenue increased by 16% over 1955; costs per unit sold by 1.3%.

(3) Principal transmission and distribution system is in Selangor, Negri Sembilan and Malacca; it handles nearly half public electricity supplies of Malayan Federation.

(4) CDC is represented on board by Regional Controller.

40 Federal Land Development Authority

(1) Statutory authority of 1.8.56 to promote and carry out projects for agricultural development and settlement in Malaya in association with local development boards and corporations; Federal Government contributing M\$10m; CDC £600,000 (slightly over M\$5m) on loan guaranteed by Federal Government; CDC loan repayable over 33 years.

(2) With CDC's cordial agreement, as already mentioned Regional Controller (Far East) appointed by Federal Government as first chairman.

(3) Planning for several projects well in hand; pilot schemes in Kelantan, Kedah and Malacca should start 1957.

(4) No drawings at 31.12.56.

41 Kulai Oil Palm Estate

(1) Planted acreage 1,272 pre-war palms, 3,075 planted 1951/54, 262 in 1956; total 4,609; total planned about 5,000 acres; 1952 areas came into first bearing during year.

- (2) (a) Production affected by two-month strike of all labour due to dispute between union and one contractor, but still good at 762 tons oil (estimate 744 tons) though less than 1955 (839 tons) which was an unusually good year in Malaya; kernel production fell to 147 tons (197 tons in 1955) partly because of new young areas harvested;
- (b) average sales price of oil £80·8 per ton (£75·5 in 1955);
- (c) profit £1,900 (£7,315 in 1955); unlikely to improve till 1958 when more new plantings mature.
- (3) Construction of new factory made good progress but strike put back completion to May 1957.
- (4) (a) Terrorist activities still hamper normal operations;
- (b) labour is settling down after strike;
- (c) new manager appointed.
- (5) Separate factory company being formed as part of scheme to encourage more extensive planting of oil palms in South Johore by neighbouring smallholders and estates whose fruit would be processed in factory.
- (6) Capital at 31.12.56 £855,636.

42 Malaya Borneo Building Society Ltd

(Federal & Colonial Building Society Ltd in 1955 report)

- (1) (a) Issued capital M\$20m, of which CDC held M\$15m (£1,750,000) and Federation Government M\$5m;
- (b) loan finance totalled M\$26·68m, of which CDC M\$5·85m (£682,500) and Hongkong & Shanghai Banking Corporation M\$20·83m (out of agreed loan of M\$30m);
- (c) short-term fixed deposits M\$5m included M\$4·5m from Federal Housing Trust;
- (d) total CDC participation thus remains M\$20·85m (£2,432,500); M\$5m converted from loan to shares in 1956;
- (e) table shows growth of local investment following original CDC initiative—

	Cumulative investment		
	CDC	Local	Total
	M\$	M\$	M\$
1950	2,300,000	—	2,300,000
1951	7,750,000	—	7,750,000
1952	13,449,250	—	13,449,250
1953	16,668,700	—	16,668,700
1954	18,630,000	2,852,269	21,482,269
1955	20,850,000	13,232,639	34,082,639
1956	20,850,000	30,850,562	51,700,562

- (f) Federal Government is subscribing additional M\$5m for shares, at about 6% premium.

(2) (a) Progress here shown:

	Applications approved		Mortgage advances outstanding	
	Number	Amount	Number	Amount
		M\$000's		M\$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
1956	2,856	29,459	5,636	53,131
Total	7,522	84,972		

(b) rate of interest to borrowers $6\frac{1}{2}\%$ (increased to 7% on 1.1.57);

(c) 43% of Society's mortgage asset and 65% of advance commitments are in Federation.

(3) Society has strong local board; chairman is Singapore manager, Hongkong & Shanghai Banking Corporation.

(4) Society is agent or manager for five staff housing loans schemes (Government of Singapore, Singapore City Council, University of Malaya, Singapore Improvement Trust and Currency Commission Board); 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) Society's accounts show continued expansion, increased earnings and progressive but conservative distribution:

	Net profit (after tax)	Dividends		Revenue reserves at year end
		Rate	Amount (less tax)	
	M\$000's		M\$000's	M\$000's
1950	(loss 17)	—	—	(loss 17)
1951	99	—	—	82
1952	324	3%	163	243
1953	456	4%	230	470
1954	577	5%	315	732
1955	681	5%	418	994
1956	991	6%	793	1,192

(6) (a) Operations in Borneo have started on a small scale, in particular assisting reconstruction of Sandakan after disastrous fire;

(b) at Petaling Jaya, Malaya's new town, Society was town authority's agent for placing house building contracts; these houses, selling at M\$5,000 (£583) open home ownership to artisan class;

(c) new arrangements made in 1956 for both Singapore and Federation Governments to share additional risk in advancing, for houses under M\$8,000, 90% of valuation instead of normal 80% ;

(d) following continued growth of business in Federation of Malaya, Society has acquired sites for offices in Kuala Lumpur, Ipoh and Penang.

43 Malayan Cocoa Ltd

- (1) 521½ acres of Malaya's first cocoa estate are now planted, completing current planting programme 15 months ahead of schedule; further planting awaits evidence of commercial yields from present trees.
- (2) Cocoa promises well; growth and health compare favourably with similar plantings in West Africa, while diseases common in West Africa and other cocoa regions have not so far appeared in Malaya.
- (3) Malayan Cocoa Ltd has contributed management, planting material and experience which has enabled United Cocoa Development Co Ltd (see §45) to start well.
- (4) Authorised capital M\$2m (£233,333); issued capital M\$1,200,000 (M\$960,000 paid at 31.12.56) equally shared by Cadbury Bros Ltd, Harrisons & Crosfield Ltd and CDC.

44 Singapore Factory Development

- (1) Emphasis in 1956 was on small industries; partnership arranged with Singapore Improvement Trust in developing six-acre site in Alexandra Road industrial area; Trust will provide developed sites, CDC loans for factory construction; 25 factory units are planned of which the first 16 will be constructed early in 1957.
- (2) Development of original 52-acre site at Bukit Timah, Singapore, has stopped after 24½ acres sold; political and economic factors restricted large scale industrial developments in last three years.
- (3) (a) Net revenue for year £4,383;
(b) capital at 31.12.56 £133,107.

45 United Cocoa Development Co Ltd

- (1) Company incorporated 24.9.55; promoters were Cadbury Bros Ltd, Harrisons & Crosfield Ltd, CDC and Van Houten & Zoon NV.
- (2) Authorised capital £200,000 in £10 shares, 16,000 issued (£5 paid); shareholders are chocolate manufacturers and members of confectionery trade in UK and elsewhere.
- (3) 99-year lease of about 1,000 acres in Trengganu State on Jerangau Road about four miles from Malayan Cocoa Ltd estate.
- (4) (a) 123 acres cleared and planted and doing well; excellent progress for first full year;
(b) 220 acres more should be planted in 1957/58 season.
- (5) CDC had 2,119 shares, £5 paid (£10,595) at 31.12.56.

NORTH BORNEO

46 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;
(b) CDC loan account reduced from £794,228 at end 1955 to £654,273 at 31.12.56;
(c) Company's estates are in three widely separated groups:
 - (i) main block at Tawau is 17,000 acres Kuhara rubber estate (12,800 acres planted) and 8,000 acres Table abaca estate (1,784 acres planted);
 - (ii) Balung estate, 755 acres abaca, 20 miles east of Tawau;

(iii) Mostyn estate of 5,500 acres (793 acres planted abaca) is on north coast of Semporna Peninsula, 100 sea miles from Tawau.

(2) *Abaca (hemp)*

(a) Area under cultivation 31.12.56:

<i>Estate</i>	<i>Mature acres</i>	<i>Immature acres</i>
Table	1,118	666
Balung	720	35
Mostyn	766	27
	<u>2,604</u>	<u>728</u>

Table immature area includes 493 acres new planting in 1956;

(b) 1956 crops were 1,589 tons Table, 387 tons Balung, 356 tons Mostyn—total 2,332 tons (2,647 tons in 1955); decrease is wholly due to smaller mature acreage resulting from 1955 disease eradications;

(c) bunchy top disease was greatly reduced by stronger control measures; the almost disastrous epidemics of 1954 and 1955 were avoided; control believed established at Table and Balung but not yet at Mostyn; much now depends on efficient government control over neighbouring banana growth;

(d) there were economies in production costs and improvements in quality; much help on processing problems from leading UK brokers and rope manufacturers;

(e) export duty reduced from 10% to 5% *ad valorem* from 1.1.57; reduction is welcome to this difficult pioneer industry; but duty is still high compared with what other hard fibre producers are charged elsewhere;

(f) trading loss was £21,772, after charging export duty £25,876 and amortization of plantations £23,775, to which must be added book value of eradicated areas written off £30,775 giving an overall loss of £52,547, an improvement of £161,150 on 1955;

(g) despite present small acreage and extraordinary expenditure on disease control, Table almost broke even; Balung showed a small profit; trading loss almost entirely due to Mostyn.

(3) *Rubber*

(a) Rubber had another good year; record crop of 5,247,781 lbs (1955—5,180,000 lbs); efficient management is progressively reducing costs;

(b) new planting and replanting operations further accelerated; 320 acres of jungle extension planted; 218 acres replanted; 430 acres clearing in progress;

(c) trading profit was £187,618 (£231,642 in 1955) after charging £50,576 export duty and £35,000 for replanting provision which now has credit balance of £154,833; reduced profit due to lower average selling price 25.82d per lb fob (27.31d per lb fob in 1955).

(4) *Cocoa*

(a) Programme is to plant pilot estate of 600 acres by end of 1958; first commercial planting of cocoa in North Borneo;

(b) during year 68 acres were planted out; early difficulties in nursery technique overcome;

(c) by end 1957 about 300 acres of amelonado should be planted as planned, seed gardens of Upper Amazon clones and budwood nurseries of various high yielding selections established.

(5) *General*

(a) Sales of abaca £299,968 (1955 £232,937) and rubber £552,039 (1955 £581,646) resulted in overall profit of £83,905 compared with losses of £46,391 in 1955 and £161,547 in 1954;

(b) management and staff are to be commended for first substantial profit (though small in relation to capital) since trading started in 1948;

(c) negotiations with prospective associates for formation of a new company to develop Mostyn Estate continued without result; despite great natural potential, private enterprise is not much interested in agricultural plantation development in North Borneo.

EAST AFRICA REGION

47 Regional summary

(1) Capital approved for 15 projects (two new) in Kenya, Tanganyika and Uganda is £15,484,000; employed £11,806,000.

(2) New projects are: (a) a much needed new hotel at Mombasa; (b) expansion and development programme of leading flour milling business owned by Kenya Farmers' Association.

(3) Two mining projects—Macalder-Nyanza Mines Ltd and Kilembe Mines Ltd—came into production. Interdependence of different kinds of development was evident to all present at opening ceremonies of Kilembe mine and Kasese railway extension (208 miles west of Kampala); West Uganda is now opened up for general development; British East African territories are linked with the Congo.

(4) Mining projects, by giving impetus to local economy, should lead to further development.

(5) In East Africa, as elsewhere, there is a vast gap between development needs—as shown by official plans—and development finance. Adequate consultation is more than ever necessary between all responsible interests, including local development corporations, to ensure right priorities and maximum effect of all available money.

(6) Projects under consideration cover both agricultural and industrial development.

KENYA

48 Coastal Hotels Ltd

(1) At request of Kenya Government CDC has agreed to contribute towards cost of building and equipping new 62-bedroom hotel at Mombasa to encourage tourist trade and to meet existing shortage of hotel accommodation.

(2) Hotel estimated to cost £250,000; CDC contribution—secured loan £125,000 repayable over ten years, balance of cost being contributed by sponsors, Lakha Brothers, who own and operate Imperial Hotel, Kampala.

(3) No drawings at 31.12.56.

49 East Africa Industries Ltd

(1) (a) Present business is oil refining and manufacture of margarine and other edible oil products; an industry processing local raw materials for local consumption;

- (b) preliminary work on erection of soap factory started;
- (c) ordinary shareholders are Unilever Ltd 50%, CDC 33½%, Industrial Development Corporation (Kenya Government) 16¾%.
- (2) CDC holding remains at £255,000 (cost £275,000); loan increased by £5,000 to £100,000.
- (3) Net profit £44,304 on sales totalling £416,525 (£25,187 on £316,138 in 1955); margarine sales have steadily risen.
- (4) With agreement in January 1957 for sale of 11½ adjoining acres, disposal of assets not required for Company's operations is almost completed.

50 Kenya Housing Authority

- (1) £2m loan to Kenya Government for municipal and private housing programmes for Africans; repayment 1960-1984.
- (2) About £1m will be used for 5,000 houses in Nairobi; tenders invited for first neighbourhood unit of 1,400 houses there; £250,000 will be used on employers' housing schemes in Nairobi; other large schemes in Mombasa and Nakuru, many smaller ones throughout Colony.
- (3) Drawings resumed (see 1955 § 52) following passing of Overseas Resources Development Act, 1956.
- (4) Drawn at 31.12.56 £950,000; drawings probably completed in 1958.

51 Kenya Meat Commission

- (1) £250,000 loan (1955) to Kenya Meat Commission to expand undertaking; repayment by 20 annual instalments.
- (2) Kenya Meat Commission, a statutory body, owns and operates abattoirs; it buys slaughter stock and markets meat and by-products.
- (3) CDC is represented on Commission board by its Regional Controller.
- (4) Outstanding at 31.12.56 £237,500.

52 Kenya Power Co Ltd

- (1) (a) Authorised and issued share capital EA shgs 2,000 (£100) owned equally by Government of Kenya, Power Securities Corporation Ltd and East African Power & Lighting Co Ltd;
- (b) £7.5m 5½% debenture stock, of which CDC £3.5m; balance by public.
- (2) Company has bulk supply licence for 50 years from 8.6.55 to supply East African Power & Lighting Co Ltd, distributors for Nairobi and parts of western Kenya.
- (3) Power is generated at hydro-electric stations at Tana and Wanjii; Company has also contracted to buy Owen Falls power from Uganda Electricity Board; is building 250-mile transmission line from Uganda to Nairobi; at 31.12.56 434 towers completed; foundations for 742 more finished.

53 Macalder-Nyanza Mines Ltd

- (1) (a) Issued capital 700,000 shares of 20 EA shgs (£700,000) of which CDC hold 65.7%, Kilembe Mines Ltd 28.6%, other interests 5.7%;
- (b) balance of finance by CDC on loan £1,639,333 at 31.12.56.
- (2) (a) Mine preparation and treatment plant construction finished except for sponge iron section, held up by manufacturing delays;

- (b) hydro-electric construction well under way; power should be available by September 1957; every effort is being made to improve on this date.
- (3) (a) Mine and mill started (on diesel power) on time end March 1956; roast-leach plant in August; copper is being precipitated on scrap iron till sponge iron plant ready;
- (b) Dorr fluosolids roaster had considerable initial troubles but is now working almost at rated capacity owing to manufacturer's efforts;
- (c) mine and mill, which reached full production rate of 10,000 short tons a month in October, had to be checked on account of low roaster throughput.
- (4) (a) Results to 31.12.56 in short tons—ore mined 72,381, milled 63,256; concentrates roasted 7,193, copper metal precipitated in cement-copper 395; estimated recoverable copper in process 1,140;
- (b) gold and silver in process estimated 3,220 and 51,800 oz troy respectively;
- (c) no products marketed at 31.12.56;
- (d) results for first period's working show loss of £77,168 before charging interest due CDC of £20,874.
- (5) (a) Owing to complexity of ore, Company is a high cost producer;
- (b) efficiency will need to be increased if, with copper at £240–250 per ton, a margin is to be earned to service capital.

54 Unga Ltd

- (1) This subsidiary of Kenya Farmers' Association Co-operative Ltd, is a large flour miller in East Africa; issued share capital £1,550,000.
- (2) In 1956 CDC agreed:
- (a) to take up £250,000 shares at par;
- (b) to make secured loan of £600,000; repayment 1959–1971.
- (3) Development programme for 1957/58 costing over £1,600,000 includes new mills at Nakuru and Dar-es-Salaam, maize milling plant at Eldoret, wheat silo and extensions to flour milling plant at Nairobi, and housing for European and African staff.
- (4) CDC is represented on board by Regional Controller.
- (5) At 31.12.56 CDC had taken up £250,000 shares; £450,000 drawn.

TANGANYIKA

55 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 work by Company in 1956; Tanganyika Geological Survey is doing additional drilling.
- (3) Spent to 31.12.56 £39,260.

56 Mbeya Exploration Co Ltd

- (1) (a) Authorised and issued capital 2,000 shares of EA shgs 20 each (£100), N.V. Billiton Maatschappij of The Hague 70%, CDC 30%;
- (b) balance by loans from N.V. Billiton Maatschappij and CDC in same proportion; at 31.12.56 CDC £140,170.

- (2) (a) Company is investigating pyrochlore (niobium ore) deposits north of Lake Nyasa;
- (b) N. V. Billiton Maatschappij are consulting engineers and managing agents;
- (3) (a) Second stage—expected duration three years—further detailed geological survey and prospecting, diamond drilling, underground development and metallurgical research—started 1.1.56;
- (b) progress generally good; indicated ore reserves 45 million tons at 0.3% niobium pentoxide, one million tons at about 1.0%; drilling being increased in 1957;
- (c) 150 ton per day pilot mill designed and shipped; erection started; completion expected about August 1957;
- (d) ten miles of road, diesel power station, workshops, store, laboratory and office—all completed; African and European staff housing programme well under way.
- (4) Power consultants investigated potential hydro-electric sites; report and economics of alternative power sources, including Kivira-Songwe coalfield (see Rungwe Coal § 57) under consideration.

57 Rungwe Coal Company

(Kivira-Songwe Coalfield Investigation in 1955 report)

- (1) (a) Company, in formation, is investigating Kivira-Songwe coalfield in Rungwe district, south-west Tanganyika, for power requirements of Mbeya Exploration Company Ltd (see § 56);
- (b) shareholding will be CDC and N. V. Billiton Maatschappij 43½% each, Tanganyika Government 12½%;
- (c) additional finance by loan equally by CDC and N. V. Billiton Maatschappij;
- (d) CDC are managing agents.
- (2) (a) Stage I (geological investigation) completed to schedule in June showed two workable areas; Stage II (detailed geological mapping and diamond drilling) in progress;
- (b) 3,774 ft diamond drilling indicated nine million tons reserves at 31.12.56; Greenwich Fuel Research Station is analysing cores;
- (c) samples from one seam produced good metallurgical coke, first in East Africa.
- (3) Spent at 31.12.56, £40,874; CDC share, £25,874.

58 Tanganyika Coalfields Ltd

- (1) (a) Authorised capital 2,000,000 EA shgs (£100,000); CDC 35½% £35,000; rest by Anglo-American Corporation of South Africa Ltd, Frobisher Ltd of Canada and Tanganyika Government; only subscribers' shares issued at 31.12.56;
- (b) balance of consideration to CDC by issue of unsecured notes;
- (2) Development still awaits railway.
- (3) (a) Interdepartmental working party appointed July 1956 by UK Government to examine possibility of utilising African (including Tanganyika) coal in UK;

(b) CDC representatives gave evidence on Tanganyika coal 6.9.56—tonnages of reserves, quality, capital for collieries to produce two million and five million tons a year estimated, also mining costs and pithead prices;

(c) summarised findings announced 25.2.57 said that in view of transport costs and difference in quality it was unlikely that African coals would be competitive in UK with American; also uncertainties as to long-term UK requirements would not justify Government capital expenditure; but European governments would be informed of potential supplies available from Africa;

(d) as to quality of Tanganyika coal—over 1,200 analyses carried out by Greenwich Fuel Research Station of Department of Scientific and Industrial Research showed average calorific value of coal from main field—Mchuchuma—to be 12,800 BTU/lb; American coal now being imported to UK is reported to average 13,000 BTU/lb;

(e) European groups have recently shown interest in this coal which can almost certainly compete with US coal in the Mediterranean area, whatever the position in UK.

(4) Rungwe Coal Company in formation (see § 57) is being separately investigated.

(5) Spent at 31.12.56 £458,545.

59 Tanganyika Wattle Estates

(1) 33,000 acres under wattle for tanning extract; planting programme now complete; project at present wholly owned by CDC but private enterprise associate will participate financially and take over management when production stage reached; Tanganyika Government given option to participate.

(2) Better rains in 1955/56 had markedly beneficial effect on trees especially older ones; sampling over older plantations showed that present long-term estimates of bark yields are reliable.

(3) Work continued on factory houses and labour quarters; latter now complete; factory foundations nearly so but arrival of factory equipment upset by Suez.

(4) Investigations continued for alternative uses for wattle extract (in view competition by synthetic leather not using tanning extract) and for waste wattle wood (about 50,000 tons annually).

(5) Bena Wattle Scheme received enthusiastic support from local African growers; 1,500 acres planted by CDC in 1956 and 2,500 acres ploughed ready for sowing in early 1957; inter-cropping with cereals between rows of young wattle in first year is added attraction; 380 tons locally grown bark bought from private growers for export.

(6) Spent at 31.12.56 £944,207.

60 Tangold Mining Co Ltd

(1) (a) New Consolidated Gold Fields Ltd are technical advisers;

(b) CDC and NCGF agreed in July, on recommendation from technical advisers, that mine be brought into production; construction stage estimated at two years.

(2) (a) Authorised capital increased by 350,000 shares to 600,000 shares of 20 EA shgs each (£600,000); 500,000 issued at 31.12.56, held equally by CDC and NCGF;

(b) additional finance up to £700,000 by CDC loan.

- (3) (a) Construction started 1.9.56—housing for staff and labour, sinking of new shaft;
 (b) on recommendation of technical advisers, secondhand mining, milling and power plant bought from Taquah & Abooso Mines Ltd in Ghana; being dismantled and reconditioned for transfer to East Africa.
- (4) Spent by Company at 31.12.56 £459,162.

61 Williamson Diamonds Ltd

- (1) CDC agreed in 1955 to lend £500,000, if called on, to assist extensive mechanisation of mine.
 (2) Nothing drawn at 31.12.56 nor to date of signing.

UGANDA

62 Kilembe Mines Ltd

- (1) (a) Issued capital increased by 700,000 shares to 5,700,000 shares of 20 EA shgs each (£5.7m) of which Kilembe Copper Cobalt Ltd of Toronto 70%, CDC 20%, and Uganda Development Corporation 10%;
 (b) balance of finance £2,100,000 of which CDC has lent £750,000 against 6% debenture and £300,000 against 6% unsecured notes.
- (2) Frobisher Ltd, Toronto, are consulting engineers and general managers.
- (3) (a) Mine and mill started in June, reached full production rate of 40,000 short tons in November; total ore mined 199,003 short tons; milled 193,695 short tons;
 (b) Dorr fluosolids roaster at Kasese started October; is experiencing initial troubles;
 (c) estimated cost and economics of cobalt plant being reviewed; meanwhile cobalt concentrates stockpiled.
- (4) Mobuku hydro-electric station finished June; gives 10% more power than estimated.
- (5) Smelter at Jinja started November; 150 long tons blister copper produced.
- (6) In November Governor performed opening ceremonies of railway extension to Kasese, and of Company's mine and mill at Kilembe and its smelter at Jinja.

CENTRAL AFRICA REGION

63 Regional summary

- (1) Capital now approved for seven projects is £22,002,000; employed £5,160,000.
- (2) Kariba construction made a splendid start and is well up to schedule (CDC share of finance £15m); it will open up great possibilities of further development in Federation in which CDC would be glad to help.
- (3) 1956 Act is read in such a way by Colonial Office as practically to exclude CDC from standing in on projects sited in Southern Rhodesia; this has already caused a lot of trouble (see § 12).
- (4) In Nyasaland were three agricultural and forestry projects—Kasungu Tobacco Estates, Vipya Tung Estates and Nyika Forestry Development Syndicate.

- (5) Despite satisfactory growth in trial plots on Nyika, Syndicate decided since 31.12.56 to withdraw from the investigation for reasons given in project report (see § 69).
- (6) African smallholders will soon be associated with the Kasungu tobacco project. CDC is also interested in the great possibilities of the Shire Valley scheme.

FEDERATION OF RHODESIA AND NYASALAND

64 Central African Airways Corporation

- (1) £1,750,000 loan (1954) for purchase of five Vickers Viscount aircraft and spares. Drawing of loan completed in 1956; repayable by annual instalments 1959 to 1966.
- (2) Loan is secured on Central African Airways assets and guaranteed by Government of Federation.
- (3) CDC is represented on board by Regional Controller.
- (4) Aircraft entered service in 1956; used on both internal and external routes, including twice-weekly London-Salisbury-Johannesburg service—longest route in world operated by Viscounts.

65 Federal Power Board (Kariba)

- (1) (a) £15m loan to Federal Power Board guaranteed by Government of Federation of Rhodesia and Nyasaland to help build first stage of Kariba hydro-electric project on Zambezi River;
- (b) estimated cost first stage about £80m;
- (c) other finance from International Bank for Reconstruction and Development, Commonwealth Development Finance Co Ltd and Federation Government (mainly from loans by Rhodesian copper mining companies, British South Africa Company, Standard Bank of South Africa Ltd and Barclays Bank DCO).
- (2) First stage involves building 416 ft high arch dam and 500,000 kw underground power station with transmission network to Northern Rhodesia copperbelt and to Salisbury, Bulawayo and other places in Southern Rhodesia.
- (3) (a) Majority of contracts out by October 1956; progress generally on schedule;
- (b) one coffer dam completed; excavations for diversion channel, main dam, underground power station and main access tunnel well on; temporary power station building finished;
- (c) model tests to study river diversion, flood discharge through dam and dam structure continued in Grenoble, Paris and Harlow;
- (d) housing progress good; houses for 3,850 single Africans and 227 families completed; hospital nearly so; main water supply and electricity distribution systems commissioned;
- (e) good progress on roads; bridges over Nyanyana and Zambezi Rivers completed; four others under construction;
- (f) sites for main sub-stations in Southern Rhodesia located; studies of transmission system network and preliminary siting of transmission line routes by ground and air survey continued.
- (4) £750,000 drawn 31.12.56.

NORTHERN RHODESIA

66 Chilanga Cement Ltd

- (1) (a) Authorised capital 1,500,000 £1 ordinary shares and 500,000 £1 5% cumulative preference shares; issued 1,500,000 ordinary and 300,000 preference shares of which 30,000 preference shares redeemed during year;
 - (b) CDC holds 600,000 ordinary and 202,500 preference; 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;
 - (c) loan capital at 31.12.56, £180,000 of which CDC £72,000.
- (2) (a) Second kiln in operation 25.5.56;
 - (b) production 124,298 tons (89,768 in 1955); net profit before special write offs and tax £285,797 (£226,996 in 1955).
- (3) Quarrying operations now concentrated at Shimabala; new seven mile road laid.
- (4) Negotiations with Federal Power Board for supply of cement for Kariba are at advanced stage (see § 65).

NYASALAND

67 Kasungu Tobacco Estates

- (1) In 1955/56 season 380 acres flue-cured tobacco were grown (345 in 1954/55).
 - (2) (a) Heavy rains damaged crop and delayed harvesting; but yield was estates' best so far at 832 lbs per acre (587 lbs in 1954/55); improvement is attributed to early planting (before rains) reducing incidence of disease and enabling crop to stand up better to bad weather;
 - (b) average prices realised were:

	1955/56	1954/55
CDC	31.68d	35.23d
Nyasaland average	23.05d	27.42d
 - (c) realisation per acre was £105 (£86 in 1954/55);
 - (c) result of 50-acre burley tobacco experiment was disappointing because of bad weather and priority given to flue-cured crop.
- (3) 1956/57 planting is 360 acres flue-cured of which 70 acres planted before the rains; burley tobacco experiment continues on 20 acres.
- (4) Plans are being considered for gradual expansion of acreage over next few years; and a scheme for tobacco cultivation by African smallholders in association with project is to be started.
- (5) (a) Profit £1,187 (£9,021 loss in 1955);
 - (b) spent at 31.12.56 £190,760.

68 Nyasaland African Housing

- (1) Loan of £1m to Nyasaland Government for African housing schemes in Blantyre-Limbe area to relieve housing shortage.
- (2) CDC loan to cover cost of about 2,500 houses for lease or sale on deferred terms.

- (3) Loan repayable over 30 years.
- (4) No drawings at 31.12.56.

69 Nyika Forestry Development Syndicate

- (1) CDC, with Imperial Tobacco Co Ltd and Albert E. Reed & Co Ltd, continued investigation begun in 1952 of possibilities of softwood afforestation on Nyika plateau and manufacture of pulp or paper.
- (2) Trial plots on the Nyika proved that pine trees would grow well. But when negotiations between Syndicate and Nyasaland Government were resumed in November difficulties inherent in the long-term leasing of a large area of African Trust land, on top of the well recognised risks of a project such as this, led the Syndicate to conclude that the project must be discontinued—greatly to common regret.
- (3) Disposal of trial plantations and camp under discussion with Government.
- (4) Syndicate funds £84,000 (CDC one-third); spent at 31.12.56 £64,225.

70 Vipya Tung Estates

- (1) (a) 4,535 acres of tung established at 31.12.56;
 (b) additional 1,465 acres to be established in next two or three years, making 6,000 acres;
 (c) 168 tons of nuts (mill weight on dry basis) were harvested (147 tons in 1955) estimated to produce 56 tons of oil.
- (2) Tung processing factory will start production May/June 1957.
- (3) (a) Experiments with coffee justify expansion;
 (b) 43 acres established at 31.12.56; 86 acres being planted 1956/57 season (mainly amongst tung);
 (c) sample of product given good report by London brokers.
- (4) Nyasa Tea Estates Ltd are managing agents.
- (5) Net operating loss of £4,137 from 426 acres of eight year old tung, barely mature; profits not to be expected till more of estates in full bearing and factory capacity fully utilised.
- (6) Spent at 31.12.56 £845,083 including £213,423 written off on reorganisation 1955.

SOUTHERN RHODESIA

71 Southern Rhodesia African Housing

- (1) £1m loan (1955) to Southern Rhodesia Government to help finance urban schemes for African housing; repayment 1966–1985.
- (2) (a) First scheme (2,413 houses) at Salisbury nearing completion; houses are built for sale at average price £337; average monthly payment by purchasers £3.7.0 over 25 years (including interest and local rates); arrangement provides security of tenure for Africans on 99 year leases;
 (b) second scheme is at Bulawayo (about 1,400 houses under construction); further schemes being planned for Gwelo and Que Que.
- (3) Drawings were resumed (see 1955 § 71) following passing of new Act 1956.
- (4) Drawn at 31.12.56 £750,000.

HIGH COMMISSION TERRITORIES REGION

72 Regional summary

Bechuanaland Protectorate

(1) The five cattle projects—for which £3,007,000 capital was approved, £1,807,000 employed—continued to make a significant contribution to country's major industry; Lobatsi Abattoir ensured orderly marketing of Protectorate's cattle throughout a difficult year in which meat controls were relaxed in two chief markets, South Africa and the Central African Federation.

(2) CDC perseveres with plans for local association—in abattoir by formation of a company, and with ranches through Molopo Settlement Scheme in south and Bushman Pits co-operative in north.

Swaziland

(3) The four projects (capital approved £6,733,000, employed £4,711,000) are all in a crucial phase. Vital decisions are likely to be taken in 1957 for the Irrigation Scheme where water should flow down the canal mid-year; and at Usutu Forests where recommendations of pulp/paper consultants are due soon. Proprietors of Ubombo Ranches (Pty) Ltd are installing small sugar mill to produce first sugar in Swaziland. Swaziland Cannery (Pty) Ltd after more reorganisation, is dealing with its first real pineapple crop.

(4) Swaziland is ready for great development, but depends on the Administration for necessary communications.

Basutoland

(5) CDC was on new ground in accepting Administration's invitation to help investigate Ox Bow Lake Power and Water scheme; this looks like a real job, one that would particularly interest CDC.

73 High Commission Printing & Publishing Co Ltd

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

(2) Company publishes local language newspapers in High Commission Territories; also has printing business.

(3) Outstanding at 31.12.56 £8,000.

BASUTOLAND

74 Ox Bow Lake Power and Water Investigation

(1) Basutoland Government invited CDC to join in investigating Ox Bow Lake scheme reported on by a Cape Town consultant.

(2) Scheme envisages diversion of Malibamatso River, an upper tributary of Orange River, and erection of regulating dam with five-mile tunnel to hydro-electric power station in Hololo Valley with further proposal for supplying water by pipeline to Orange Free State, which would also be natural market for power from hydro-electric station.

(3) No records of rainfall and river flow in catchment area; Government starting to collect them.

(4) Regional Controller is discussing with potential customers in Orange Free State their future requirements of power and water.

BECHUANALAND

75 Bechuanaland Cattle Ranch

- (1) (a) Herd increased from 8,862 to 10,132 in 1956;
 (b) decision to retain Nata outstation as breeding centre was confirmed by 1956 experience; Nata grazing remained good in dry season when Panda-ma-Tenga grazing was seriously reduced by lack of rain and by veldt fires.
- (2) (a) Birth rate continues to improve;
 (b) death rate again fell and is now 6% per annum, but it is still high, particularly at Panda-ma-Tenga in dry season; net losses through straying from ranch, which used to give concern, reduced to four beasts.
- (3) (a) Sales 1,828 head, including 1,406 slaughter oxen, mainly to Northern Rhodesia; for first time sales included a few oxen bred on ranch, which realised prices much above average;
 (b) 1,603 slaughter cattle received from Bushman Pits Ranch (see § 76) for fattening;
 (c) 20 bulls bought, including 19 young Herefords; also 508 breeders.

(4) (a) Trading loss further reduced:

	1956	1955	1954	1953
	£	£	£	£
Cattle	5,578	26,469	61,593	69,558
Agriculture	—	—	6,663	33,202
Totals	<u>£5,578</u>	<u>£26,469</u>	<u>£68,256</u>	<u>£102,760</u>

(b) several years yet before full effect of present breeding strength is shown in sales.

(5) Book value is £207,373 apart from losses and amounts written off £642,438; fixed assets £89,187; net current assets £118,186 including livestock £105,410.

76 Bushman Pits Ranch

(Ngamiland Cattle Exporters' Association)

- (1) (a) Former outlying station of Bechuanaland Cattle Ranch, now leased to specially formed co-operative of cattle traders;
 (b) members buy immature cattle from Ngamiland producers and graze them till ready to be fattened off by CDC (see § 75).
- (2) Development financed by CDC continued; there were 4,457 head of immature slaughter-type cattle at 31.12.56 (3,500 at 31.12.55); supervision is difficult owing to remoteness.
- (3) Facilities jointly arranged by banks and CDC for financing members' cattle were fully employed during most of 1956.
- (4) 1,603 head of cattle were taken over by CDC for final fattening on Bechuanaland Cattle Ranch under agreement with Association.
- (5) (a) Spent to 31.12.56 £17,233;
 (b) deficit for year (administration costs and depreciation less rent and interest received) £729.

77 Lobatsi Abattoir

- (1) 68,715 head of cattle slaughtered (67,084 in 1955).
- (2) Meat goes to traditional markets for Bechuanaland Protectorate—Union of South Africa, Northern Rhodesia and Belgian Congo.
- (3) (a) Since end of meat price control in Union on 16.1.56 Union Meat Board has insisted on Lobatsi chilled meat being sold at auction in competition with Union freshly killed meat; for this reason and (c) below Union market is increasingly unattractive;
(b) in 1956, as in 1955, northern markets took more meat than Union but Northern Rhodesian demand was affected by local strikes, substitution of cash payments for meat rations to African mine-workers, and by relaxation of Federal inter-territorial meat controls;
(c) prices to producers based in 1955 on Union control prices were based from 16.1.56 on Union average auction prices (for fresh meat);
(d) negotiations for new arrangements with both customers and producers dragged on through 1956 without reaching finality; sales to northern markets had to be negotiated from time to time on various bases; producers are reluctant to change from present arrangements (Johannesburg parity and Union grading and dressing standards);
(e) trading conditions were thus difficult all round and are likely to continue so in 1957; but regular outlet for meat provided during a very difficult year.
- (4) Water supply eased by tapping new sources; cold room insulation difficulties are being overcome; but unsolved waste disposal problem is giving anxiety.
- (5) CDC has in mind to form a company in which local interests would be invited to participate, and to which abattoir business would be transferred.
- (6) Sales increased by 10% over 1955 to £1,889,284; net profit £60,798 (£97,943 in 1955).
- (7) Capital at 31.12.56 £655,804.

78 Molopo Ranch

- (1) (a) Development of ranching area continued with provision of further water supplies; 11 boreholes put down; eight struck water;
(b) ranch now 240,000 acres, with 25 water points and 430 miles of fences;
(c) better cattle management has contributed to improved grazing; this resulted in higher prices and increased profits.
- (2) (a) Herd strength 31.12.56 8,669 head (9,769 at 31.12.55); reduction policy of 1954 almost completed;
(b) composition of herd brought nearer balanced proportions by purchase of 328 breeders and 83 bulls;
(c) 601 head slaughter stock bought; some have already been sold to Lobatsi Abattoir at profit;
(d) birth rate satisfactory, though improved breeding capacity will not be fully effective till 1957; death rate 3.4% is higher than in 1955 but still not bad;
(e) 2,886 slaughter oxen sold to Lobatsi Abattoir, weight and grade improved and were again well above Protectorate average.
- (3) Net profit £9,008 (1955 profit £1,474).

- (4) Capital at 31.12.56 £284,518 including £35,641 assets on settlement areas (§ 79).

79 Molopo Settlement Scheme

- (1) Agreement in principle was reached between Protectorate Government and CDC for settlement scheme on areas vacated when Molopo Ranch was concentrated in 1955; development and improvements costs incurred by CDC will be refunded.
- (2) 71½ miles fencing erected to conserve grazing along Molopo River line.
- (3) Areas are let to graziers pending allotment of farms.
- (4) Assets and revenue included in Molopo Ranch accounts.

SWAZILAND

80 Swaziland Cannery (Pty) Ltd

- (1) (a) Company formed 1953 by John Heath Cannery Ltd and others in UK to operate pineapple cannery on land adjacent to Usutu Orchards;
(b) after reconstruction 1955, issued share capital £24,000; secured loans £35,000 from Barclays Overseas Development Corporation Ltd (BODC) and £65,000 from CDC rank pari-passu.
- (2) (a) Disappointingly small pineapple crop meant more loss in 1956;
(b) Swaziland Government urged CDC to assist further in keeping cannery going in interest of surrounding farmers (CDC included) who had invested heavily in plantings;
(c) CDC records appreciation of BODC part in consequent salvage efforts.
- (3) Original shareholders could not help and withdrew; CDC/BODC negotiated Company reorganisation under which:
 - (a) growers participate;
 - (b) Samuel Hanson & Son Ltd, who have canning experience in South Africa, appointed managing agents 9.11.56;
 - (c) further £30,000 unsecured loans subscribed by growers (£10,000), BODC (£7,000) and CDC (£13,000—bringing investment to £78,000); stock finance has, in addition, been arranged by Hansons with CDC/BODC supporting guarantee;
 - (d) 21,000 of shares redistributed equally between growers, managing agents and debenture holders.
- (4) (a) 1957 pineapple season has started well but enough is not yet known about growing pineapples in Swaziland to be certain of future;
(b) reorganisation has been a complex operation but effort and risk worth while if canning industry in Swaziland results.

81 Swaziland Irrigation Scheme

- (1) Scheme to develop 105,000 acres in northern Swaziland for irrigated and dry land farming and ranching.
- (2) Komati irrigation canal, despite slow start (see 1955 § 80) should be finished in mid-1957; it will provide water for 16,000 acres; it can be enlarged to irrigate 30,000/35,000 acres, dependent on water demand of crops to be grown.

- (3) (a) Meantime rice grown (using pumped water) and cattle ranches on commercial scale, with experimental 70 acre citrus orchard and investigation of sugar and other crops;
 (b) 1955/56 rice crop produced 1,577 short tons from 1,409 acres; incidence of red rice much reduced and quality improved;
 (c) cattle herd, 7,699 at year end (8,011 at 31.12.55) did better though virus pneumonia caused heavy calf losses; sales 1,317 head for £33,754 (1,064 head for £24,536 in 1955);
 (d) first export shipments of citrus were made (861 cases); fruit was well received by UK market; canning and juicing possibilities are being studied; 35,000 lb oranges and 102,000 lb grapefruit sold locally;
 (e) sugar cane has continued to grow well; dry land and rotation crops have produced varying results; people are showing interest in this place.
- (4) (a) Plans have been made for expansion of rice, citrus and bananas in 1957 when gravity water becomes available;
 (b) sugar planting material is being multiplied; plans for a sugar project are in hand.
- (5) Trading results:

	1956 £	1955 £
Gross profit/loss		
Rice	8,056 <i>profit</i>	4,952 <i>loss</i>
Other crops (mainly experimental) ...	11,189 <i>loss</i>	7,325 <i>loss</i>
Livestock	2,640 <i>profit</i>	720 <i>profit</i>
	<hr/>	<hr/>
	493 <i>loss</i>	11,557 <i>loss</i>
Administrative charges (after apportionments to construction and general development)	13,533	35,967
	<hr/>	<hr/>
Net loss	£14,026	£47,524

(6) Spent at 31.12.56 £2,255,379; commitment for completion of canal stage I £430,000.

82 Ubombo Ranches (Pty) Ltd

- (1) £85,000 lent to Company in 1953 to develop irrigable land in Swaziland; repayable by 1973.
- (2) (a) Loan is secured on land and is guaranteed by principal individual shareholders;
 (b) CDC is represented on board by Regional Controller.
- (3) Company has done basic development and is growing rice; a small sugar mill is being installed.

83 Usutu Forests

- (1) (a) Purchase of 1,437 adjoining acres brings total to 119,281;
 (b) 80,861 acres planted at 31.12.56; due to unfavourable weather 8,851 acres planted against 12,000 programme—first time target not achieved;
 (c) CDC is establishing forest for Swazi Nation and planted further 1,572 acres therein; 1,765 to date;

- (d) trees flourish; the oldest, six years, over 30 ft in height.
- (2) (a) 27,563 sq ft of new buildings put up; 79 % for 360 African employees, 7 % for African welfare;
 (b) 67 miles new road built; 317 miles to date;
 (c) small hydro-electric scheme to light and power headquarters township almost complete.
- (3) Project employs 81 Europeans and about 1,500 Africans.
- (4) (a) Pilot scale pulping tests of Swaziland pinewood now in progress in USA under supervision of Bowater Paper Corporation and CDC's consultants, Messrs Cross & Bevan;
 (b) Bowaters to advise shortly on prospects of integrating a pulpmill with sawmilling;
 (c) a railway to tap Swaziland's iron ore may ease project's transport problems.
- (5) (a) Usutu Orchards, satellite farm, now concentrates on dairy herd and beef cattle for African rations with pineapples for main cash crop;
 (b) despite virtual failure of pineapple crop due to unfavourable weather farm did much better than in previous years.
- (6) Spent at 31.12.56 £2,289,615; fixed assets and development £2,199,441; net current assets £90,174.

TRISTAN DA CUNHA

84 Tristan da Cunha Development Co Ltd

- (1) Public company incorporated in South Africa with local management; authorised and issued capital £250,000; CDC holds £130,000.
- (2) In 1955/56 season (August 1955 to May 1956) catch was 22,859 cases of rock lobster tails etc—decrease of 2,046 cases on 1954/55 despite longer season; most disappointing.
- (3) 1956/57 season opened well; catch so far (23,869 cases by February 22nd) shows 38 % increase over catch to same date in 1956.
- (4) (a) Accounts for 18 months to 30.6.56 disclosed loss £70,358; this is partly due to two seasonal slack periods in 18 months; but catch was poor, and there were costly repairs to vessels;
 (b) new contract, at higher prices, has been arranged for sales of crawfish tails on west coast of North America; small production of canned rock lobster on world markets, mainly to France; current accounts will show full benefit of relief from onerous welfare obligations (see 1955 § 83);
 (c) but other difficulties are bound to continue; fishing cannot continue the whole year round; nothing but rock lobster to fish for; fishing grounds, round Tristan and Gough Island, are remote from Cape Town base and from markets.
- (5) The islanders are almost devoid of interest in this job—undertaken entirely for their benefit; in particular though wages are high there is very little local recruitment; at present Company employs exclusively Cape coloured and Cape native fishermen.

WEST AFRICA REGION

85 Regional summary

(1) Activities in West Africa were extended by two new projects; at 31.12.56 capital approved £3,149,000; employed £1,953,000.

(2) Much time and energy were given to investigating new proposals, nine major schemes at 31.12.56 with capital requests exceeding £15m; results will come slowly, some in 1957.

(3) CDC regrets intensely having been forbidden to assist Ghana further when help is needed and would be welcome. Negotiations on six new projects (five in association with Government or its agencies) were stopped on Secretary of State's instruction (see § 15 (3)).

(4) Federation of Nigeria is making quick political progress and urgently needs matching economic advance; scope for CDC help is considerable.

(5) Nigeria Housing Development Society Ltd was incorporated 29.12.56 after being held up for a year waiting enabling legislation (see § 12); CDC hopes it will make a major contribution to economic stability by improving standard of living in Lagos and perhaps later elsewhere in Nigeria.

(6) Sierra Leone and The Gambia are not overlooked; CDC seeks opportunity to help them both.

GHANA

86 Coast Construction Co Ltd

(1) (a) Authorised capital £300,000 in £1 ordinary shares; issued at 31.12.56 £100,000 held equally by CDC and Keir & Cawder Ltd;

(b) loan finance at 31.12.56 £300,000 by CDC, £99,430 bank overdraft guaranteed by Keir & Cawder.

(2) (a) Keir & Cawder manages Company through its associate Stirling-Astaldi (West Africa) Ltd; which also managed Mampong-Bolgatanga road contract, finished in the year;

(b) one bridge and one road contract done, two road contracts due completion soon; two more under way.

(3) Company worked well but profits were low in this first full year; due to drop in cocoa prices profitable volume of new work not yet in sight, but bringing Nigerian contracting companies under one management will help (see § 88).

(4) Profit since incorporation 9.11.55 £1,656

NIGERIA

87 Amalgamated Engineering Co Ltd

(1) An engineering company registered in Nigeria, with a subsidiary in Ghana, authorised capital £200,000 in £1 shares; £102,260 issued held by UK parent company.

(2) CDC advanced £50,000 secured by debenture; £20,000 carries conversion rights.

(3) CDC is represented on board by Regional Controller.

(4) (a) Company produces steel structures and tanks; industry is first of its kind in Nigeria; is introducing new technical skills;

(b) Company has had a successful year.

88 Coast Construction (Nigeria) Ltd

(Highways Construction (Nigeria) Ltd in 1955 report)

- (1) (a) Keir & Cawder Ltd replaced Highways Construction Ltd as CDC's partners 15.7.56, thus consolidating CDC contracting operations (see § 86);
 (b) authorised and issued capital 60,000 £1 ordinary shares; held equally by CDC and Keir & Cawder;
 (c) Keir & Cawder, through its associate Stirling-Astaldi (West Africa) Ltd, manage Company;
 (d) additional finance by CDC loan, £140,000 at 31.12.56.
- (2) Profit £1,255 in 1956 (loss £9,181 in 1955).
- (3) Company supervised last few months' maintenance period of completed CDC Cocoa and Gusau-Sokoto roads contracts (see 1955 § 87).

89 Coast Engineering Ltd

(Highways Engineering (Nigeria) Ltd in 1955 report)

- (1) (a) Wholly-owned subsidiary of Coast Construction (Nigeria) Ltd (see § 88); authorised and issued capital 10,000 £1 ordinary shares;
 (b) parent company took over CDC loan (£100,000 1955) in capital reconstruction during year.
- (2) Company owns workshops and contracting equipment.
- (3) Profit £6,102 in 1956 (loss £42,050 in 1955).

90 Kaduna Housing Company

- (1) At request of Northern Government CDC agreed to contribute £10,000 in new company being formed in conjunction with Northern Government and Costains (West Africa) Ltd to build an estate of 400 houses at Kaduna for lease to Africans.
- (2) Share capital will be £30,000, 10,000 £1 shares being held by each of CDC, Northern Government and Costains (West Africa) Ltd; Northern Government has also agreed to make grants of £120,000 and loans of £200,000.
- (3) Management by Costains (West Africa) Ltd.

91 Lagos Executive Development Board

- (1) Loan £1,250,000 finances reclamation and development of 772 acres at Apapa.
- (2) (a) Board may refund, or CDC retire, at end of ten, 20 or 30 years from 1.9.50; otherwise equal annual repayments 1.9.61-1.9.90;
 (b) guaranteed by Federal Government of Nigeria.
- (3) 1,060 plots (out of 1,254) were leased at 31.12.56; reclaimed area gives valuable industrial and commercial sites with close access to expanding port of Apapa.

92 Nigeria Housing Development Society Ltd

- (1) In November 1955, following favourable investigation report by general manager, Malaya Borneo Building Society Ltd, Nigerian Federal Government invited CDC to establish a building society quickly to promote low-cost housing in Lagos on same lines as Malaya Borneo Building Society.
- (2) Negotiations—to everyone's frustration—suspended from December 1955 to August 1956 till new Act was through (see 1955 §. 91).

- (3) (a) Society incorporated 29.12.56;
(b) authorised capital £1,250,000 in £1 ordinary shares—CDC 750,000, Federal Government 500,000;
(c) CDC has agreed to provide £250,000 loan capital.

93 Omo Sawmills of Nigeria Ltd

- (1) (a) Issued capital £250,000 of which CDC held 161,497 £1 shares at 31.12.56; balance held by William Mallinson and Sons Ltd, a group of African timber interests headed by Chief T. A. Odutola, and by former shareholders of A. Norman Rushforth Ltd;
(b) in 1950 Company obtained 429 sq miles of concessions in Omo and Oshun forest reserves of Western Region—1% to be cut annually.
- (2) (a) Efficiency improved further and production maintained its high reputation for quality; sawmill input was 14% higher than in 1955 and conversion rate 2% higher;
(b) forest worked in 1956 was exceptionally rich in mahogany so sales rose to £249,641 of which 68% exported (£178,283 and 48% in 1955);
(c) Company earned profit (£22,526) for first time since 1951 (loss for 1955 £3,759).
- (3) (a) CDC reports with regret retirement of Mr E. P. G. Annesley, managing director of Company since its formation; Mr Annesley stayed on to see new mill into effective operation and the 1956 profit must please him;
(b) R. T. Briscoe Ltd (subsidiary of East Asiatic Company of Copenhagen), which has for some years operated a large sawmill and timber concession in Ghana, became managing agents on March 1st and have acquired a substantial shareholding.

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