

## **Governor Guggisberg's Annual Address, *Legislative Council Debates*, 1921-2 (excerpts)<sup>1</sup>**

### **1. The economy in 1920: the Governor proposes a development programme as the only way to stabilise the economy**

When introducing the Estimates for 1920 I congratulated Honourable Members on the fact that in 1919 we had achieved the biggest trade in the history of the Gold Coast exceeding by several millions the trade for 1918. Again, I have to congratulate Honourable Members on another record. In 1920 our total exports and imports reached £26,000,000 an increase of £8,500,000 over the figure for 1919.

The value of the imports for 1920 are about £14,000,000 as compared with the total value of about £8,000,000 for 1919, an increase of over 77 per cent. The large increase in import values is in some degree accounted for by the increased cost of commodities, but notwithstanding higher prices, there have, in numerous instances, been increased importations as regards quantities. The value of the imports of cotton goods reached nearly £4,000,000, double the 1919 imports.

Wearing apparel, perfumery, tobacco, hardware, motor vehicles, and railway plant also show considerable increases. The increased imports of high priced non-essential articles indicate that the people possessed a considerable amount of surplus wealth for disbursement during the year, and a greater wave of prosperity than the colony has ever known before. The explanation of this is to be found in a scrutiny of the export statistics relating to domestic produce. The statistics show that while over 176,000 tons of cocoa of a value of about 8¼ -millions were shipped overseas in 1919, shipments for 1920 approximate over 118,000 tons of a value totalling nearly 10 millions (sic). Although, therefore, we shipped nearly 58,000 tons less, the value was over 1½ millions (sic) greater. Kola nuts and lumber also appreciated in value during the year, and their exports therefore considerably exceeded 1919 export values. Owing to the influence of cocoa the exports of palm kernels, palm oil and rubber have all fallen in value. The year as a whole has been one of extraordinary commercial activity and prosperity, and, taking an average throughout the year, sellers of produce have received higher prices than they ever received before

#### *Effect of the cocoa boom*

The history of cocoa in 1920 taught several new lessons to the people of this country and emphasised one old lesson. In January the price of cocoa was £98 per ton. The rush of people to take part in the cocoa trade which had gone on in 1919 went on increasingly. In February the price reached the unprecedented figure of £122 per ton. Both Europeans and Africans were handling big cocoa business and many of them far more money than they were used to.

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<sup>1</sup> Source: G. B. Kay, *The Political Economy of Colonialism in Ghana*. 1992.

It was indeed apparent that a large number of the Gold Coast people had lost their heads. Members of the Professions, Clerks, Artisans practically deserted their work and took part in the great cocoa rush. It was impossible to get labour. In March there were indications of a fall. By May the price was down to £85. The wise men pulled up but the vast majority were unwise. They had not enough knowledge to know what was going to happen. The declining prices continued, and it soon became evident that the bottom was going to fall temporarily out of the cocoa market. By December the price had dropped to £39 per ton. Hundreds of individuals and new firms were ruined and only older firms with insufficient capital to support them survived.

There can be no doubt that there are natives in this country who did well and permanently increased their wealth out of the great cocoa boom. But as in the case of other booms all the world over, for everyone who succeeded there were a hundred failures. To begin with, hundreds of educated young Africans threw up their jobs, over a hundred in the Government Service alone, and rushed off to the cocoa fields and markets. The majority have had a severe lesson. Government appointments have naturally been closed against the return of those who deserted the service of their country, while the great decrease in the number of new firms which started business during the boom has decreased the amount of work available for their re-employment. Many young natives in fact learnt that a bird in the hand was worth two in the bush.

The unfortunate feature of so many cases was that money easily earned was easily spent. Motor cars were purchased right and left, champagne flowed freely, smoke of expensive cigars scented the air, European clothes both for men and women, at far more expensive prices than in any period of history, were purchased freely. In a few cases, as I have said, the men who made their money withdrew in time and were wise in their expenditure, but in the vast majority of cases by the end of the boom those who took part in it were far poorer than before. What made matters worse was that the farmers neglected their food crops for their cocoa and consequently the price of provisions rose to a height unprecedented in the history of the Gold Coast.

These things have occurred in other countries during booms, and the Gold Coast was by no means singular. Nonetheless, our cocoa boom afforded a fine example of the necessity for thrift. If, instead of squandering their money, they had put some by, the majority of those who took part in the cocoa boom would now be comfortably off.

When it really became apparent that we were really in for something longer than a mere temporary slump in cocoa there were two things to be considered:

(1) How long was the slump going to last and what steps could be taken to deal with it? (2) What are we going to do to prevent a recurrence of a similar slump in trade?

#### *Steps to meet the trade slump*

The answer to the first question is that the slump in our two main articles of produce,

cocoa and palm oil, is only temporary ... [Events] of the past few years have shown that both these articles have become a necessity in the world. For edible oils and fats there must practically always be an unlimited demand. For cocoa there will undoubtedly be a limited demand, but this demand is very large and is increasing yearly, one of the chief reasons for the increase being the gradual growing prohibition of spirits throughout the world. Sweets, especially chocolates, are gradually taking the place of spirits.

Therefore the slump is only temporary. How long will it last? The answer to that lies undoubtedly in the unsettled condition of the world after the greatwar. At present practically all the markets of Central Europe are closed against us. The rates of exchange are also against us owing to the depreciated value of currency 'which naturally followed on the world inflation of currency and credits. We shall have to wait for the restoration of pre-war trade conditions among the nations of the world before there can be any appreciable revival in our trade. The date on which this world revival will take place is puzzling the wisest heads in Europe and America. That a general world recovery will come is certain, but unfortunately it is improbable that it will come for one or possibly two years.

It is obvious, therefore, that in forming any plans for tiding over our trade slump we should reckon on there being less demand for cocoa for twelve months. That is to say that we shall not have full sale, and that only at low prices, for our present crop.

On my return from England in October the danger that would arise from this state of affairs struck me most forcibly. The cocoa farmer, somewhat spoiled by the high prices he had received during the boom, would probably refuse to sell at the low prices obtaining in October, prices which showed signs of still further decline. Honourable Members can see the evil that would result. Either the farmer would not harvest his crop at all and would leave the pods rotting on the trees, to the subsequent deterioration of the quality of cocoa, or else he would gather and store the beans against the time when prices would recover. The latter, though preferable to the former, would have resulted in their being a glut of cocoa in the next season, that of 1921-2; and this, together with deterioration in the beans due to inadequate storage accommodation, would not only have delayed the recovery of prices, but would give Gold Coast cocoa still less reputation as a high class product in the markets of the world.

Immediate action was therefore necessary, so I personally started on propaganda tours, and in the months of October to December delivered over 50 addresses on the subject to large gatherings of Chiefs, Councillors, farmers and cocoa traders in the Eastern and Central Provinces. Copies of this address, laying down the policy to be pursued, were sent to all political officers in the Gold Coast with instructions that they should start an active campaign on similar lines. My address has been laid on the table for Honourable Members to read and has also been published in the local papers. Briefly, my advice was to sell and keep on selling, no matter how low the price got, unless they could store properly and in permanent buildings. I further pointed out to all farmers that they were trying to grow too much, that they should reduce the size of their farms to such as could be managed by themselves and their family,

thus getting a bigger profit by doing away with the hired labour which had increased so very largely during the cocoa boom.

The effect of our campaign was undoubtedly good, and for some time sales were steadily maintained. In December, however, we received a severe blow by the big Combine firms stopping buying. At first this caused us some surprise in view of the large stocks of European goods held by these firms and the sale of which depended on the circulation of money. We learnt later, however, that the United Kingdom was absolutely glutted with stocks of cocoa. I am glad to say that I have now received information that the Combine firms are again beginning to buy. In the meantime we welcome the advent of a large Swiss firm of chocolate manufacturers who have made very large purchases in Ashanti and in the Western Province of the Colony. Summing up the cocoa situation, I see no reason to doubt a steady sale at low prices during 1921. We cannot this year, or ever again, return to the high prices that were ruling last year. That being so, an absolute essential of our trade programme must be to cheapen methods of transportation both by road, railways, and improved harbour facilities for we require this cheaper transportation to encourage trade when prices are low far more than when prices are high.

### ***Steps to prevent a recurrence of trade slumps***

Dealing now with the second question. What is to be done to prevent the recurrence of a slump in our trade?

If the cocoa boom has done us harm, it will anyway have done one good thing if it has made everyone realise the danger of depending entirely on one main article of produce. In 1920, 83 per cent of our exports consisted of cocoa. Again and again we have talked of 'all the eggs in one basket', Verily the truth of this has come home at last! Well, what are we to do? First and foremost we have to improve our cocoa. Smaller farms, better cultivation, more attention to the advice of the agricultural officers which fell on ears deafened by the cocoa boom, all this, with better fermentation will improve our quality. And this we need urgently if we are to compete with the steadily increasing cocoa production of other parts of the world.

Necessary as that is, it is, however, the same old basket. What else can we turn to? Undoubtedly the next best product -if not a better one than cocoa -is that of our oil palm. Neglected by everyone except that far-seeing and capable Chief Mate Kole and his Krobo farmers, our palm oil and kernel export had dwindled down to a few miserable thousand tons a year. Four things we must do:

- (1) Take up again our old oil palm cultivation.
- (2) Improve methods of cultivation.
- (3) Run a railway and more feeder roads through the oil palm belt.
- (4) Provide local centres for decortications and crushing.

For (1) we look to the Chiefs and their Councillors, for (2) to the assistance of our

agricultural officer, for (3) we rely on Government activity in railway construction and on the energy of the farmers in co-operating with the Government on road construction; and for (4) we would welcome European enterprise.

I am optimistic on the recovery of our oil palm produce and fully believe that the lessons of the cocoa boom have been learnt by the Chiefs and the farmers.

Rice, copra, sisal, and sugar are all articles of produce which the Government is now encouraging, but when all is said and done, these are none of them likely to turn into huge items of export, valuable as they will prove to the farmers who grow them. We must not neglect them -indeed we must encourage both them and any other small item of export in every possible way. But what we want is something that will rival cocoa -something that will place us more firmly than ever at the top of the Crown Colony produce ladder. For we must remember that head for head, and acre for acre, we are a long way ahead of any other Crown Colony in both trade and revenue. We must maintain that position by finding something new that will compete with their steadily growing new products. Luckily we have not far to seek.

Now, Honourable Members, I have been accused of being a faddist about the Northern Territories. I plead guilty to the accusation, but if I am a faddist, I am a faddist backed up by 'reason -I am a faddist who has been to see what he is talking about.

And I repeat now what I said last month this Chamber that the whole future of the Gold Coast is bound up with the development of the ground-nut and Shea butter industries of the Northern Territories.

I have been there and seen them both growing. I have seen millions of acres of country where ground-nuts are indigenous and can grow in prodigious quantities without constant labour of clearing the forest and bush of the Colony and Ashanti. And I know that the people of the northern and more inaccessible parts of the country will migrate for the farming season to the southern parts where the ground-nut grows, returning to their homes after the harvest just as they do now from the Colony and Ashanti.

With a railway there, and a deep-water harbour at the end of it, we should have 300mileslessofrailwaytransport and300mileslessofseatransport than Nigeria to the markets of the world.

As for the Shea nut, we should be in an unrivalled position. I have seen thousands of acres of nuts rotting on the ground -thousands of acres of trees of which the nut-crops on one side have been destroyed by the annual fires-a loss easily avertible by the cultivation of surrounding belts of ground-nuts.

Honourable Members, with means of transportation -with a deep-water harbour at Takoradi and a railway from Coomassie to the neighbourhood of Tamale -we will assure the safety of Gold

Coast trade. We shall have four large baskets of articles greatly in demand -cocoa and palm oil from the south -ground nuts and shea-butter from the north -together with seven little baskets of rice, copra, sisal, corn, sugar, coffee, and tobacco -little baskets, Honourable Members, but good.

And with the safety of our trade assured comes assurance of our revenue –the sinews of war for our campaign of education and progress.

### *Our financial state*

In reviewing the history of the past year, the next point to touch on is our revenue. As I have just mentioned the fact that we attained our highest trade on record, Honourable Members will not be surprised to learn that we also attained our highest revenue.

So, for the second year in succession there has been a record in our revenue. For in 1919 we exceeded our previous highest revenue by over three-quarters of a million. Our revenue, in fact, realised £2,601,360.

Now for the year 1920. In drawing up the Estimates we anticipated a revenue of £2,389,600. Actually we have made a revenue in 1920 of £3,695,919, beating our previous record by the handsome amount of over one million pounds. These high revenues for two years in succession have not been without their effect on our accumulated balance. At the beginning of 1919 we had over three-quarters of a million in hand. By the end of 1919 this had increased to over £1,600,000. By the end of 1920 it had risen to 2 ½ millions.

When introducing last year's Estimates I remember congratulating Honourable Members on the fact that in our accumulated balance we had a safeguard against a slump in cocoa. Well, as we all know, that slump has come, and welcome indeed is the nest-egg to tide us over the rainy days to come.

Allowing for the expenses of the present quarter which separates 1920 from our new financial year 1921-2, we shall, on the first of April next, start *with* close on £2,000,000 in hand.

This means that our balance of 2½ million with which we began the year 1921 will tide us comfortably over 15 bad months, and will leave us still with a nest-egg of over one million as a reserve against a still further bad year.

So, as far as it is humanly possible to tell, we can face 2 ¼ years of bad trade without anxiety; we can only, however, do this by exercising the most rigid economy and by confining our chief expenditure to those items which will ultimately bring in revenue. I will, however, deal no further at present with the future, as there is much more to be said when we actually begin to discuss the Estimates for the coming year.

### *The Ten Year Programme*

In addressing the Council on the Estimates for 1920, I gave Honourable Members a ten-year programme of development ... This programme, divides into 10 main headings [see Table 1.1].

When Honourable Members are reading this programme, I would remind them of two facts. The first, that it is at the present moment as impossible as it was a year ago to calculate the total expenditure which will be required on each item. Prices are still fluctuating in such a manner that any estimate of cost of construction involving purchase of material would require such wholesale revision as would render them useless. We have therefore not attempted during the past year to make any more accurate estimate than is shown on the printed programme. Serious as the omission may appear, in reality it is not so. Although we are mak-

Table 1.1

Expenditure based on a loan of £4m

Item no.	Construction	Anticipated total expenditure (£)	From loan funds, first 4 years (£)	From revenue, second 4 years (£)	Required expenditure for second 6 years (approx.) (£)
I II III	Harbour	2,000,000	1,000,000		1,000,000
IV V	Railways	14,581,000	3,000,000		11,581,000
VI VII	Roads Water supply	1,000,000		500,000	500,000
VIII IX	Drainage Hydro-electric works	1,790,000		200,000	1,590,000
X	Public buildings	1,350,000		200,000	1,150,000
	Town improvements	2,000,000		170,000	1,830,000
	Telegraphs and telephones	1,100,000		1,000,000	100,000
	Maps, political and industrial	500,000 90,000 200,000		250,000 80,000 100,000	250,000 10,000 100,000
	Total	£24,611,000	£4,000,000	£2,500,000	
				£6,500,000	£18,111,000
	Grand Total	£24,611,000			£24,611,000

ing a fair start on many of these items we have not yet involved ourselves heavily in expenditure. This *is* partly due to lack of artisans, but still more due to our desire not to commit ourselves to the wholesale purchase of materials until prices have gone down.

The second fact to which I wish to draw the attention of Honourable Members is that, when originally submitting the programme, I pointed out that it is of such a nature that should circumstances compel us to curtail expenditure, we could easily modify the programme. That is a particularly important point in view of the present slump in trade.

I will now review briefly the progress we have made in carrying out the development programme in 1920, and when dealing with each head I will indicate briefly the work which we propose to continue or start during the coming financial year.

### *Transportation*

In dealing with harbours, railways, and roads, I would remind Honourable Members of what I said just now -that our present system of transportation is totally inadequate to cope with any great increase in our trade. We must increase and improve the means of transportation and cheapen the cost. The former depends on the money we can spend on construction work. The latter depends on the up-to-date facilities we can provide for transshipping cargo and also on the turnover we can make in our business, in other words the more miles of railways we have open, the cheaper can be our rates.

### *Harbours*

With regard to harbours, the Government has a definite programme, which is:

- (1) The construction of a deep-water harbour at Takoradi.
- (2) The improvement of the jetty accommodation and facilities for handling cargo at Accra.
- (3) The maintenance of such port facilities as already exist at the various coast towns, including certain improvements at Seccondee, to facilitate the handling of manganese pending the construction of the Takoradi harbour.

I am glad to say that in the last-named item we are being considerably assisted at Seccondee by the action of the Manganese Company, and that our trade down the Volta has been greatly helped by the enterprise of the Volta River Transport Company.

I would like to mention here a subject of general interest. It became apparent about last April, that the Consulting Engineers Messrs Coode, Son, Fitzmaurice & Matthews, had completed so much of the construction of Seccondee and Accra harbours as to render the continuation of the existing system somewhat expensive. I took the opportunity when in England of consulting them in the matter. With great public spirit they agreed with my point of view and voluntarily withdrew from their connection with the Gold Coast harbours. All construction workers at Seccondee and Accra, which are now regarded as railway terminals, have therefore been placed on the railway. It is hoped that considerable economy will thereby be effected and better coordination maintained between the open lines and the two ports mentioned. Actual routine work is still carried out by the Customs Department. The latter will, in due course, probably require strengthening by the addition of one or more harbour masters

but this is not contemplated at present.

### ***The deep-water harbour***

I do not intend here to go into details of why Takoradi has been selected, but I may say briefly that a deep-water harbour can be built more cheaply here than at any other place on our coast. Secondly, that owing to the existence of a natural breakwater in Takoradi Reef and the rocky nature of the bottom there is a minimum of danger of sand and silt and no expensive upkeep by dredging.

One great advantage of this harbour as planned by Messrs Stewart & McOonnell is that it can be built in instalments. The harbour, when complete, will cost £5m. and will contain ten berths alongside jetties for ocean-going steamers, including a special berth for manganese and two for coaling. Further, it is possible to extend the harbour to take as many ships as could possibly be required.

It is not, however, necessary to build the whole of this harbour now. So we have reckoned on a first instalment of six berths. This first instalment will probably cost about £3 ½ m., but this sum will include construction of the railway line from Secondee to Takoradi and the complete lay-out of Takoradi township.

This is the most that I can tell Honourable Members about Takoradi Harbour this morning. As I have said before, the detailed report of the survey party will be issued for their information. A committee will shortly be assembled to consider ways and means and in due course our final proposals will be submitted to a special meeting of this Council. It is not likely that we shall be able to begin on any big scale this year, but I would remind Honourable Members that if the trade of this country is to be increased sufficiently to give us the revenue which we require for our education we must have a deep-water harbour. There is no alternative.

### ***Accra Harbour***

Improvement of harbour facilities at Accra is urgently needed. Complete plans have been prepared and work will be commenced as soon as Messrs Stewart & McDonnell have decided between the conflicting claims of the engineers and the mercantile community. Whatever this decision may be, it does not affect the removal of one of the existing jetties from its present inland site to a position a few hundred yards to the east. This work is in progress, but has been seriously delayed by the non-arrival of material required for replacements. Its completion may be expected before the next cocoa season and will considerably facilitate the handling of heavy cargo.

### ***Railways***

We have on the whole made fair progress in 1920 on our railways in spite of the shortage of labour. Our two main items of work are on the Tafo-Coomassie line and the Secondee-Coomassie deviations. On the first named, we started work from both ends. The first twenty miles of earth-work east of Coomassie are practically finished and bridges and plate-laying are begun. At the Tafo end, bridging and plate-laying is complete almost to Bosusa station, but the earth-works and ballasting have advanced considerably beyond that point. The General Manager reports that by the end of the next financial year we shall have 50 additional miles of

railway open, 25 from Coomassie and 25 from Tafo, while the earth-work and ballasting in the 90 mile gap that will then remain will be well advanced. The engineers have had to contend with the utmost difficulties in labour, especially in Ashanti, and in this respect we owe a great deal to Lieut Colonel Graham, the Chief Railway Engineer. In Akim the keenness of the Omanhene and his people resulted in considerable progress being made. With regard to the Secondee-Coomassie deviations, new earth-works are practically completed up to the north of Asuasu station. The survey of the deviations has been completed to the vicinity of Opon Valley station by Mr Weller. In the first 71 ½ miles, 170 curves have been cut out and the radius of all curves has been doubled. The new alignment will allow a maximum gradient of 1 in 80 against imports and 1 in 100 against exports, compared with the old standard of 1 in 50. The realignment will be productive of greatly increased economy of running, and enable the railway to deal with heavier traffic.

On the much needed increase in rolling stock no engines or covered vans ordered during the war have yet arrived. Open trucks began to arrive in December. Several thousand tons of rails and sleepers for the new line and deviation have arrived.

Surveys of railway belts with the object of ascertaining the best route for new lines are being carried out by the Survey Department.

Although the subject may belong more properly to the item 'Roads', Honourable Members will be interested to hear of an experiment which I have asked the General Manager of the Railways to carry out in conjunction with the political officers and Chiefs of the Western Province. As regards transportation, the Western Province of the Colony is still far less developed than any other part of the Gold Coast, and this in spite of its having had for nearly 20 years a railway with a terminal port. At the present moment, the only roads fit for motor traffic are a few miles of the coast-line road on each side of Secondee and about 15 miles of road from Dunkwa to Ayanfori. On the other hand, the country for from 40 to 50 miles on each side of the railway is heavily planted with cocoa. In fact, transportation has lagged hopelessly behind agricultural development. While high prices for cocoa obtained, the farmers sent a certain amount of cocoa to the railway. It is estimated that in the greater part of the area mentioned not more than a quarter of the crop was sold. Merchants established buying centres well out to the west of the railway, but nearly all these are now closed down and the activities of the farmers practically terminated by the low prices and lack of transport facilities.

It seems to me that in encouraging the people to plant cocoa and in neglecting to provide them with means of transport, Government may almost be accused of having broken faith. I do not think this is entirely the case as the presence of the goldfields has provided the local inhabitants with such means of employment as has led them to neglect road-making. However, whoever's fault it may be, the state of affairs must be remedied.

I have therefore asked the General Manager of the Railways to peg out routes for pioneer roads in such a manner that they can afterwards be converted without deviations into first- and second-class Public Works Department roads. In selecting the routes for these roads he will confer with the political and agricultural officers and the chiefs concerned. On completion

of the pegging out, the Chiefs will then have the opportunity of following the excellent example set to them by the people of the Central and Eastern Provinces of the Colony and the people of Ashanti, Who have constructed pioneer roads suitable for light lorry traffic on a scale sufficient to take all their produce to the railway or the ports. On completion of these routes, the General Manager of the Railways will place on them a lorry service on commercial lines for feeding the railway, such service also being available for feeding the merchants' trading centres on the road. Naturally the amount of lorry service will depend on the existence of private enterprise on each road. Should it be found that it is not possible to run the railway lorry service on revenue earning lines, its institution will not take place.

## *Roads*

By the end of 1920 we had approximately 812 miles of Public Works Department motor roads and 1,500 miles of Chiefs' pioneer roads suitable for light lorries open for traffic. Approximately 300 miles of each were constructed during the year under review. In spite of the shortage of labour, the Public Works Department are ahead with their five years' programme. The two chief events of the year have been the opening of motor transport between Coomassie and Tamale and the practical completion of the coastal road between Accra and Secondee, although this latter road still requires much improvement in certain parts. It will actually be opened by the middle of next month.

With regard to the Coomassie-Tamale road, the Public Works Department, assisted in the most admirable manner by the Pioneer Company of the Gold Coast Regiment, created a record in road construction by completing over 140 miles of road between Attebubu and Tamale in the five months ending in March 1920.

With the exception of the Western Province of the Colony, too much praise cannot be given to the political officers, the Chiefs and the people of the whole of the remainder of the Gold Coast, Ashanti, and the Northern Territories for their roadmaking during 1920. The farmers of this country have realised, like the farmers of every other country in the world which is being opened up for trade, that pioneer roadmaking is part of their duty as farmers if they wish to get their produce to the market. Indifferent as many of the roads are, they serve the purpose for which they were built, and it would have been a sheer impossibility for the Public Works Department to have produced anything approaching the present amount of mileage even had staff and funds been sufficient.

I would here, however, strike a warning note. These roads, however useful they maybe when prices for produce are high, are unfit to cope with low prices. The expenditure of keeping up a lorry transport service on a poor road, both in running expenses and in repairs, becomes prohibitive when prices are low. A further factor to be considered is that with poor roads only light lorries carrying light loads are possible. The better the road the heavier can be the lorry and the greater the weight it can carry, in proportion to the fuel it consumes. These points are fully recognised by the Government and in due course the Public Works Department will take up the improvement of the majority of the Chiefs' roads. But this cannot possibly be done on a wholesale scale for some considerable time. It is, however, essential, as Honourable Members will fully agree, that farmers should realise that the better they make their roads the higher the prices they will obtain for their produce.

During the past decade the necessity for opening up pioneer roads to deal with our rapidly increasing cocoa trade has, in the absence of a sufficient staff of engineers to lay them out properly, led to a large number of roads being unfortunately located by those who built them. Sharp curves and very steep gradients are everywhere noticeable and so far, when the Public Works have taken over these roads to improve them, they have had to make extensive and expensive deviations. Instructions have therefore been issued that in future no pioneer road should be undertaken until it has been pegged out by an engineer, or by a member of the Gold Coast Survey, which latter department is at present lending us very valuable assistance in this direction.

### *Water Supply*

*With* regard to water supply, the only actual construction work carried out in the year was the extension of well supply at Coomassie, Cape Coast, and other places, besides the extension of the Secondee and Accra supplies. A very large amount of work has, however, been done in investigating the sources of supply for Coomassie and Winnebah. Schemes and estimates for pipe-borne supplies for both these places have been prepared while schemes for Cape Coast and Saltpond are now being investigated...

### *Surface drainage*

With regard to surface drainage, we have made steady progress in many of the towns during the year. Owing, however, to lack of labour and staff, progress has not been all that could be desired.

### *Hydro-electric works*

With regard to electric power and lighting, we have so far failed to discover a suitable water power station. The river Prah has been investigated and a favourable place discovered, but economic conditions at present existing do not justify the expenditure involved. The Tano river, the streams in the neighbourhood of the Kwahu Plateau, and the Volta, are the next subjects for investigation and will be proceeded with during the coming year...

### *Public building*

In dealing with the next item on the ten-year programme, i.e. public buildings, we are still faced by the difficulty of estimating their exact final cost owing to the fluctuating prices of materials. When last I alluded to this subject in addressing you on the 1920 Estimates, we were also handicapped by the cost and amount of Elder Dempster. They have reduced their homeward freight charges by 20 percent and are contemplating lowering the outward freights in a similar manner when we can give them better harbour facilities. With regard to the amount, our chief shipping now appears to have ample cargo space and there are indications that new lines may possibly be coming into competition.

Our chief difficulty, however, remains, i.e. the cost of materials. So big are these still that we have considered it wise to cut down every possible item of permanent construction in the coming financial year. We shall practically begin no new buildings of any size in reinforced concrete. We shall carry on with those buildings which are still in hand or which had been already let out to contract. We feel it will be wiser to defer as many items as possible until prices go down. Another factor which renders it possible to defer these big permanent buildings is the shortage and quality of labour. The cocoa boom in 1920 thoroughly upset the labour market in every direction. Not only were we short in the number of men, but those who were available could not be said to be worth 60 per cent of their value in 1914. As an example, the following is the percentage of the labour for Government work

which we obtained:

Carpenters 20 per cent	}	of what we required
Masons 15 per cent		
Painter 15 per cent		

That is to say, we only obtained from a fifth to a seventh of the number of artisans were required. As for skilled labour, during the greater part of the year we could only get 40 per cent, less than half what we required although the situation has improved *in* this respect since the end of the cocoa boom...

*Town improvement*

Town improvements are another item for which it has been impossible to lay down any fixed sum in the 10 year programme. As *in* the case of water supply, the demand is unlimited. In practically every town of any size, the necessity for improvements in sanitation brings with it the demand for considerable alterations in buildings and streets. The main policy of the Government is to concentrate its efforts on those large towns whose rapidly growing populations cause grave dangers of epidemics through the ease with which infection spreads in congested areas. In accordance with this policy practically every large town has in the past few years received a new layout. During 1920, however, only fair progress was made *in* carrying out actual construction. In the first half of the year shortage of European staff, and throughout practically the whole year shortage of labour, severely handicapped progress. Although in the majority of cases the Chiefs and their people are keenly alive to the advantages and desirous of improving their towns, their efforts to provide the necessary labour have been hopeless. Again and again in large towns such as Winnebah, Cape Coast, and Secondee, arrangements were made to start work on the Chiefs' promises to find the necessary labour -in each case only to meet with disappointment ...

*Telegraphs and telephones*

Telegraph and telephone construction work was badly held up throughout the year by the delays experienced in obtaining material ... A start has also been made on replacing our temporary lines, a step which is urgently needed owing to the expense of maintenance and the frequent breakdowns, but unfortunately revenue will not permit of much activity in this direction during the coming year.

*Maps*

On the last item in the 10 year programme a most excellent start has been made... Good progress has also been made with the topographical map *in* the Eastern Province so that it is hoped that by the end of this field season we shall be in possession of sufficient information to enable us to settle many long-standing boundary disputes and select routes for railways and roads. Similar work is also being carried out west of the Secondee-Coomassie railway.

Among other work carried out by the survey, accurate town plans are being made... The survey school has also been started in the old Basel Mission buildings at Odumase, kindly lent

to us by the Scottish Mission, and there is no reason to doubt but that this school will soon rival the Nigerian Survey schssool in its result. ..

## 2. The meagre achievements of British enterprise in Tropical Africa, 1924 <sup>1</sup>

[The rate of railway building depends mainly on whether] the expenditure on the service of the loans can be justified by the financial resources of the colonies. The opinion was expressed both by official and non-official witnesses that in Nigeria and the Gold Coast expansion had recently been taking place as rapidly as expedient in the existing state of the resources of the countries.

There is indeed little reason to suppose that private firms will be found willing to finance, construct and operate railways unaided by Government in the present stage of development of Tropical Africa .

...nearly the whole of the railways ... have been built departmentally. The reasons for these are not far to seek. The railways have not been built solely as commercial undertakings. The Uganda railway was the outcome of philanthropic and patriotic impulse on the part of the British public; and in many cases the railways were constructed in the first instance for administrative convenience as much as for commercial advantage.

The advantages of construction by the Government are found at their maximum in the case of a country like Nigeria, where a programme of construction extending over a number of years makes it possible for the colony to create and maintain in constant employment a thoroughly efficient construction staff under a first class railway engineer. Without this condition the recruitment and maintenance of such a staff would be impracticable. When, however, this condition is fulfilled, there are claimed as advantages of the State system that contractor's profits (enhanced possibly in the case of underdeveloped countries by inflated estimates to cover unknown risks) are saved; ... that plans can more easily be modified during the progress of the work as new information renders changes advisable, and that sections of the line can be brought into use as completed without incurring contractor's claims; [that delay can be avoided]; that Government can make full use of its existing railways and steamers to assist in construction work; that its political staff is in a far better position to handle indigenous labour with a minimum disturbance of the labour market than the contractor, who necessarily enters as a competitor against other employers, including the State itself; that railway construction under such conditions can be made a potent educative influence among a primitive people unused to, and timid of, service under Europeans; that the staff employed become well trained to team work in a contractor's and have greater knowledge and experience of local conditions: that so long as the railways are constructed and operated by the State all special plant raised, instead of becoming derelict on the completion of any one project, is in continuous use, whether in new construction or heavy works on existing lines.

The advantages claimed for the contract system are, in the main, that it introduces the element of competition from which, under a system of State construction, the party undertaking the work, i.e. the Government, is immune; that when a work has been put up to tender, and a tender has been accepted, the colony knows the extent of its liability, whereas there is no guarantee against any excess

<sup>1</sup> *Private enterprise in British Tropical Africa*. Report of the Committee appointed by the Secretary of State for the Colonies to consider and report whether, and if so what, measures could be taken to

encourage private enterprise in the development of the British Dependencies in East and West Tropical Africa, with special reference to existing and projected schemes of transportation. Cmd. 2016, London 1924, pp.5-17(extracts).The minority report appears on p.23.