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McNamara Paper

Travel  
Jan. 9

Folder 1 of 4

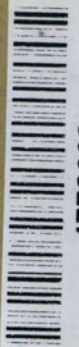
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**The West Group Archives**  
 Travel briefs, Sierra Leone

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Revised  
January 8, 1973

VISIT TO WEST AFRICA, January 9-20, 1973

<u>DATE</u>	<u>TIME</u>	<u>GMT</u>		<u>REMARKS</u>
Jan. 9	1650	2150	Depart Washington (National)	NA153 (727)
Tues.	1745	2245	Arrive New York (JFK)	
	1900	2400	Depart New York (JFK)	PA184 (707)
Jan. 10	0720	0720	Arrive Dakar	RK502 (Caravelle)
Wed.	0800	0800	Depart Dakar	(Bamako GMT 0940-1025) (Abidjan GMT 1125-1315) (Accra GMT 1410-1450)
	1520	1520	Arrive Lome	Villas of the Entente
	1700		Meet UNDP ResRep.	At Villa
	1900		Dinner (private)	
Jan. 11	0800		Depart Lome	(by car)
Thurs.			Visit SONAPH oil palm plantation; oil palm nursery at Agou; OPAT coffee and cocoa nursery; <del>IFGC coffee and cocoa research station</del>	
	1100		Arrive Palime, welcome by local authorities	
			Visit Palime <sup>area</sup>	
	1230		Lunch at Palime (hotel) <i>Min 7 Road D'Etat + Min 7 Fin;</i>	
	1400	1330	Depart Palime	(by car)
	1530	1500	Arrive Lome	
	1600		Working session with Government officials (until 1800)	
	1900		Meeting with President Eyadema	
	2000		Dinner hosted by President	
Jan. 12			Depart Lome	(by car)
Fri.	0900	0830	Visit Port of Lome	
			Tropicana German tourism complex	
			CTMB phosphate plant and <del>wharf</del> <i>wharf</i>	(by helicopter)
	1200		Lunch at Togo Lake	
	1330		Depart for Dahomey-Togo border	(by car)
	1400	1400	Arrive Togo-Dahomey border	
	1500	1400	Welcome at border, change cars, depart for Cotonou	
	1615		Arrive Cotonou	Villas of the Entente
	1715		Depart for Porto Novo	(by car)
			Visit bridge at lagoon entrance	
			Visit Porto Novo, welcome by prefect of Oueme region	
			Depart Porto Novo	
	1845		Arrive Cotonou	
	1915		Meeting with UNDP ResRep.	
	2000		Dinner (private)	At Villa
Jan. 13	0715		Depart Cotonou	(by car)
Sat.	0730		Arrive Abomey-Calavi on lagoon	
			Visit Ganvie lake village	(by boat)
	0830		Depart Abomey-Calavi	(by car)
	0915		Arrive Grand Hinvi	
			Visit agricultural project <i>ANOUSSOU</i>	
	1015		Depart Grand Hinvi	
	1130		Arrive Abomey	
			Visit museum and handicraft manufacturers	



<u>DATE</u>	<u>TIME</u>	<u>GMT</u>	<u>REMARKS</u>
	1230		Lunch at Prefect's residence
	1345		Depart Abomey
	1530		Arrive Cotonou
	1630		Working session with Government officials
	1930		Meeting with President
	2030		Dinner hosted by President
Jan. 14	0645		Depart villas for airport
Sun.	0700	0600	Depart Cotonou
	0730	0630	Arrive Lagos
	0800	0700	Depart Lagos
			(Accra GMT 0750-0820) (Monrovia GMT 1010-1040)
	1130	1130	Arrive Freetown
	1200		Tour Freetown bay by ship
			Informal lunch on board
	<del>1400</del> 1430		Arrive Cape Sierra Hotel
	<del>1500</del> 1630		Meet with Minister of Finance <i>Min 9 D. Del.</i>
	<del>1530</del> 1700		Meet with Ministers
	<del>1700</del> 1810		Meet with Minister of Agriculture
	<del>1745</del> 1830		Meet with Minister of Education
	<del>1830</del> 1910		Meet with Minister of Public Works
	1930		Dinner (private)
	<del>2030</del> 2110		<i>UNDP Res. Rep. Dinner with VP &amp; Min 9 Fin.</i>
Jan. 15	0810		Depart Hotel
Mon.	0830		Depart airport
	0930		Arrive Yengema
			Visit DIMINCO diamond mining operations <i>+ lunch</i>
	<del>1145</del> 1330		Depart Yengema
	<del>1210</del> 1400		Arrive Kenema <i>- depart by helicopter</i>
	<del>1220</del>		<del>Lunch and briefing on agricultural develop-</del> <del>ment</del>
	1330		Visit agricultural <i>projects</i> research station and oil palm mill <i>in Dora &amp; Forest Indus in Kambia</i>
	1530		Depart Kenema
	1630		Arrive Freetown
	<del>1800</del> 1730		Meet with <i>VP</i> President Stevens and Minister of Finance <i>VP 11</i>
	<del>2000</del> 1910		<del>Dinner hosted by President</del>
Jan. 16	<del>0830</del> 0830		<del>Meet with UNDP ResRep.</del>
Tues.	<del>0900</del>		<del>Depart for University</del>
			Meet with University officials
	<del>1030</del>		Depart for airport <i>via ferry</i>
	1130	1130	Depart Freetown
	1215	1215	Arrive Robertsfield
	1220		Depart Robertsfield
	1300		Arrive Monrovia
	1330		Lunch with Finance Minister Tolbert
	<del>1430</del> 1510		Courtesy call on Minister of Foreign Affairs with Minister Tolbert
	<del>1500</del> 1530		Meet with Ministers
	<del>1630</del>		Meet with PUA officials on Power and Communications
	<del>1700</del> 1730		Meet with Minister of Agriculture on Rural Development
	1800		Meet with UNDP ResRep.
	1900		Dinner (private)
			Government plane
			WT945 (F28)
			(Monrovia GMT 1010-1040)
			Government plane
			Government plane
			Government plane
			GH541 (F28)
			(by car)
			Hotel Ducor
			at Hotel
			at Hotel



<u>DATE</u>	<u>TIME</u>	<u>GMT</u>		<u>REMARKS</u>
Jan. 17	0810		Depart hotel	
Wed.	0830		Depart Monrovia	Government plane
	0930		Arrive Foya, Lofa County	
			Visit Foya rural development project	
			Meet with local officials and Paramount Chief	
	1130		Lunch at Foya	
	1230		Depart Foya	Government plane
	1300		Arrive Zorzor	
			Visit Teacher Training College	
	1415		Depart Zorzor	Government plane
	1445		Arrive Sanniquellie	
			Visit hospital	
	1530		Depart Sanniquellie	(by car)
	<del>1600</del> 1545		Arrive Nimba (Yekepa village)	
			Visit LAMCO Iron Ore Mine	
	<del>1800</del> 1830		Arrive Lamco Lodge	
	1900		Dinner (private)	
Jan. 18	0815		Depart Lamco Lodge	
Thurs.	0830		Depart Nimba	Government plane
	0930		Arrive <del>Monrovia</del> Robertsfield	
	1000		Visit Liberian rubber farmers	(by car)
	1200		Arrive Hotel Ducor	
	1230		Lunch (private)	
	1400		Depart for University	
	1415		Meet with University officials	
	1545		Depart University	
	1600		Meet with Liberian entrepreneurs	
	1700		Meet with Liberian bankers	
	1800		Meet with Liberian leading personalities	
	<del>2000</del> 1930		Dinner hosted by President Tolbert	
Jan. 19	0915		Depart hotel	
Fri.	0930		Meet with President at Mansion	
	1300		Lunch (private)	
	1600		Depart hotel	
	1645	1645	Depart Robertsfield	RK49 (DC8)
				(Dakar GMT 1830-1930)
	2305	0405	Arrive New York (JFK)	International Hotel
	2330	0430	Depart New York (JFK)	Charter (Queenair)
Jan. 20				
Sat.	0045	0545	Arrive Washington (National)	



SIERRA LEONE





1. Regional integration
2. ... leverage problem

Monday Freeborn 1/14/72

Subjects for discussion

- ① Disinvolvement with study of agriculture.
- ② Agriculture project now under way ok. H. Peace now working on it they want rural development projects. Northern project under preparation by ODA.
- ③ Road project. Bids came in high because of political risks. we should say that it's not our fault.
- ④ Res. Rep.
- ⑤ we want better econ. fin. input, etc according to brief.
- ⑥ Fragmentation between ministries. Isolation of UN planning team. Create vs. rest, tribal, regional differences.
- ⑦ Econ advisor <sup>to President</sup> or UN team report directly to President.
- ⑧ Electricity Corporation. troubles
- ⑨ we will emphasize development efforts to benefit majority.

Working session Freeborn 1/14/73

MoF ① Poor expenditure forecast ②: ③ Revenue forecasts  
 measures to control expenditures. Large contingency provided.  
 Hope this will. Also stability measures. Also stricter control on effective budget expenditures. Supplier credits will be controlled. Bid awards sometimes to non-lowest bidder. want to estimate multiplier effect of loan. Road project will now be done quickly. Compliments to BLE for achievements.

McN we agree with you.  
 Supplier credits are real problem. large s.c. contemplated. Hydro project \$40 m.

MoF. we are only in preliminary stages. Perhaps minimal refining later.

McN Tradeoffs in capital use. Dual economy. Priority in agriculture?

Mat lets discuss later.



M. D. Dalgout. Coordinating function and housing the Central Planning Unit. which will draw up macro plan aided by macro planning council. Before meeting projects with high foreign help. led to high emphasis on road project. Northern & Eastern agriculture projects. we coordinate between ministries but have no proper development plan. Cannot wait for a plan to attack some projects. <sup>if planners come at intermid. mid - next year (1974)</sup> we should have a new complete plan, this should include growth model. Problem with team. Now we finally have do M. + S + counterparts. Training needed. Secondment to IBK  $\geq 6$  mo. to learn ways of the IBK.

M. C. W. Agree you do not have plan. agree you must be cautious until you do. Training could go through EDE.

M. O. Agriculture: want integrated agric. development. ODA plan unit is here. Agricultural loan on the trades. This includes study of forestry, Fishing projects. Livestock projects. Meat shortages, prices up. Favourable trials with new pasture grasses. So we are very interested in the work in these areas. Applied for fisheries project. Have proclaimed 200 mi fishing limit. Want IBK loans + t.a. ① Integrated project in N. ② Forestry ③ Livestock + also pigs, poultry. Coconut, Fibres (kram or - lobata) also could be for IBK. Pineapples experiments have been successful. Import substitution and exports. Citrus aided by US. Cashew nuts. want "IBK's involvement". Agriculture is a "money earner" as opposed to roads, + other infrastructure.

M. C. W. Agriculture should be first on plan list. But IBK is no guarantee against mistake. Fishing we have limited capacity. UNDP-FAO project possible. Livestock, fruit. we're interested. We do not have a project pipeline. Slippage factor needed. But lack of funds, need those and a plan. Agric. important, for ex. for nutrition.

Enter "officials"

M. C. W. Tell me of obstacles to the IBK to be effective here

Finance C. IBK official. Can you finance local currency.

M. C. W. No. only if gov. must do, and there is special need.



Official Can you finance gov't controlled enterprises.

McN Yes. For private, EEC

Area of works McN phoned out 1267 mt roads promised were not financed.

Bo + Venezia rd now under way thanks to you + to Christophersen.

But many road links remain to be financed, hope for EEC help.

Freetown - wotuloo as example.

Some roads where studies are financed by EEC could be financed by others.

Electricity Corporation. Selection has improved over <sup>last</sup> few months. New meter is effective. Revision of tariffs coming.

Large power scheme <sup>(Sumana)</sup> not in interest of my ministry. (speaking as minister)  
Investing in small hydro schemes.

Sewage system none exists. Transit industry needs it.

Lungi airport financed by UK loan + suppled. Needs to be extended so accommodate 747 + concorde. Runway has been profitable.

Cost \$ 8-10 m

McN

El. Cap. glad its getting better. would like info on this.

Roads Ready to contribute if these are clear priorities.

Agriculture must be priority.

How about feeder roads for agriculture?

MoED

/Phy

McN

Feeder roads very important, will approach EEC in 12 months, quicker if we can take it in bits. Airport?

Reluctant.

Min of Education Found afterwards that it would have been better to construct new buildings.

\$339,000 <sup>saving</sup> ~~overrun~~. Policy on enrollment. Project was just complete.

We built many more schools and started end shift but not enough capacity.

Optimum use of class rooms. Cover. Cloakrooms. Staff houses must be improved.

Also want increased local cost financing.

McN

It's your responsibility to prepare projects etc

You have too many projects here which are not high priority.

Mo Ed.

Lowest bidder guarantee

McN

It's in your own interest.



Edwards, UNDP 4/14/73

① Look into cooperation with UN

② Reporting on Abidjan movement.

Political Problem. Assistance can't be used for 5 mo until after elections

4 years have been years of crisis.

Ministry of development & minister not good

Wanted terrible events. → Strong indication of dissent, throughout country  
Election will come soon but will be rigged.

Guinean troops still there. One-party state may be coming.

Campbagger selling projects.

UNDP development team can be effective if it has the National Planning

Council working and supporting it.

Not possible to have a direct link to President because of jealousies.



Memorandum 1/16/72

MoF welcome

McN Liberal dual economy. Enclave sector. New rest must develop.  
Mo Rural Dept: Problem is to change subsistence farmer to cash farmer.  
Technology: Integrated approach. Input substitution. <sup>diff</sup> Annual output. <sup>#</sup> Export Expansion. Diversification of Exports. Problem: which crops to emphasize  
Surveys of agric: sugar, rubber etc but not many results, even from BLE.  
BLE may wish to look into market potential. Rice: shift from upland to paddy cultivation. Faya will show potential to expand productivity of farmer  
McN we're doing studies on commodities. Tea, sugar, etc. Leaf can give you a set.  
we will not contribute to increase of prod of things which are surplus unless countries have comparative advantage and few alternatives.  
we will not finance oil palm in W.A. with a few exceptions.  
Rice - you will probably be right in expanding. Food grains are safe.  
GNP/cap = 240 but 50% have  $\leq$  \$50. Income disparity.  
Credit through what institutions etc, sent

Mo Agr/Rural Dept. Credit in kind. Cooperatives. LBIDT. Subsidized producer price

McN Farmer 2-5 acres. Needs irrig. fertilizer, etc. Cost?

Mo Rural Dept. 2-5 acre farmer gets credit but there are no official institutions - he gets it at 9-10%. Cooperative owns land. Farmer develops land  
Debt servicing is done by cooperative.

MoF. Thinking of end window for Dept BLE for concessional lending.

McN BLE & countries must deal with the problem. Can we talk about extensions?

Mo RD We have schemes which give extension to some farmers. 10 farmers/agent.  
Small % of farmers is affected. Capacity of extension sides can be increased.

Mo Works Emphasis on highways. Conference on top aid. Access roads to agric. areas.  
Commitments from various agencies.  
Laterite roads are not weather resistant. Need research

McN Leaf - make proposal with W. Bank for Churny to carry out research on road surfacing.  
Working on research on joint research projects



Dir. of Ports

Monrovia, Harper, Buchanan, Greenville.

Greenville was built to serve German fruit company. Now gov't.

Harper port needs reconstruction.

Buchanan - Lamco has provided commercial port. Negotiating gov't takeover. Comprehensive port development plan being worked out.

Monrovia is saturated. 80,000 tons max capacity.

Freeport concept is vital. Need Bk help. Germans are interested.

Still considering new port at Harper.

Buchanan port can be important - commercially.

We need priority study, urgent assistance. Do it through Port Authority.

McN

we can help.

Dir. of Works

Need of expansion, Monrovia port. Some separate grids. Must complement hydro with thermal. Need to expand hydro schemes. Ex. St. Paul scheme. + interconnections.

Monrovia: 25% connected. Rural: small %

McN

There will be hard choices. Wait for Plan. Were interested in rural power.

Dir. of Information

Tourism - Rep. of Bk was here, but have not heard from him.

Lake Piso development. Needs paved road.

We have Providence Island, Cultural center, industries. We need more investment.

McN

We don't know much in tourism. Our expert was here 3 days. We must go cautiously. Ex. of other things developed.

Ellen Dieckel

Phil in Mot.

Said difficult to raise investment funds.

McN

Agree. Public savings (2% of GDP) small in rel. to others. Also, you receive little from concessionaires. Financially limited. Exp soft funds.

McF

Bear in mind constraints on our investment & ability to raise funds abroad.

Lamco reneq. successful. will add \$2.6 m/yr. from 1973



~~over head of input-output matrices~~

no Planning

Priority is important. Emphasis on rural development. Dual economy.  
2-crop enclave (rubber-iron)  
Need to expand our agricultural base. Increase <sup>of farmer</sup> productivity  
Prices of iron, rubber going down.  
Information difficult - plan without statistics  
(Sound as if he talked about "input-output matrices, of iron and rubber")  
Education will be base for development.  
Want to add value to export products ex. pelletizing, wood processing. Smaller regional industrial development.  
Public administration must be responsive. Middle level management improvement needed. Organizing public administration institute. Employment: Pop growth 3%  
college 100/yr high schools 500/yr graduates  $\Rightarrow$  social + political problem. Provide jobs, plan for it.  
Manpower study needed. Must make hard, objective decisions.  
Strong planning ministry needed.

McN

Bk agrees with need for phy ass. will req. w UNDP.  
Econ mission late Feb. Large. Will give basis for assistance.  
we will help review ILO report.  
we know little about unemployment.

UNDP Res Rep 1/16/73

Decided: being work out a joint proposal for UNDP financing through FY74 and Bk pick up thereafter, include in road project?

Cooperation in ILO study, preinvestment, Bk mission



## Univ. of Liberia

President welcome, organized like US univ. technical colleges of science, educ., fine arts, Law, forestry, business & Public Admin. (fastest growing in university), medicine, <sup>scholarship</sup> college for post-graduate students. Developing african studies program. Univ. will be located on new campus. Benefiting from WB loan

McN Allocation of students? | 400 BA<sup>PA</sup> 355 Lib Arts & Science 152 Agric 106 educ  
26 Law 33 medicine  
Σ = 1200+

Employment? | Most are employed, in fact overdemand in some areas. Lib Arts students often go into teaching. Agriculture less emphasis! Dropout ratio high. Curriculum may be changed.

Cost of allocation? | \$35m estimate but this is high.

Leif Represents govt business of graduates.

## Min of Commerce, Industry and Transportation

M.I Not much industry. Have tried to wise investment code. Market problem. Export orientation. Free zone, must move away from capital intensive industry.

Peter Exports of manufactured goods?

Wolc Rather explosives. Thinking of footwear.

would like to capitalize on service industry.

Development Bank was only financing established industry.

KfW needed loans to service sector.

Hayes port. must be rehabilitated before using rear on.

Plywood factory in South Maryland Plywood contacted. Project needs port

Sugar in Kpala area. Deepwater port needed.

Negotiating w Raymond for rehabilitation. Then new port in ~ 5 yrs.

Dir. of P&T talked about desired port investments. Need coordinated overall <sup>view</sup> view.

Peter Port mission in Feb will discuss.

Monrovia Port master plan.







Sierra Leone Briefing Book

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A



SIERRA LEONE

Program for Mr. McNamara's Visit - January 14-16, 1973

<u>Itinerary</u>		<u>Tab Reference in Briefing Book</u>
SUNDAY	January 14	
	13:00 Arrive Freetown from Lome (private plane)	
	13:30 Tour Freetown Bay by ship Informal lunch on board	F (iii)
	15:00 Meeting, Minister of Finance	E & G
	15:30 General briefing, Sierra Leone's economic development prospects and problems	F (i) & (ii)
	17:00 Meeting, Minister of Agriculture	F (vi) & G
	17:45 Meeting, Minister of Education	F (vii) & G
	18:30 Meeting, Minister of Public Works Evening free- stay at Cape Sierra Hotel	G
MONDAY	January 15	
	08:30 Depart Freetown by private plane	
	09:30 Arrive Yengema. Visit DIMINCO diamond mining operations	F (v)
	11:45 Depart Yengema by private plane	
	12:10 Arrive Kenema	
	12:20 General briefing on agricultural development programs during informal lunch	F (vi)
	13:30 Visit agricultural research station and oil palm mill	
	15:30 Depart Kenema by private plane	
	16:30 Arrive Freetown	
	18:00 Final session with President and Minister of Finance	E & G
	20:00 Official dinner by President	
TUESDAY	January 16	
	08:30 Meeting with UNDP Resident Representative	H
	09:00 Visit to Fourah Bay University and meeting with university officials	
	10:30 Depart for airport	
	11:30 Depart Freetown for Monrovia GH 541	



B



Mr. McNamara's Visit to Sierra Leone

Airport Statement (On Arrival)

Mrs. McNamara and I are delighted to be in Sierra Leone and we are grateful for the kind invitation that has been extended to us to visit your beautiful country.

The major purpose of our visit is to learn to understand at first hand the development potentials and needs of your country, and, to find out how we in the World Bank can assist you more effectively in the task of raising the standard of living and the quality of life for the people of Sierra Leone. Development is a complicated and difficult task and, as you know, involves very hard choices. I do not wish to pretend that we at the World Bank know all the answers. We certainly do not. Development, after all, is not an exact science. But we have found, through our experience in Africa and elsewhere in the world, that we can contribute to what is surely one of the momentous human endeavors of our time -- the quest for a better life by the peoples of the developing countries.

In Sierra Leone our contribution has been so far relatively modest. We have loaned for a total of a little more than \$23 million since the first loan was made in 1964 for expansion of the electricity system; other loans have gone for education, highways and agriculture. This last field -- agriculture -- is a most important sector, as President Stevens has so often emphasized. We hope, in the future, to be able to expand our assistance in this vital area.

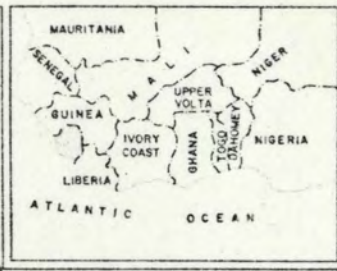
A main objective of our lending in agriculture and other sectors is to help provide better opportunities for progress and advancement for the common man in Sierra Leone. The improvement of the individual lives of the great mass of people is, in the final analysis, the most real and central function of development activity. Development, I should hasten to add, is not simply an occasional World Bank operation, a road project here or a power facility there. Rather it is hard work, sacrifice, and strenuous effort to mobilize scarce resources -- both financial and human and then careful deployment of those resources in a manner that will gain maximum benefits to the economy. These vital tasks can only be performed by the governments and peoples of the developing countries themselves. We in the World Bank can only be a minor partner in this immense undertaking -- at best we can be catalysts. When a government and its people show that they are united in their determination to promote long-term development -- and not interested in sacrificing it for merely short-term and temporary benefits -- then we can provide meaningful assistance.

We wish to explore ways of helping to create a better and more productive life for all the people of this nation. As you show that you can move ahead on that course, we in the World Bank stand ready to assist you in that mission. It is for the purpose of seeking to find means of improving that assistance that I have come to Sierra Leone. Thank you.



C









# REPUBLIC OF SIERRA LEONE

## BACKGROUND NOTES

Population: 2.6 million (1971 est.)  
Capital: Freetown

Sierra Leone is located in West Africa and has an area of 27,925 square miles, almost as large as South Carolina. It has a 210-mile-long coastline on the Atlantic Ocean and shares common borders with Liberia to the southeast and Guinea to the north and northeast.

There are three main ecological regions: a coastal belt of mangrove swamps about 60 miles in width; stretches of wooded hill country; and an upland plateau with mountains near the eastern frontier rising from 4,000 to 6,000 feet above sea level. The tallest peak, Bintimani, is 6,029 feet high.

Sierra Leone is within the tropics; temperatures and humidity are high, and rainfall is heavy. The average temperature is approximately 80° F., with a range of about 10 degrees on the coast and 10 degrees inland. Rainfall is greatest along the coast, especially on high ground, and amounts to more than 125 inches annually in most parts of the country. There are two distinct seasons; the dry season lasts from November to April and the wet season the rest of the year, with maximum precipitation in July, August, and September.

The national flag consists of three horizontal bars—green, white, and blue from top to bottom.

### THE PEOPLE

In 1971 Sierra Leone had a population estimated at 2.6 million, with an annual growth rate of about 1.5 percent (one of the lowest in Africa). Population density is approximately 93 persons per square mile. Freetown has about 200,000 inhabitants.

The indigenous population is divided into approximately 20 tribes, of which the Temne (in the north) and the Mende (in the south) are the largest, each claiming about 30 percent of the total population. During the 19th century, Sierra Leone was a melting pot for freed slaves. Today, about 80,000 persons are settlers or descendants of settlers from other African territories. There are approximately 4,500 Europeans and Asians living in the country.

English is the official language but is limited to the educated elite. A form of pidgin English known as Krio plays the role of a "lingua franca" among the tribal groups. Literacy is estimated at 10 percent.

Islam is the religion of the Sierra Leoneans in the north, while the Creole population (descendants of freed slaves), located primarily at Freetown, has adopted Christianity. The inland peoples are predominantly animist and pagan.

### HISTORY

Sierra Leone can claim a certain historical seniority in British West Africa. Following a visit in 1460, the Portuguese explorer Pedro de Cinta gave the Sierra Leonean territory its name, which means "lion mountain." The first Englishman to arrive was John Hawkins, who came in search of slaves in 1562. Sir Francis Drake stepped ashore in 1580.

The first foreign settlements were planned as a haven within the British Empire for freed slaves. In 1787 a number of freedmen, with a group of Negroes who were emancipated after their flight from the rebellious U.S. colonies, arrived at the site of Freetown. They were virtually wiped out by disease and tribal attacks. In 1791 another group arrived under the auspices of the newly formed (British) Sierra Leone Company, which exercised administrative power over the settlement. In 1808, when financial burdens became too great for the company, the coastal area was annexed as a British Crown Colony.

The slave trade was abolished by an act of Parliament in 1807, and a naval squadron was stationed off Sierra Leone to intercept slave ships. A court of vice-admiralty was established at Freetown to try slave traders. When the other European nations agreed to abolish slave trade in 1815—after the Napoleonic wars—the vice-admiralty court was supplemented by courts of mixed commission.

Thousands of slaves were liberated at Freetown after the first slave ship was condemned in 1808. Most of them chose to remain in Sierra Leone. These liberated Africans, or Creoles as they came to be called, came from all parts of Africa. Cut off from their homes and traditions, they assimilated the English style of living, built a flourishing trade, and took full advantage of the schools established by the Church Missionary Society and the Methodists.

During the early part of the 19th century Freetown was the residence of the British Governor, who also ruled over The Gambia and the Gold





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Coast settlements. It was only as British power penetrated inland that the quadripartite division of Nigeria, Gold Coast (now Ghana), Sierra Leone, and The Gambia emerged.

Sierra Leone at this time was also the educational center of British West Africa. Fourah Bay College, established in 1864, became the mecca for English-speaking Africans on the west coast.

For this reason many families with connections in Sierra Leone can be found today in Ghana and Nigeria.

By 1881, through treaties of cession, Sierra Leone's boundaries were defined. The colon developed trade and missionary connections with the tribes in the hinterland, which gradually became a British sphere of influence encircled by



areas of French hegemony. In 1896 a British protectorate was extended over the interior, and the area of French control was delimited. Political dualism between protectorate and colony persisted until independence. After 1863 executive and legislative functions in the colony were divided between an Executive Council and a Legislative Council. An elected Municipal Council governed Freetown. The protectorate was administered in the classic British pattern of indirect rule.

Sierra Leone's journey to independence was a peaceful one. In 1924 the Legislative Council was reconstituted to include tribal chiefs representative of the protectorate. In addition to tribal representatives, provision was made for the election of three unofficial members from the colony, although a restrictive property qualification was attached to the franchise. In 1939 extensive reforms were undertaken to modernize the administration of the protectorate, and in 1946 the protectorate gained an assembly of its own.

The constitution of 1951 provided the framework for decolonization. Ministerial responsibility was introduced in 1953 when Sir Milton Margai was appointed chief minister. He became Prime Minister after successful constitutional talks at London in 1960. Sierra Leone became independent on April 27, 1961, with a parliamentary form of government within the Commonwealth of Nations. In April 1971 it adopted a republican Constitution.

## GOVERNMENT

Under the 1971 Constitution, Sierra Leone has an executive form of government. Executive authority is exercised by the President (Chief of State and Head of Government) and his Cabinet. The President, who is elected by parliament for a 5-year term, appoints as Prime Minister the leader of the party that commands a majority in parliament; he also appoints Cabinet Ministers.

The unicameral House of Representatives (parliament) consists of 78 members. Sixty-six are popularly elected, and the remaining members are paramount chiefs representing tribal councils from their respective districts. The house is elected to a 5-year term, but elections may be called earlier.

The highest court in the independent judiciary is the Court of Appeals whose judges are appointed by the President.

For administrative purposes Sierra Leone is divided into three Provinces (comprising 12 districts) and a western region, which includes Freetown and its adjacent rural area. A paramount chief and a council of elders constitute the basic unit of local government, while each Province is governed by a Minister with cabinet rank. The Freetown area retains a separate council.

## POLITICAL CONDITIONS

Sir Milton Margai's Sierra Leone People's Party (SLPP) became the major political party following the general election in 1957. In 1960 the lesser parties joined the SLPP to form a coalition government, which guided the country through independence to the first general elections under universal adult franchise in May 1962. Sir Milton emerged victorious over a new opposition party, the All People's Congress (APC), which had run strongly in the north.

Sir Milton died in 1964 and was succeeded as Prime Minister by his half-brother, Sir Albert Margai, who was then Minister of Finance. Sir Albert attempted to establish a one-party political system in Sierra Leone. Although party switches reduced the minority's seats in the House of Representatives to 10, the APC fiercely resisted the drive for a one-party system and the effort ultimately was abandoned.

In close elections on March 17, 1967, the APC won a plurality of the parliamentary seats. The Governor General declared Siaka Stevens, leader of the APC and Mayor of Freetown, as Prime Minister. Three days later Brig. David Lansana, Force Commander of the Royal Sierra Leone Military Forces, placed the leaders of both parties under house arrest pending the election of the tribal representatives to the House of Representatives. On March 23 a group of senior army officers seized control of the Government, arrested Brig. Lansana, and suspended the constitution. This group constituted itself as the National Reformation Council (NRC) with Brig. A.T. Juxon-Smith as Chairman. Late in 1967 the NRC agreed to return Sierra Leone to civilian rule and named a Civilian Rule Committee to decide on the means of bringing about the change. However, a "sergeants' revolt" in April 1968, which saw the NRC members imprisoned and army and police officers deposed, paved the way for Stevens to assume the office of Prime Minister. Stevens' Cabinet was selected as a "national" Government, encompassing the two major parties and tribes and all national regions, in an effort to consolidate his position.

Byelections, which began in the fall of 1968, were concluded in the spring of 1969, and an all APC Cabinet was appointed. In 1970 a new opposition party, the United Democratic Party (UDP), was formed but was outlawed after an alleged coup d'état plot was uncovered. In March 1971 there was an attempted military coup which resulted in the execution of three former army officers, including Force Commander John Bangura. The House of Representatives appointed Siaka Stevens President of the Republic in April 1971 under the new republican Constitution.



$\frac{7290}{26} = 280$   
 $\frac{26}{107} = 0.24$   
 $\frac{156}{110} = 1.42$   
 $\frac{199}{104} = 1.91$   
 \$164/cap.

**ECONOMY**

Sierra Leone's gross domestic product (GDP) was estimated at U.S. \$427 million in 1970 (the latest year for which reliable figures are available). Approximately 85 percent of the people live on the land; agriculture is by far the most important sector of the economy. Although rice is the basic food crop, Sierra Leone is not self-sufficient in this commodity. During 1970 rice imports amounted to \$6 million. Palm kernels, cocoa, coffee, ginger, and piassava (stiff, coarse fiber from certain palm trees) are the most important agricultural exports. In recent years they have accounted for about 20 percent of the total exports. Diamonds and iron ore are Sierra Leone's leading exports.

The United Kingdom is Sierra Leone's principal trading partner, although its share of the total has dropped markedly since Sierra Leone's independence. The United Kingdom purchases almost 70 percent of the export market and is well represented in import categories. Japan, through its large textile trade, has been the second largest supplier of merchandise in recent years, followed by the Federal Republic of Germany and the Netherlands. The Netherlands ranks second to the U.K. as a buyer of Sierra Leone's exports. Total exports in 1970 amounted to about \$101 million.

The United States has remained relatively unimportant in Sierra Leone's export market. In 1970 the United States bought 6 percent of its total exports—mainly rutile, diamonds, and coffee—and accounted for about 9 percent of its imports, principally food products, machinery parts, and appliances. Total imports in 1970 were estimated at about \$116 million.

Sierra Leone's major industry is the mining of diamonds of gem and industrial quality. Mining rights are divided between the concession area of the Diamond Mining Co. (51 percent owned by the Government of Sierra Leone and 49 percent by the former Sierra Leone Selection Trust) and an alluvial scheme designed to encourage small operators to mine modest plots in the diamond-bearing area. In 1970 diamond exports were valued at approximately \$61 million, almost two-thirds of Sierra Leone's total exports by value. Nearly all diamonds are exported to the United Kingdom, initially. Diamond smuggling continues to be a serious problem, but the establishment of the Government Diamond Office has substantially reduced losses in this sector.

Other mineral exports include iron ore, bauxite, and rutile. The British-owned Sierra Leone Development Co. (DELCO) extracts iron ore at the rate of about 2-2.5 million tons annually, with Japan as a major purchaser. Bauxite production by the Swiss-owned Sierra Leone Ore and Metal Co. totaled 450,000 tons during 1970. The major U.S. investment was an 80 percent participation with British interests in the Sherbro Minerals Company which began large-scale mining of rutile ore in 1966. The Sierra Leone deposit is believed

to be among the richest in the world. Rutile, a form of titanium oxide, is processed for use in paints and metal alloys and is also used in space technology. After continued production problems, Sherbro minerals went bankrupt in 1971. In February 1972 Sierra Rutile Ltd., a new U.S.-owned company, started operations with the hope of returning the rutile mines to full production.

The developmental efforts of the Margai government in 1965 and 1966 became snagged on large budget deficits and balance-of-payments problems. The financial situation became so grave that in late 1966 the Government of Sierra Leone and the International Monetary Fund (IMF) signed a \$7.5 million standby agreement aimed at internal fiscal stabilization. Sierra Leone's economy in 1968-69 took a turn for the better. After 3 years of stabilization, pressure on the foreign exchange reserves had been relieved, and the budgetary deficit eliminated. Key economic indicators were up: diamond production was at a high level, the Sierra Leone Produce Marketing Board (SLPMB) was once again operating in the black, and the tempo of economic activity had picked up.

Due primarily to a depressed world diamond market, 1970 was not a good year for Sierra Leone's economy and at present the economic outlook is not encouraging. The Government has proclaimed an "open door" to foreign investment although it has declared its intention eventually to obtain majority ownership in all mining companies.

**FOREIGN RELATIONS**

Sierra Leone has followed a foreign policy of nonalignment, although it historically has been oriented toward cordial relations with the United Kingdom and the United States. It also maintains diplomatic relations with the U.S.S.R. and several East European countries. The Government of Sierra Leone recognized the People's Republic of China in 1971.

Sierra Leone plays an active role in the United Nations and its specialized agencies. For the 1969-70 term it was on the U.N. Security Council. It is also a member of the Commonwealth of Nations and the Organization of African Unity (OAU).

Like most other independent African states, Sierra Leone condemns the apartheid policy (statutory racial segregation) of the Republic of South Africa and supports self-determination for Portugal's African territories. It advocates the use of force by the United Kingdom to remove the Ian Smith government in Southern Rhodesia.

**U.S. - SIERRA LEONE RELATIONS**

U.S. relations with Sierra Leone began with American missionary activity during the 19th century. In 1959 the United States opened a Consulate at Freetown, which was elevated to Embassy status when Sierra Leone became independent.



In 1970 the United States provided Sierra Leone with about \$3 million in technical assistance funds concentrated in agriculture, rural development, health, and education. Agricultural products valued at \$1 million were provided under the Public Law 480 (Food for Peace) program. Through the auspices of the Agency for International Development (AID), the University of Illinois is assisting in agricultural education at Sierra Leone's Njala University College. There are approximately 270 Peace Corps volunteers in Sierra Leone primarily engaged in teaching and community development activities.

Major objectives of U.S. policy have been to cooperate with the Government of Sierra Leone in strengthening its educational system and agricultural capabilities. Each year the U.S. Government, in cooperation with the Sierra Leonean Government, invites prominent government officials, media representatives, educators, and scholars to visit the United States to become better acquainted with the American people and to exchange ideas and views of mutual interest with their American colleagues. This cooperative effort in mutual understanding is furthered through visits to Sierra Leone by representatives of American business and educational institutions, as well as by visits of Fulbright-Hays scholars and specialists in a variety of fields.

#### PRINCIPAL GOVERNMENT OFFICIALS

President; Minister of Defense—Siaka STEVENS  
 Vice President; Prime Minister; Minister of Interior—S.I. KOROMA  
 Minister of Finance—C.A. CAMARA-TAYLOR  
 Minister of External Affairs—Solomon A.J. PRATT  
 Minister of Lands and Mines—S.B. KAWUSU-CONTEH  
 Minister of Trade and Industry—Saidu Alieu FOFANAH  
 Minister of Works—D.F. SHEARS  
 Minister of Agriculture and Natural Resources—Sembu FORNA  
 Minister of Information and Broadcasting—M. Alimamy KHAZALI  
 Minister of Health—J. HADSON-TAYLOR  
 Minister of Education—J. BARTHES-WILSON  
 Minister of Transport and Communications—Edward J. KARGBO

Minister of Social Welfare—S.A.T. KOROMA  
 Minister of Development—Sahr Washingtoncava GANDI-CAPIO  
 Minister of Housing and Country Planning—M.O. COLE  
 Minister of Labor—F.B. TURAY  
 Ambassador to the U.S.—J.A.C. DAVIES  
 Ambassador to the U.N.—I.B. TAYLOR-KAMARA

Sierra Leone maintains an Embassy in the United States at 1701 19th Street, N.W., Washington, D.C. 20009.

#### PRINCIPAL U. S. OFFICIALS

Ambassador—  
 Counselor—Donald K. Petterson  
 Public Affairs Officer (USIS)—James Jensen  
 Peace Corps Director—Collins Reynolds

The U.S. Embassy in Sierra Leone is located at 8 Trelawney Street, Freetown.

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EMBASSY OF THE REPUBLIC OF SIERRA LEONE  
WASHINGTON, D. C.

CABINET MINISTERS

President and Minister of Defence	- H. E. Dr. Siaka Probyn Stevens
Vice President, Prime Minister and Minister of Interior	- The Hon. S. I. Koroma
Minister of Finance	- The Hon C. A. Kamara-Taylor
Minister of External Affairs	- The Hon. S. A. J. Pratt
Minister of Lands & Mines	- The Hon. S. B. Kawasu-Konte
Minister of Labour	- The Hon. F. B. Turey
Minister of Trade & Industry	- The Hon. S. A. Fofana
Minister of Education	- The Hon. J. Barthes-Wilson
Minister of Health	- The Hon. J. C. O. Hadson-Taylor
Minister of Information & Broadcasting	- The Hon. A. Khazali
Minister of Agriculture & Natural Resources	- The Hon. A. G. Sembu Forna
Minister of Development	- The Hon. S. W. Gandi-Capio
Minister of Transport & Communications	- The Hon. F. J. Kangbo
Minister of Works	- The Hon. D. F. Shears
Minister of Social Welfare	- The Hon. S. A. T. Koroma
Minister of Housing & Country Planning	- The Hon. N. A. P. Buck
Minister of State & Leader of the House	- The Hon. A. B. Jemeh
Ministers of State	- The Hon. P. C. Bai Kobolo - The Hon. P. C. Jaia Kai Kai



Resident Minister, Northern  
Province

- The Hon. Bangali Mansaray

Resident Minister, Southern  
Province

- The Hon. G. Gobio Lamin

Resident Minister, Eastern  
Province

- The Hon. F. S. Anthony

DEPUTY MINISTERS

Ministry of Finance

- The Hon. D. Kelfala

Ministry of Works

- The Hon. A. K. Koroma

Ministry of Interior

- The Hon. A. G. Lappia

Ministry of Education

- The Hon. A. B. M. Kamara

Ministry of Transport  
& Communications

- The Hon. Formeh Kamara

Ministry of Health

- The Hon. L. P. Allen



PRESIDENT SIAKA STEVENS

Born: August 25, 1905

Education: Albert Academy in Freetown and Ruskin College, Oxford, England

Mr. Stevens is a shrewd former policeman with the flattened features of a prizefighter and the toughness as well. He has endured the Sierra Leone political cauldron for years and has emerged as one of the most cunning manipulators in public affairs. At first glance he gives the impressions of a sleepy, almost inept leader. In reality, he is said to be extremely clever, often ruthless and very alert. (The word in Freetown is that if he removes his glasses when talking with you, then you have succeeded in winning his total attention.)

Early in 1970, after some of his top ministers -- including the then Minister of Finance Forna (now Minister of Agriculture) and army officers -- had broken away to form a new party, Stevens invited the renegades to a lavish dinner party in the Cape Sierra Hotel, on the pretense of attempting to work out a political compromise. Just as dinner finished, police and army officers loyal to the President moved in and arrested all the guests. In November, 1972 six officials of the opposition Sierra Leone Peoples' Party (SLPP) were arrested and charged with murder after an SLPP Land Rover allegedly ran into and killed a worker for the ruling All Peoples' Congress Party during a by-election. According to reports in Freetown, SLPP leaders were not near the scene of the accident.

These incidents, while exemplifying the President's toughness, should not be interpreted to mean that Sierra Leone is led by a fanatical autocrat. Stevens has also demonstrated a fine conciliatory streak, which perhaps more than his toughness, is largely responsible for his ascendancy to power. For one thing, he is a member of the minority tribe, and the Limba have frequently served as mediators between Sierra Leone's two largest -- and often hostile -- tribes, the Mendes and Temnes. More than this, however, Stevens learned mediation through long experience. As the Secretary General of the Mineworkers Union at the Marampa iron mines in the 1940s, and later as Minister for Mines and Labor, he had to rely on bargaining and conciliation with opponents. When he was nominated member of the Protectorate Assembly from 1946 onward, he had taken a strong stand in demanding more benefits for Sierra Leone from its mining agreements, but he refused to be party to the more demagogic and wide ranging attacks on all aspects of colonial policy which had characterized Albert Margai. He continued to take a moderate stand as deputy leader of the old People National Party. Although he is a capable and witty orator -- described by one scholar (Martin Kilson of Harvard) as comparing favorably with Nkrumah or Toure -- his platform style is more that of a teacher than a firebrand.

Siaka Stevens was born in 1905 at Moyamba in the southern Province of Sierra Leone. He was educated at Albert Academy, Freetown. He was a police officer from 1923-30, then became a railway worker and later station-master. In 1943 he began his involvement in trade union activities and



politics. In 1947 he went to Oxford on a scholarship to study industrial relations at Ruskin College. Subsequently he studied trade unionism with the British Trade Unions Congress and developed an appreciation for the policies of the British Labour Party.

Mr. Stevens was a member of the United Front Delegation to the pre-independence constitutional talks in London in 1960. He walked out of those talks and refused to sign the constitutional instruments because he did not agree with the defense arrangements between Sierra Leone and the U. K.. He broke away from the United Front to form the "Elections Before Independence" Movement that later became the All People's Congress party. In November 1964 the Party won the majority of seats in the Freetown city council elections and Stevens was elected mayor of Freetown, an office he held for more than a year. The APC won the 1967 general elections and Stevens was sworn in as prime minister. The army intervened, however, took over the Government and forced Stevens into exile. After 13 months, soldiers loyal to Stevens restored civilian rule and in April 1968, Mr. Stevens was sworn in as prime minister.

Since then, the political situation in Sierra Leone has swung from near chaos to tranquility. Stevens survived two assassination attempts. In April 1971, he and his party declared full republican status for Sierra Leone and on April 21 of that year, Mr. Stevens was sworn in as the new republic's first executive president. He has a wife -- Rebecca -- and children.

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On Monday, May 19, 1969 at 6 p.m., Mr. Stevens, accompanied by two of his ministers, visited you in your office. He discussed recent political and economic developments in Sierra Leone. He also mentioned a number of projects that he was anxious for the Bank Group to consider: roads, education, rice, cocoa, oil palm and abattoirs. The Bank Group subsequently has financed a road, education and agriculture project. The African Development Bank has an abattoir project under consideration. The prime minister also confirmed that the Government would phase out the obsolete and expensive rail-road (which they now have done). You welcomed this statement.



THE HONOURABLE S/I. KOROMA - VICE PRESIDENT AND  
PRIME MINISTER OF SIERRA LEONE

The Vice President and Prime Minister of the Republic of Sierra Leone, Mr. Sorie Ibrahim Koroma, was born in 1930 at Port Loko, in the Northern Province of Sierra Leone.

Educated at the Government Model School, Freetown, and Bo Government School, Mr. Koroma joined the Co-operative Department in 1951 after completing his secondary school education.

Mr. Koroma served the Department until 1958 when he studied at the Co-operative College in Ibadon, Nigeria. He resigned from Government service the same year to start business on his own.

He later launched the initiative for a Sierra Leone Motor Owners' Transport Union and became the Union's first Secretary General.

Mr. Koroma started to take an active part in politics after leaving Government service, and in 1962 contested the General Elections, winning a seat in Parliament as Member for the Freetown Central Ward One Constituency. He also became a City Councillor of the Freetown Municipality, and acted as Mayor of Freetown in 1964.

Mr. Koroma was re-elected to Parliament in the 1967 General Elections for the same constituency, although a military coup and counter coup which followed, suspended constitutional political activity in the country for over a year.

When Sierra Leone returned to Constitutional Government in April 1968, Mr. Koroma was appointed Minister of Trade and Industry in the Cabinet of Prime Minister Siaka Stevens. In a major Cabinet reshuffle a year later, he became Minister of Agriculture and Natural Resources.

Mr. Koroma was appointed Vice President and Prime Minister in April 1971 when Sierra Leone became a Sovereign Republic.

Widely travelled, he has visited the USSR, the Republic of China, the Republic of Guinea, Ethiopia and many other European and African capitals.

Married with a family, Mr. Koroma's hobbies are reading, football and athletics.



C.A. KAMARA-TAYLOR, MINISTER OF FINANCE

Christian Alusine Kamara-Taylor was born in Freetown in the year 1917.

He had his education at the Amadrassa Amaria School, the City Mission School, the Samaria Amalgamated School, the Government Model School and the Methodist Boy's High School, all in Freetown.

Mr. Kamara-Taylor then proceeded to London where he entered the School of Accountancy and later qualified as a Secretary.

Back home, he joined the Sierra Leone Development Company at the Marampa Mines in 1937 first as a clerk, then as a Station Master and later as a shorthand Typist in the Company's Main Office.

Mr. Kamara-Taylor had to answer to the call of Military service and in 1940 he enlisted in the first Battalion of the Sierra Leone Regiment in Port Loko. He rose to the rank of Sergeant in the Quartermaster's Office. He also served in the Intelligence Section, the Orderly Room and Company Offices before he left in 1941 for India and Burma.

When he returned home in 1945 Mr. Kamara-Taylor entered the Civil Service and worked in the Labour Department for three years. In 1947 he left the Civil Service and joined Messrs. United Africa Company Limited as a Shorthand Typist. He was promoted Secretary to the then General Manager and was further promoted Manager/Public Relations Officer.

Mr. Kamara-Taylor resigned from Messrs. United Africa Company Limited in 1957 and took up active politics. In that same year, he won a seat to the Kambia District Council as an Independent Candidate. At the 1962 General Elections Mr. Kamara-Taylor won a seat to the Sierra Leone House of Representatives under the All Peoples' Congress banner to represent the Kambia East Constituency. He was re-elected for the same constituency at the 1967 General Elections.

Army intervention that year threw Mr. Kamara-Taylor into political inactivity for a time. When Sierra Leone returned to Civilian Rule in 1968, Mr. Kamara-Taylor was appointed Minister of Lands, Mines and Labour.

In the Cabinet Reshuffle following the attainment of a Republican Status in 1971, he was appointed Minister of Finance.

He has travelled widely and some of the countries he has visited include India, Burma, the USA, the USSR, South Africa, France, Switzerland, Germany, the Gambia, Liberia, Guinea, Ghana and Nigeria.

He is the proud holder of the Burma Star and Defence Medal. In November 1971, Mr. Kamara-Taylor was created "Grand Officer" in the National Order of the Republic of Guinea by President Ahmed Sekou Toure.

Mr. Kamara-Taylor was first treasurer and founder of the Sierra Leone Ex-Servicemens' Association, President of the G.D.R.-Sierra Leone Friendship Society and Secretary-General of the All Peoples' Congress (APC).

His hobbies are fishing and lawn tennis. He is married with children.



A.G. SEMBU FORNA, MINISTER OF AGRICULTURE  
AND NATURAL RESOURCES

Born at Penlap near Makeni on the 11th of April, 1932, Mr. Sembu Forna started his education at the Binkolo Boys School in 1939. In 1942 he attended the Rogbane Day School until 1944 when he entered the Koyeima Government School. After two years at Koyeima, Sembu Forna was admitted at the Bo Government School from 1947 to 1951.

Mr. Forna studied at Fourah Bay College, University of Sierra Leone from 1952 to 1954. He subsequently had a UNESCO fellowship in the field of Fundamental Education from 1956 to 1957 and thereafter proceeded to England to study diamond valuation.

Mr. Forna worked in the Civil Service for a brief spell before joining the Government Diamond Office as a valuer. He resigned his appointment to contest the 1967 General Elections which he won under the All Peoples' Congress Party ticket.

He was appointed Minister of Transport and Communications in May 1969 and in a minor Cabinet reshuffle following the resignation of two Cabinet Ministers in September the following year he was shifted to the Portfolio of Finance.

In May 1971, a month after Sierra Leone became a Republic, the President reshuffled his Cabinet and Mr. Forna was assigned the Portfolio of Agriculture and Natural Resources.

He is married and has as his hobbies football, table tennis, farming, boating and game hunting.



S. W. GANDI-CAPIO, MINISTER OF DEVELOPMENT

Sahr Washintoncave Gandi-Capio was born in Kayima, Sando Chiefdom, Kono District on the 8th of November, 1931.

He was educated at the Kayima and Jaima E.U.B. School, the Jimmi Bago Secondary School and the then Njala Training College.

In 1954 and 1955, he was a school teacher; he is a Chiefdom Committee member and was also a member of the then Kono District Council. In 1962, he was elected to Parliament and he retained his seat in the 1967 General Elections as member of Parliament for Kono North constituency.

He was appointed Minister of the Interior in April, 1968. In the April 1969 Cabinet reshuffle, Mr. Capio was appointed Minister of Social Welfare.

In the first major Cabinet reshuffle after Sierra Leone became a Republic, Mr. Capio was appointed Minister of Lands and Mines, in May 1971. Seven months later in another Cabinet reshuffle in November 1971, he was allocated the portfolio of Development.



D.F. SHEARS, MINISTER OF WORKS

Born in Freetown on the 23rd of January, 1931, Dalton Frederick Shears was educated at the Prince of Wales School and the Balham and Tooting College of Commerce in London.

A professionally qualified accountant, he also holds a diploma in statistics and is a Fellow of the Royal Economic Society, London.

After leaving college, Dalton Shears practised with a London firm of Accountants (W. Skelker and Co.) until he returned home early in 1962 to contest the general elections in May of the same year. Since then he has been a Member of Parliament representing York District. He was appointed Minister in April 1968.

In the April 1969 Cabinet reshuffle, Mr. Shears was appointed Minister of Trade and Industry and a year later in another reshuffle he was appointed Minister of Works.

Married, his hobbies are swimming and hunting.



## Principal Secretaries in Economic Ministries:

### Strasser-King, Principal Permanent Secretary, Ministry of Finance

A frequent visitor to the Bank-Fund Annual Meeting, Mr. Strasser-King is a well-meaning, but rather ineffective, head of the Civil Service Staff at the Ministry of Finance. A cause for this difficulty may stem from the previous strong affiliation between the chief civil servants and the regime of Milton Margai which led many of them to oppose Mr. Stevens' party when he was in the opposition. It is unclear, however, what role Mr. Strasser-King had in this political setting.

### Eustace Pierce, Assistant Financial Secretary, Ministry of Finance

Also a frequent visitor to the Bank, Mr. Pierce is a dynamic and up-and-coming man in the civil service. Appears to have better rapport with the Finance Minister than his boss, Mr. Strasser-King. Mr. Pierce is our most efficient contact point in the Government and as a result tends to be overused -- by us and by others. He is scheduled to attend a 6-month course at IMF's Institute later this year. He is most likely to have done the major staff work for Mr. McNamara's visit.

### V. Nylander, Principal Secretary, Ministry of Development

Also a frequent visitor to Washington, Mr. Nylander is a very able and shrewd civil servant with a good grasp of development economics. His main problems are that he works for a Minister without much clout in the Government (Minister of Development), and, that he lets his ambitions and drive cause him to be very possessive (and sensitive) about staff functions of which he is in charge (or, of which he thinks he ought to be in charge). Officially he is the principal contact point between aid organizations and the Government. This is less of a problem for us, than it is, for example, for UNDP. The economic planning team, financed by UNDP, is reporting to Mr. Nylander and consequently isolated from the economic decision making machinery in Sierra Leone -- since the other Ministries refuse to listen to -- and cooperate with the Ministry of Development.

### R. Taylor-Lewis, Principal Secretary, Ministry of Works

An immensely efficient and saucy Oxford-educated man who was scornfully critical (together with his Minister) of the Bank for the two-year delay in the implementation of Bank/IDA financed highway project. Wrote the speech which his Minister delivered at the African transport conference in Rabat last spring, on which occasion the Bank was lambasted for delays in the Bo-Kenema road construction; he then called for better Bank procedures for project processing. However, after this problem was solved last summer he has been very cooperative with Bank staff. Willing to listen to sound advice from Bank. We now have a very good relationship with him and his Ministry. He lately entertained Bank missions at his home. His wife is a British-educated botanist who teaches at the Fourah Bay University.



UNDP RESIDENT REPRESENTATIVE

CURRICULUM VITAE

NAME:

Alfred EDWARD

NATIONALITY:

Ceylon

DATE OF BIRTH:

25 September 1923

MARITAL STATUS: Married  
(4 children)

LANGUAGES:

Tamil  
English  
Sinhalese  
French

EDUCATION:

1940-42

St. Joseph's College, Colombo, Ceylon  
Intermediate in Arts - London University

1942-45

University of Ceylon, B.A. (history, economics,  
philosophy)

EXPERIENCE:

1948

Joined Ceylon Civil Service as Assistant Controller,  
Department of Exchange Control, Colombo, Ceylon.

1950

Assistant Director of Land Development, Department  
of Land Development

1950-52

Assistant Secretary, Ministry of Food and Cooperative  
Undertakings; with special detail to Burma and  
Thailand with the Ceylon Government Rice Mission

1952

Assistant Secretary, Ministry of Defence and  
External Affairs

1953-60

Assistant Secretary and Chief of Protocol, Ministry  
of Defence and External Affairs

1960

Counsellor, Permanent Mission of Ceylon to the  
United Nations, New York

1961

Charge d'Affaires, Permanent Mission of Ceylon to  
the United Nations; Ceylon Representative to the  
Ninth Session of the Commission on International  
Commodity Trade



1962-65 Deputy Regional Representative of the United Nations  
Development Programme, Bangkok, Thailand

1965-68 Resident Representative of the United Nations  
Development Programme in Liberia

1968 - Resident Representative of the UNDP in Sierra Leone

COMMENT:

Mr. Edward has in the past voiced severe criticism of the Bank -- among others at international meetings of UNDP Resident Representatives. Lately we have not had any direct attacks from him -- perhaps partly because we have made a special effort at having our missions and staff liaise with him in Freetown. It is rumored that Mr. Edward may be leaving his job soon.

He cabled an invitation to the Bank in mid-December asking for permission to host a dinner, luncheon or reception for Mr. and Mrs. McNamara in Freetown. We cabled him (after clearance from Mr. Ljungh) that regretfully the tight schedule did not allow Mr. McNamara to accept an invitation.



E



## Sierra Leone

### Policy Issues

In your discussions with Government officials it would be most helpful if you could emphasize four policy issues which we believe have substantial importance for Sierra Leone's development and which will undoubtedly affect Bank Group relations with the country. Economic performance has not been good in the past few years, about which the Bank has consistently cautioned the Government and obtained assurances tied to past loans. When the Government breached the \$2 million limit of short and medium term credits to which it had agreed, the Bank delayed processing of the integrated agricultural development project. New policy understandings were obtained at the 1971 Annual Meeting whose status is described in the updating economic brief (Tab F (ii)). We should forcefully convey to the top levels in the government that while we fully appreciate the great political/social/economic pressures that beset Sierra Leone and while we stand ready to assist wherever possible to further development (even to the extent of considering an innovative project that could strike at one of the government's main bottlenecks -- project preparation) we need more evidence of positive effort by government to alleviate the most critical economic problems.

- Overall Economic/Financial Management: The need for improvement here cannot be overstressed. While there has been some progress on extra-budgetary expenditures, more severe budgetary restraints or larger tax efforts are required. Long-term development planning or programming is urgently needed. The UNDP planning team seems to be isolated within the Ministry of Development. Since the President and the Cabinet Ministers do not appear to trust fully the principal civil servants, there is a need for the President to have better access to professional economic advice. These matters should be raised with President Stevens, Finance Minister Kamara-Taylor, Vice-President Koroma and the Governor of the Bank of Sierra Leone, Mr. Sam Bangura.

- Suppliers' Credits: Contraction of excessive amounts of suppliers' credits has been an almost perpetual problem which jeopardizes financial stability. The 1971 Economic Policy Understandings between the Bank and the Governor addressed itself specifically to this problem. It is still necessary to drive home the serious implications of this problem to the President, the Vice-President, the Finance Minister, and the Minister of Public Works. (The Governor of the Central Bank understands the problem thoroughly). These four men know next to nothing about sound economic/financial policy, but they happen to be the most powerful men in the country and must be educated. The matter is discussed in more detail in Tab F(ii).

- Sierra Leone Electricity Corporation: The Bank, through its first power loan, was instrumental in establishing this corporation. Recently, it has encountered very serious managerial and financial difficulties. A supplemental loan has been requested from the Bank. These issues are discussed more fully under Bank Operations (Tab G). Again the President, Vice-President, Finance Minister and Minister of Works should be firmly told that the deterioration at the Electricity Corporation has gone far enough.



- Project Preparation: To help avoid the impression that the Bank is merely lecturing or nagging the government about difficult problems, the point should be made that we stand ready to help government, provided it is willing to do its share and take some hard decisions. The proposed lending operation for project preparation purposes (discussed under Tab G) might be raised in the context of the above three problems and should be discussed with the President, the Vice-President, the Finance Minister, Minister of Works, Agriculture and Development.

- General Remarks: A persistent complaint by government officials is that the Bank Group is too slow in processing projects and that, given the pressures for development, the temptation to take on suppliers' credits -- in the hope of acceleration development, or at least, being able to proclaim some forward movement -- is very great indeed. This complaint is partly justified in that the Bank has been exceptionally slow for instance under the highway project where the construction of the Bo-Kenema Road was delayed for two years largely because of problems associated with the fact that international competitive bidding resulted in 50 percent higher costs than estimated by the appraisal mission. On the other hand, the point should be made, however, that there is also good reason for the Bank's deliberations -- to insure sound projects. Our procedures should be speeded up as a result of the recent reorganization.

The government officials may raise the Bank's insistence on their closing of the Sierra Leone Railway (which was a condition of the First Highway Project) well in advance of the construction of the new roads, particularly because of the aforementioned delay. If they do, you may note that the Bank treated the railway closure as a general transport policy issue. This was based on the 1967 Transport Survey and the already bad state of locomotive power and rolling stock, as well as the expected further rapid deterioration. The closure was not linked to the date of completion of Bo-Kenema. At that time, the railway carried an insignificant amount of freight and no passengers. Transfer of that traffic was only a minor factor in the justification of a new road. So, the question was not one of building roads to replace the railway. It was instead one of building new roads to carry traffic at a lower cost than that afforded by the existing roads. As to the timing of the closure, it was estimated that dismantling the railway before the new roads were completed would save Sierra Leone about \$4.8 million.

Western Africa Region  
Division IB  
December 27, 1972

① Ask about state of economic cooperation plans with Liberia.

② Project preparation problems - especially in Agriculture.

③ State of our own project preparation. Most projects seem vague, and no listing planned until FY 75! (except project preparation loan) Could UNDP really not contribute more?

④ What's position of Rex Wait (Min of Fin advisor from IMF) can he give the top-level advice needed?



4



September 28, 1972

COUNTRY PROGRAM NOTESIERRA LEONE

DECLASSIFIED

APR 05 2013

WBG ARCHIVES

*as 1.5 in  
State Dept notes*

1972 Population: 2.6 million  
 1969/70 Per Capita GNP: \$190  
 Current Population  
 Growth Rate: 2.4 percent p.a.  
 Current Exchange Rate:  
 Le 1.00 = US\$1.21 <sup>1/</sup>  
 US\$1.00 = Le 0.83

IBRD/IDA Lending Program (\$ million)

	<u>FY1964-68</u>	<u>FY1969-73</u>	<u>FY1974-78</u>
IBRD	3.8	7.6	6.0
IDA	-	12.8	23.0
TOTAL	<u>3.8</u>	<u>20.4</u>	<u>29.0</u>
Operations Program			39.0

Annual Average Per Capita (\$)

BANK/IDA	0.28	1.57	2.23
IDA	-	0.98	1.77

INTRODUCTION

1. Since the last review of the Country Program Note on November 19, 1971, Sierra Leone's internal political situation has become more stable and the Government has made some commendable efforts to improve internal and external financial management. However, uncertainty still clouds the picture. With elections scheduled later this year, political developments could become more unsettled and could create pressure for increased government expenditures and for contracting new suppliers' credits. The immediate outlook, therefore, is shadowed with risk.
2. The magnitude of the proposed operations program is slightly larger than that approved in 1971. Several new possible projects have emerged in the agriculture sector. As long as the Government continues to make positive efforts, the Bank Group should be prepared to move ahead with a slight increase in the lending program extended on about the same blend as that approved last year.

<sup>1/</sup> The Leone has been floating with the British pound since June 27, 1972. This is the most recent market rate of exchange used by the Bank of Sierra Leone.



## A. COUNTRY OBJECTIVES

### Recent Political Developments

3. The political atmosphere in Sierra Leone now seems more relaxed than it was at the time of the last CPN. President Siaka Stevens, having survived the breakaway political movement of late 1970 and the attempted military coup in March 1971, has moved to strengthen his position and to enlarge his power base. This is a difficult process because of the country's great tribal diversity and social tensions. Elections are scheduled late in 1972 and early 1973. While there is no real opposition party, the election process traditionally has been marked by considerable ferment and sometimes civil strife. Government is obviously trying to avoid a repetition of the past and, in recent weeks, it has stepped up efforts to bring potentially hostile factions into line. Amnesty has been extended to more political detainees. Troops, brought in from Guinea during the attempted coup, have become much less visible, and are now strictly confined to the president's office.

4. Externally, the Government continues its policy of non-alignment, although this has now been accompanied by a defense pact with Guinea, the establishment of relations with the People's Republic of China and friendly overtures towards the Soviet Union and Cuba. Despite these diplomatic developments, there is no evidence that Sierra Leone may be shifting to the left ideologically. Pragmatism is the central motivating force behind the country's foreign policy. It is likely to remain so.

### Recent Economic and Financial Developments

5. The deterioration in the economic and financial position which started around the middle of 1970 was substantially halted early this year and, in fact, some improvement has been achieved since then. The deterioration had originally arisen from a depression in the world diamond market (diamonds constitute 65-70% of Sierra Leone's exports), and imprudent fiscal and debt management policies, in addition to political instability. A recovery in the diamond market, together with progress in implementation of economic and financial policy measures agreed upon with the Government during the 1971 Bank/Fund Annual Meetings, have contributed to the recent improvement. Nonetheless, the situation remains uncertain. With upcoming elections, the Government is under strong pressure to embark on increased spending and to contract new suppliers' credits.

6. In the first four months of 1972, diamond exports amounted to Le 21 million compared to Le 14 million in the corresponding period of 1971. Business confidence was strengthened by the announcement last February of an agreement with a new foreign company, Sierra Rutile Ltd., a partnership of Armco and Nord, to take over the rutile lease area which had been abandoned



a year earlier by Sherbro Minerals, a company which had little experience in mining exploration. Rutile production and export are now expected to resume before the end of this year. Agricultural exports, at Le 7.5 million in the first quarter of 1972, were 35% above their level during the corresponding period of 1971. Almost all the increase was in the export of coffee, following the increase in Sierra Leone's quota last October. Production of rice, the staple food, is expected to reach a record level of 295,000 tons in 1971/72, compared to 270,000 tons in the previous year.

7. The policy understandings reached during the last Annual Meetings concerned improvement of economic policy coordination within the Government, limitations on short and medium term external borrowing, maintaining an adequate level of foreign exchange reserves, mobilization of government savings, and improving development planning. There have been these developments:

- a. Economic Policy Coordination. An Economic Advisory Committee (EAC) was established in November 1971 to help coordinate economic decision-making. The Committee had opportunity to advise the Government on the financial situation early this year and on ways to clear government indebtedness to local suppliers. But the Committee has not yet become an integral part of the government economic decision-making machinery. Economic policy issues and proposals for new external borrowing are not put to the Committee on a systematic basis. Thus, increased government willingness to use the Committee is needed if it is to become an effective advisory institution. To help further in improving economic management we are considering helping the Government to recruit a senior expatriate economic advisor to the President. The Government has in the past considered recruiting such an advisor but no further development has taken place. We intend to discuss this question with the Government delegation at the Annual Meeting.
- b. Limitation of External Borrowing. Given the high debt service burden on the budget, the Government agreed in the policy understandings to observe a freeze on contracting and guaranteeing external debts of 12-year maturity or less until April 1, 1972, and then to set a ceiling on such debts for a definite period. This ceiling, produced in consultation with the Bank, was subsequently set at \$3.0 million for April 1, 1972 - June 30, 1973. Contrary to earlier assertions by Government, it was discovered during a recent mission to Sierra Leone that a small supplier credit of \$230,490, payable over a 6-year period, was contracted on March 18, 1972 for the purchase of a helicopter for the President. By the end of last August 1972, the US\$ 3.0 million debt ceiling had been reached, with the contraction of two



credits, one for an extension of an ongoing water supply scheme and the other for the provision of a 250 kw radio transmitter. Contrary to our agreements with the Government, none of these credits was submitted to the Economic Advisory Committee for review. While the credit for the water supply scheme could be justified on development grounds, the radio transmitter credit is of questionable merit, since the transmitter is unusually large. We intend to emphasize to the Government delegation at the Annual Meeting that no additional suppliers' credits of 12-year maturity or less should be contracted or guaranteed before June 30, 1973. It is feared that the Government may not be able to observe such restraint, in view of the political pressure of the scheduled elections. We shall watch this situation closely.

- c. Foreign Exchange Reserves. The level of foreign exchange reserves of the Bank of Sierra Leone at the end of March 1972 were Le 35.6 million (\$46.4 million), equivalent to more than four months' imports. This is well above the level of three months' imports equivalent agreed upon in the policy understandings during the last Annual Meeting. The overall balance of payments position in the past year remained essentially sound. In fact, the trade balance improved in 1971 due to the recovery in diamond exports and the low level of imports. Provisional estimates show a trade surplus of Le 5.9 million in the first four months of 1972, compared to a deficit of Le 1.3 million during the corresponding period of the previous year.
- d. Mobilization of Public Savings. Since the last review some efforts have been made to arrest the deterioration in the fiscal situation and to mobilize public savings, but the budgetary situation remains tight. Extra-budgetary current expenditures which were excessive in 1970/71 and in the first half of 1971/72 have subsided in the second half of the past fiscal year. Budgetary controls have been tightened. The Government is now considering the establishment of a Central Procurement Office to scrutinize local and foreign purchase orders by government agencies before they are executed. On the revenue side, a government-appointed committee last March completed a review of the 1971 IMF tax report on Sierra Leone. The committee recommended that improvement of the administration and collection of taxes and duties be given priority over restructuring the tax system. (The ratio of Government revenues to GDP increased from 14.7% in 1963/64 to 16.3% in 1969/70, but indirect taxes, mostly import duties, continue to provide about 60% of total revenue.) In



his budget speech last July, the Minister of Finance stated the Government's intention to implement some of the Committee's recommendations in the present fiscal year. In addition to stricter expenditure controls, he announced the government plan to introduce a bill in parliament this year to re-enact, in an improved form, provisions relating to collection, recovery and enforcement of income taxes, including penalties for non-payment. The Minister also emphasized government intention to accelerate the efforts to collect tax arrears and improve the enforcement of custom duty collection.

The 1972/73 budget projects a surplus on current account of Le 2.0 million, compared to an estimated deficit of about Le 1.6 million in the previous year. This is made on the expectation of continued recovery in the diamond market, raising certain taxes and fees (yielding Le 1.6 million) and containing current expenditure at about last year's level. This may be difficult to achieve given the pressure of the upcoming elections. Development expenditure is projected to grow by 30% in 1972/73 to Le 14.2 million, the most notable increase being in agricultural development from Le 1.1 million in 1971/72 to Le 2.5 million. The projected Le 2.0 million budgetary surplus, if it materializes, together with Le 0.8 million contribution from public corporations, would finance about 20% of the budgetary development expenditures in 1972/73.

- e. Development Planning. Progress on development planning has been slow. No detailed development policy guidelines with clear objectives, strategy and priorities have yet been formulated. The UNDP/SF project for planning assistance, which began in July 1970, has been moving slowly, partly due to insufficient government support, but mostly due to difficulties in finding competent leadership and recruiting experts for the project. The project is designed to assist in establishing an institutional framework for planning and in formulating development programs and projects. A new able manager took charge of the project last August and the plan of operation is being revised with a view to reducing the required number of experts. In his budget speech the Minister of Finance stated that the Government intends to set up a National Planning Council and other appropriate planning institutions in the current fiscal year.

#### Development Strategy and Constraints

- 7. Sierra Leone has a dual economy with an enclave export-oriented mining sector dominated by diamonds, and a large under-developed agricultural



sector which sustains 75-80% of the population. GNP per capita for the country's 2.5 million population is estimated at about \$190 (1969/70), but income distribution is very uneven. During the last decade, GDP grew at an average annual rate of about 4% in real terms. An official development strategy has not yet been formulated. However, economic policy statements by the Government have emphasized the priority of agriculture, education and road transport. In addition, the Government has decided to play a more active role in the development of mineral resources, and has adopted a policy of acquiring majority ownership in the foreign-owned mining companies.

8. The strategy for agricultural development aims at: a) achieving self-sufficiency in rice (which at present satisfies about 95% of local consumption) and other food crops and products; b) increasing production of tree crops; c) improving institutional aspects, particularly extension services and credit and marketing facilities; and d) developing the agricultural potential of the north. A long dry season in the north, compared with more favorable climatic conditions and considerable mineral resources in the east and south, have helped create uneven development, which is politically and socially unpalatable. The north, as well as certain central parts of the country, have potential for livestock production and the Government is anxious to develop this. Development of livestock production, however, cannot be expected to occur without proper transport facilities and slaughter houses.

9. The need for developing education derives basically from the fact that the population is still largely illiterate; the country's education system is not oriented towards its development objectives. The present system of secondary education prepares the majority of high school graduates for "white collar" jobs, while the demand grows for persons with training for non-clerical jobs in industry and agriculture.

10. In transportation a 10-year road program was prepared in 1970 following a land transport survey financed by UNDP, with IBRD the executing agency. This program included improving highway maintenance, dismantling the outdated and inefficient railway, and improving the main roads from Freetown into the rest of the country. Construction of several of the roads in this program has already started.

11. The mining sector has few linkages with the rest of the economy and its development so far has contributed little to the general development of the economy. The Government policy to acquire majority ownership in the foreign-owned mining companies is designed to increase this contribution mainly through an attempt to integrate mining development with the development in the rest of the economy, increasing the pace at which Sierra Leoneans are being trained for managerial and technical positions, and obtaining a larger share in the mining profits for financing development. The transfer of ownership has so far been orderly. As mentioned in the last CPN, a settlement agreement was reached with the largest of the four mining companies, SLST, in

51/49



1970 and there was no disruption in production or investment. Negotiations are currently under way with Delco, the iron ore company. The Government does not intend to enter as part owner in the relatively smaller bauxite and rutile companies at the present time.

12. The main constraints on development have been the absence of development planning, poor sectoral knowledge and shortage of identified projects, insufficient supply of skilled manpower and limited public savings. Recent efforts to revive the UNDP/SF planning project should be helpful in setting up a more systematic planning effort. The poor sectoral knowledge and shortage of identified and prepared projects remain a basic obstacle. Among the three priority sectors, agriculture, education and road transport, only the latter has been surveyed adequately. However, a 6-man agricultural technical assistance team from the UK is currently helping the Government in identifying and preparing agriculture projects. Preliminary investigations indicate that there is a forestry potential which can be exploited for the domestic market, but it is doubtful whether there is a forestry potential for export. A forest resources feasibility study concerning the utilization of the Tama Tonkolili and Kangari Mills forest reserves was conducted over the past four years by an FAO expert, and his report is now being completed for submission to the Government. In fisheries, there is a potential for expanding the annual fish catch, at least to substitute for imports which satisfy about 1/3 of local consumption. The primary need is to improve fishing techniques and marketing and storage facilities. A UNDP/FAO project for assessing the coastal pelagic fish resources was terminated prematurely early this year due to technical and personnel problems. A project is now being proposed for UNDP financing. This would be limited to exploring the possibilities for improving fishing techniques and establishing effective marketing channels. This project might become operative early in 1973.

13. UNESCO has proposed an education sector survey for FY1973. In an effort to ease labor force bottlenecks, a UNDP/ILO-sponsored manpower survey is currently being conducted to identify the existing stock of skills and to prepare projections for future needs of skilled manpower. This, together with a proposed education survey, would form the basis for appropriate education and training programs. In mining a recent Bank mission identified the state of sectoral knowledge and stressed the need for extensive prospecting and mapping work over the next ten years. Part of this needed work is already being carried out at present in the north, with UK assistance. UNDP is considering a project for surveying and mapping areas in the southern and central parts of the country. Another UNDP-financed study of Sierra Leone's power resources and needs for the next 15 years was completed at the end of last year and the report is now being finalized. Knowledge of the industry, water supply and sewerage, and telecommunications sectors is practically nil. We are planning to send a comprehensive economic mission next fall which will look into these sectors in depth. We also intend to work with the Government and the planning team in preparing an inventory and short appraisal of pre-investment studies prepared in the various sectors



since about the mid-sixties.

14. During the past year, Sierra Leone has taken several steps to initiate a program of economic cooperation with Liberia. Several meetings were held on both ministerial and technical levels, and agreement was reached to promote cooperation in the areas of trade and industry, transport and communication, and education and training. A 5-man mission from UNCTAD, UNIDO and FAO visited both countries last April/May to assess the scope of cooperation between the two countries. We propose to examine what assistance we may be able to contribute to these efforts.

#### Prospects

15. Economic and financial prospects in the next several years are at best moderate. Continuation of the recent recovery in the diamond market and pursuance of sound fiscal policies would enhance these prospects. GNP may be expected to grow at between 3-4% per annum in the next few years, but most of this is expected to originate in the diamond-dominated enclave sector. The diamond market is volatile and could cause substantial fluctuation in economic growth. An average annual growth of 3-4% per annum is indeed inadequate, particularly since population is now expected to increase at a rate of 2.4% per annum. This emphasizes the importance of efforts to improve development planning, project identification and mobilization of domestic savings.

16. Assuming continued recovery in the diamond market, exports are projected to grow at about 4% per annum in the next few years compared to a drop in 1970 and no growth in 1971. Export prospects will be enhanced with the resumption of rutile exports at the end of this year and at a time of rising world prices. On the other hand, agricultural exports, which contribute about 16% to total exports, may suffer by depressed world prices for palm kernels. While exports are projected to grow at about 4%, imports are projected to grow at about 5%; this would result in a growing deficit on the trade account.

17. The budgetary position is likely to continue being a major constraining factor to development. Even with a projected growth rate of about 6% in current revenues and reasonable restraint in the growth of current expenditures, budgetary savings may average about Le 1.0 - 2.0 million a year. With improved project identification and preparation, public development expenditure could rise to an annual average of about Le 19 million (US\$23 million) in the 1972/73-1977/78 period compared to an average of about Le 13.0 million in the past four years. Total public savings may be expected by finance not more than 10-15% of this expenditure. Internal borrowing (treasury bills, government stocks) may finance another 10% and the balance of US\$17-18 million (Le 14-15 million) a year would have to be financed from external sources. It is projected that the World Bank Group would provide an average of about



**SIERRA LEONE: BALANCE OF TRADE AND BUDGETARY PROJECTIONS, 1972-1978**  
(in million Le.)

**A. FOREIGN TRADE**

	Estimate		Projections						Annual Growth rate
	1971	1972	1973	1974	1975	1976	1977	1978	1972 - 1977
Exports of goods and NFS	99.2	103.2	107.3	111.6	116.1	120.7	125.5	130.5	4.0%
Imports of goods and NFS	109.0	114.5	120.2	126.2	132.5	139.1	146.1	153.4	5.0%
Factor Services and Transfer Payments	-2.4	-2.5	-2.6	-2.7	-2.8	-2.9	-3.0	-3.1	
Current Account Balance	-12.2	-13.8	-15.5	-17.3	-19.2	-21.3	-23.6	-26.0	

**B. BUDGET**

	Estimate	Budget	Projections					Average	Annual Growth rate
	1971/72	1972/73	1973/74	1974/75	1975/76	1976/77	1977/78	1972/73-1977/78	1973/74-77/78
Current Revenues	55.7	58.9	62.4	66.1	70.1	74.3	78.8	68.4	6.0%
Current Expenditures	46.4	45.3	47.8	50.4	53.2	56.1	59.2	52.0	5.5%
Debt Servicing	10.9	11.6	13.9	14.2	15.5	16.6	17.0	14.8	
External <sup>1/</sup>	(7.8)	(9.2)	(10.2)	(10.3)	(10.9)	(11.9)	(12.2)	(10.8)	
Internal <sup>2/</sup>	(3.1)	(2.4)	(3.7)	(3.9)	(4.6)	(4.7)	(4.8)	(4.0)	
Investible Surplus (Deficit)	-1.6	2.0	0.7	1.5	1.4	1.6	2.6	1.6 <sup>4/</sup>	
Development Expenditure	11.2	14.2	15.3	16.5	17.8	19.2	20.7	17.3 <sup>5/</sup>	8.0%

**C. SERVICING OF EXTERNAL PUBLIC DEBTS**

Public Sector Obligations <sup>3/</sup>	8.5	10.2	11.3	11.2	11.5	12.4	13.4	11.7
as % of export <sup>3/</sup>	8.6%	9.9%	10.5%	10.0%	9.9%	10.3%	10.7%	10.2%
Central Government Obligations	7.8	9.2	10.2	10.3	10.9	11.9	12.2	10.8
as % of budgetary Revenues	14.0%	15.6%	16.3%	15.6%	15.5%	16.0%	15.5%	15.8%

1/ Accounting for likely new debt commitments between 1972 and 1978.

2/ Assuming new internal borrowing between 1972/73 and 1977/78.

3/ Figures refer to calendar years 1971-1977.

4/ Saving by public corporations is estimated at an average of Le 1.0 million a year, which adds to an average public saving of Le 2.6 million a year.

5/ Investment by public corporations is estimated at an average of Le 1.5 million a year, which adds to an average public development expenditure of Le 18.8 million (\$22.7 million) a year.



\$6 million a year, other official donors would provide about \$8-9 million and suppliers' credits would finance about \$3.0 million. Efforts will be made to interest other donors in joint or parallel financing arrangements for Bank and IDA projects.

B. EXTERNAL ASSISTANCE

18. Commitments of total capital assistance in the past three years (1969-71) totalled \$36.7 million. Of this, about 60% (\$21.5 million) was from official sources and the remainder (\$15.2 million) consisted of suppliers' credits and contractor financing. Official capital assistance (an average of about \$7.0 million a year) was almost double the amount received in the preceding three years (1966-1968), which was a period of economic stabilization. Suppliers' credits and contractor financing, mostly contracted in the period June 1970 - August 1971, were mainly for the purchase of buses, ferries, tractors, telecommunications and military equipment, and continuation of a water supply scheme.

19. Official external capital assistance has predominantly been for infrastructure, reflecting the shortage of viable projects in other sectors. As the table below indicates, 56% of this assistance was for roads, 12% for power and 10% for education. In addition, about 22% was for general development purposes (including commodity loans). The World Bank Group contributed 45% of official external capital assistance (24% IBRD and 21% IDA) in the 1967-71 period, the UK 25%, Germany 20% and the US 4%. The People's Republic of China contributed about 7% and became a new donor in 1971 by extending an interest free convertible foreign exchange loan of \$2.1 million for general purposes. It is expected to increase its lending operations in the next few years. Except for IBRD loans, all other official lending to Sierra Leone has been on concessionary terms.

OFFICIAL EXTERNAL CAPITAL ASSISTANCE (COMMITMENTS), 1967-1971  
(in million US\$)

	<u>IBRD</u>	<u>IDA</u>	<u>UK</u>	<u>Germany</u>	<u>USA</u>	<u>People's Republic of China</u>	<u>TOTAL</u>	<u>%</u>
Roads	3.7	3.5	4.3	6.2	-	-	17.7	56.2
Power	3.9	-	-	-	-	-	3.9	12.4
Education	-	3.0	-	-	-	-	3.0	9.5
General								
Development	-	-	3.7	-	1.1	2.1	6.9	21.9
TOTAL	<u>7.6</u>	<u>6.5</u>	<u>8.0</u>	<u>6.2</u>	<u>1.1</u>	<u>2.1</u>	<u>31.5</u>	<u>100.0</u>
% Distribution	<u>24.1</u>	<u>20.6</u>	<u>25.4</u>	<u>19.7</u>	<u>3.5</u>	<u>6.7</u>	= <u>100.0</u>	



20. In the past two years, external debt service payments averaged about \$10.5 million, absorbing 9% of export earnings and about 14% of budgetary revenues. The contraction of a substantial amount of suppliers' credits in the past two years postponed a sharp drop in external debt service payments, which had been expected in 1971 (based on debt outstanding at the end of 1969). Instead, external debt service payments are now expected to peak in 1972 at \$12 million (based on debt outstanding at the end of 1971), and to average about \$10.0 million in the following years. Based on certain assumptions of likely new capital commitments between 1972 and 1977 and a projected 4% growth in export earnings, the debt service ratio is estimated at about 10% in the next five years. If recurrent budgetary revenues grow at about 6% per annum, external debt service payments would absorb about 16% of budgetary revenues during the same period.

21. Against this background and considering Sierra Leone's poverty and low savings potential, it is essential to avoid a substantial increase in the debt service burden, especially on the budget. This is especially important because Sierra Leone requires a substantial inflow of external assistance, which therefore ought to be provided on concessionary terms. Given the expected shift in development emphasis to agriculture and education -- sectors in which projects tend to have a relatively low foreign exchange component -- some financing of local expenditure will be required.

#### C. BANK/IDA LENDING PROGRAM

22. Given the constraints and opportunities outlined in the previous sections, the Bank Group's contribution to Sierra Leone's long-range development can be provided through a strategy that emphasizes the following:

- Capital financing in the priority sectors of agriculture, transport and education;
- Technical assistance, mostly tied to project financing and provided either by the Bank Group or by other international/bilateral agencies, to help in: (a) project identification and preparation; (b) strengthening the country's planning and administrative capacities; (c) training Sierra Leoneans in formulating and implementing development programs and projects;
- Some special assistance in the economic/financial field to help improve economic management and performance.

23. In our long-range lending strategy for Sierra Leone, technical assistance for project identification and preparation is a vital component. In a very real sense, the whole trust of our assistance effort rests on effective technical assistance, given the country's great scarcity of required



expertise and the absence of the kind of institutional support needed for effective implementation of development objectives. In response to this need, we have already tied technical assistance to capital financing in several previous lending operations. For example, the first highway project (Loan 710; Credit 218) contains UNDP-financed technical assistance for highway organization and maintenance. The agriculture credit approved in June 1972 provides for the identification and preparation of two agricultural projects in the northern and central parts of the country. However, we feel that a more sustained program of assistance for project identification and preparation will soon be required, particularly since new ideas for project possibilities are emerging or likely to emerge in the agriculture and education sectors. These possibilities could languish unless Sierra Leone is able to capitalize on them. This is why we have included a proposed project for project preparation in the lending program (see para. 32).

24. The economic policy measures agreed upon with Government in September 1971 indicate the type of assistance we contemplate in the economic/financial field. These measures were adopted by Government with the assistance of Bank economists who visited the country three times within a seven-month period. These visits have been welcomed by the Government and have been most useful in influencing financial policies and in improving relations generally. We believe that liaison of this sort is imperative and we plan to continue to offer advice when the Government requests or when we think it is warranted. Our economic work program also includes a basic economic mission scheduled for next fall (para. 13) and a possible agriculture sector mission within the next year.

25. This, in general terms, is our strategy for aiding Sierra Leone's development. The proposed lending program, as outlined in Attachment 1, reflects this strategy. All future lending will, however, continue to be dependent on evidence of continued improvement in Government's overall management of the economy, as outlined in the policy understandings reached last year.

26. To date, Bank Group lending to Sierra Leone, which began in 1964, has totalled \$22.2 million. Of this 35% went to power, 32% to road transport, 19% to agriculture and 14% to education. In comparison, our proposed lending program (FY1974-78) allocates 48% to agriculture, 24% to roads and 27% to education, reflecting the priority areas designated by the government (para. 7).

27. For the FY1974-78 period, the operations program totals US\$39.0 million. Allowing for slippages, the lending program would be about US\$29.0 million, an average lending volume of almost \$6.0 million a year. In the last CPN, the five-year operations program totalled US\$35.0 million and the lending program averaged about US\$5.0 million annually.

28. The main differences from last year's lending program are: (a) more specific designation of proposed agriculture projects with the addition of an unidentified project of US\$3.0 million for FY1978; (b) addition of a



proposed credit of US\$1.0 million for project identification and preparation to help deal with the problems outlined in paragraph 23. The operations program as presented excludes a possible supplementary loan requested by the Sierra Leone Electricity Corporation. This would likely involve no more than US\$1.0 million. (A supervision mission is now in the field and its report will be available in October.)

29. The recommended lending program would provide about the same blend of Bank/IDA financing as proposed last year. This, as discussed earlier, appears justified given Sierra Leone's low savings potential, its poverty, its need for a substantial inflow of capital over a long period and the fact that more project financing possibilities now exist, especially in agriculture. The shift in development emphasis to agriculture -- a sector in which projects tend to have a relatively low foreign exchange component -- means that some financing of local expenditure will be required.

#### D. ECONOMIC SECTORS AND SECTORAL DISTRIBUTION OF BANK/IDA OPERATIONS

30. Several issues and some problems had arisen in connection with the execution of Bank Group projects in Sierra Leone. Implementation of the First Highway Project (710-SL; 218-SL) was substantially delayed because: (a) bids for construction of the 43 mile Bo-Kenema road were about 50% higher than the appraisal estimate; (b) government evaluation of bids for purchase of highway maintenance equipment substantially conflicted with Bank guidelines. These difficulties have now been resolved. Government has agreed to rebid for the highway maintenance equipment. Construction of the road will proceed on the basis of a management type contract. Under this method, the cost of construction is expected to be substantially lower than under the original bids. The Government now believes that there is a good possibility that the project can be financed within funds allocated under the Loan/Credit made in 1970. Since no supplementary financing has been requested at the present time, Government has asked that we consider supplementary financing if costs should increase higher than proposed. We have agreed to recommend to the Board to do so if necessary and, therefore, included \$1.0 million in the proposed program for FY1974 to cover such a contingency.

31. So far as future operations are concerned, it is proposed that the major share be allocated to agriculture. This is consistent with priorities established by Government. At the time of the last CPN review, our contribution to agriculture over the long term could be defined only in general terms. Now, with approval of the first agriculture credit, we are in a position to be able to outline our strategy more concretely. Generally the strategy is to use the experience of the first project as a springboard for further assistance aimed especially at helping those sections of the country, such as the north, which, to date, have been largely ignored. The agriculture project itself provides for consultants' studies to prepare an integrated agricultural development project in the north and a forestry development project in the Tama reserve area.



32. Livestock development offers possibilities (see para. 8). Government is now anxious to explore the possibilities of a beef production program and has asked the Bank Group for assistance. A mission visited the country in mid-August and identified five possible locations for livestock development involving cattle breeding and fattening. Beyond these project possibilities there are distant projects for another lending operation in the north, after the integrated development project. This unidentified project has been scheduled for FY1978.

33. Since the major share in future operations will be allocated to agriculture, education development should be linked closely with work in the agriculture sector, particularly to help meet Sierra Leone's urgent need for adequately trained manpower in all aspects of agriculture. Progress on the first education project has generally been satisfactory. The planned manpower study, delayed for some time, is now underway and eight UNDP-ILO experts in technical education and instructor training are in post. The education sector review by UNESCO, proposed for FY1973, would delineate priority areas to be included in a second proposed project, scheduled for FY1975, and a possible third project, as yet unidentified, for FY1978.

34. In the Transport Sector, the consultants provided under the First Highway Project are being financed by the UNDP and will carry out: (i) a feasibility study of the 5-mile urban section of the Freetown-Waterloo road (including updating the feasibility study of the 18-mile rural section, financed under the UNDP Land Transport Survey), and (ii) detailed engineering, if found to be justified, of the 5-mile urban section (including amending the detailed engineering of the rural section, retroactively financed under the First Highway Project, as necessary to fit the urban section). A total of US\$9.0 million (\$6.0 million Bank; \$3.0 million IDA) has been proposed for this road in the lending program; but it has been slipped to FY1975 from FY1974, as shown in last year's CPN, because of the delays already encountered in the project. An unidentified project, possibly involving feeder roads, has been included for FY1976.

35. As was indicated earlier (para. 12), project identification and preparation is a serious shortcoming in Sierra Leone. The country needs special assistance in this area, in addition to what is provided as part of project work. We have therefore included a proposed credit of US\$1.0 million for FY1973 for project identification and preparation purposes. This would dovetail logically with the pre-identification work being conducted by the special assistance team in the Ministry of Agriculture provided by the United Kingdom as well as with the work of the proposed UNESCO team in education. The need for Bank Group assistance in this direction is underscored by the fact that the UNDP has indicated that it would cut back its aid to Sierra Leone. There is now less assurance than in the past that adequate funds will be available for such purposes. Therefore, the Bank Group should be prepared to help. We would propose to discuss this item more fully with Government later this year, as work in the agriculture and education sectors begins to materialize.



SUMMARY AND CONCLUSIONS

36. While the political situation in Sierra Leone has stabilized and there is evidence of government resolve to put its economic house in order, the overall situation remains uncertain and risky. We are prepared, nevertheless, to move ahead cautiously with a modestly increased lending program with about the same blend proposed last year. Emphasis will be on agricultural development and we will complement project work with economic/financial advice, wherever required, and technical assistance both for institution building and project preparation. Execution of this lending strategy will be contingent on concrete evidence of continued willingness of Government to take requisite measures for improved management of the economy.

Western African Department  
September 28, 1972



Population: 2.6 m.; 2.4% p.a.  
 Per Cap Inc: \$190 (1971); 1.1% p.a. 1972-78  
 Area: 72,326 sq. Km  
 Literacy: 27% adult pop. (1970)

SIERRA LEONE: ACTUAL AND PROPOSED LENDING THROUGH FY 1978  
 (\$ million)

Attachment 1

		Through FY68	FY69	Actual FY70	FY71	FY72	Current FY73	FY74	FY75	Program FY76	FY77	FY78	Total FY64-68	Total FY69-73	Total FY74-78
Integrated Agric. Dev. I	IDA					4.3									
Agriculture - Livestock	IDA							4.0 *							
Integrated Agric. Dev. II	IDA									4.0*					
Agriculture - Forestry	IDA										3.0 *				
Agriculture - Unidentified	IDA											3.0*			
Education I	IDA			3.0											
Education II	IDA							5.0							
Education - Unidentified	IDA											3.0*			
Power I (King Tom)	IBRD	3.8													
Power II (King Tom Expansion)	IBRD		3.9												
Power III	IBRD											3.0 *			
Project Identification and Prep.	IDA						1.0 *								
Roads I (Bo-Kenema)	IDA				3.5										
Roads I ( " )	IBRD				3.7										
Roads Ia (Bo-Kenema Supplementary)	IDA							1.0 *							
Roads II (Freetown-Waterloo)	IDA								3.0						
Roads II ( " )	IBRD								6.0						
Roads III - Unidentified	IBRD									4.0					
Operations Program	IBRD						-		6.0	4.0	3.0	-			13.0
	IDA						1.0	5.0	8.0	4.0	3.0	6.0			26.0
	Total						1.0	5.0	14.0	8.0	6.0	6.0			39.0
	No.						1	2	3	2	2	2			11
Lending Program	IBRD	3.8	3.9	-	3.7	-	-	-	6.0	-	-	-	3.8	7.6	6.0
	IDA	-	-	3.0	3.5	4.3	1.0	5.0	5.0	4.0	3.0	6.0	-	11.8	23.0
	Total	3.8	3.9	3.0	7.2	4.3	1.0	5.0	11.0	4.0	3.0	6.0	3.8	19.4	29.0
	No.	1	1	1	2	1	1	2	2	1	1	2	1	6	8
IBRD o/s incl. undisbursed		3.5	7.0	6.9	10.6	10.5	10.2	10.0	15.5	15.0	17.5	17.0			
excl. undisbursed		3.5	3.2	4.2	6.3	6.9	7.5	8.1	8.5	9.3	10.5	11.9			
IBRD Gross disbursements		3.8	0.1	1.1	2.1	0.6	0.9	0.9	0.8	1.3	1.7	2.0	3.8		
Less: Amortization		0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.4	0.5	0.5	0.6	0.2		
Equals: Net disbursements		3.6	-0.1	0.9	1.9	0.4	0.6	0.6	0.4	0.8	1.2	1.4	3.6		
Less: Interest & Charges		0.7	0.2	0.2	0.3	0.4	0.5	0.5	0.5	0.6	0.7	0.8	0.7		
Equals: Net transfer		2.9	-0.3	0.7	1.6	-	0.1	0.1	-0.1	0.2	0.5	0.6	2.9		
IBRD/IDA Gross disbursements		3.8	0.1	1.1	2.1	1.2	2.3	3.3	3.5	4.6	5.6	5.9	3.8		
Less: Amortization		0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.4	0.5	0.5	0.6	0.2		
Equals: Net disbursements		3.6	-0.1	0.9	1.9	1.0	2.0	3.0	3.1	4.1	5.1	5.3	3.6		
Less: Interest & Charges		0.7	0.2	0.2	0.3	0.4	0.6	0.6	0.4	0.8	1.3	1.5	0.7		
Equals: Net transfer		2.9	-0.3	0.7	1.6	0.6	1.4	2.4	2.7	3.3	3.8	3.8	2.9		

Note: Since the lines IBRD o/s excludes participations sold to third parties, they cannot be fully reconciled with the figures for disbursements, amortization, etc., which include transactions on behalf of third parties.



Attachment 2

SIERRA LEONE

SIERRA LEONE: CUMULATIVE ESTIMATED AND ACTUAL DISBURSEMENTS ON LOANS AND CREDITS

(\$ millions)

Project & No.	Amounts		Dates		Closing Date	Forecast Date	FY'71	FY'72				FY'73				FY'74	FY'75	FY'76	FY'77	FY'78	FY'79	FY'80
	- Original - Cancelled - Net	- Approved - Signed - Effective	Orig:	Rev:				Act:	1	2	3	4	1	2	3							
Second Power IRRD 953	3.9	7/30/68	Orig:	12/31/71	9/30/70 (1st)	3.4	3.6	3.7	3.9	-	-	-	-	-	-	-	-	-	-	-	-	
	-	8/ 5/68	Rev:	-	3/31/71	3.3	3.5	3.7	3.9	-	-	-	-	-	-	-	-	-	-	-	-	
	3.9	9/23/68	Act:	12/31/71	-	3.3	3.4	3.6	3.8	3.9	-	-	-	-	-	-	-	-	-	-	-	
Education Project IDA 170	3.0	12/23/69	Orig:	6/30/74	9/30/70 (1st)	.1	.1	.2	.4	.7	1.2	1.7	2.1	2.4	3.0	-	-	-	-	-	-	
	-	1/ 5/70	Rev:	-	4/30/72	-	-	-	-	.3	.7	1.4	1.9	2.4	2.9	3.0	-	-	-	-	-	
	3.0	5/ 8/70	Act:	-	-	-	.1	.1	.1	.2	-	-	-	-	-	-	-	-	-	-	-	
Highway Project IDA 218	3.5	10/21/70	Orig:	6/30/75	10/12/70	.8	1.1	1.4	1.9	2.4	3.0	3.5	-	-	-	-	-	-	-	-		
	-	10/29/70	Rev:	-	5/31/72	-	-	-	-	.4	.4	.8	1.2	3.5	-	-	-	-	-	-	-	
	3.5	2/12/71	Act:	-	-	-	-	-	.4	.4	-	-	-	-	-	-	-	-	-	-	-	
Highway Project IRRD 710 1/	3.7	10/21/70	Orig:	6/30/75	10/12/70	-	-	-	-	-	.1	.7	1.3	2.7	3.7	-	-	-	-	-		
	-	10/29/70	Rev:	-	5/31/72	-	-	-	-	-	-	-	-	-	1.9	3.7	-	-	-	-		
	3.7	2/12/71	Act:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Integrated Agricultural Development IDA 323	4.3	6/20/72	Orig:	3/31/76	6/ 6/72	-	-	-	-	-	.1	.3	.8	2.8	3.7	4.3	-	-	-	-		
	-	6/30/72	Rev:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	4.3	N.E.	Act:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		

1/ To be disbursed after Credit 218 SL (except special commitments).

Controller's  
7 28/72



Last Economic Mission  
March 1972

## SIERRA LEONE

## INDICATORS OF DEVELOPMENT

	Unit	Annual Average			Projection	
		1951-50	1961-65	1965-70	1971	1972-77
<b>I. ECONOMIC &amp; STRUCTURAL INDICATORS</b>						
1. Gross Domestic Product (at factor cost & constant market prices)	% Change			3.5 <sup>a/</sup>		3.0
2. Manufacturing Output <sup>b/</sup>	% Change			3.2 <sup>a/</sup>		
3. Agricultural Output <sup>b/</sup>	% Change			3.8 <sup>a/</sup>		
4. Mining Output <sup>b/</sup>	% Change			1.0 <sup>a/</sup>		
5. Imports of Goods and NFS	% Change			2.2 <sup>c/</sup>	-3.5	5.0
6. Exports of Goods and NFS	% Change			4.0	0	4.0
7. Domestic Price Level <sup>d/</sup>	% Change			4.3	-2.3 <sup>e/</sup>	
			1964/65	1969/70		
8. Gross National Savings	% GDP		6.7	15.2		
9. Resource Gap	% GDP		-2.5	+0.1		
10. Net Factor Payments Abroad	% GDP		-2.7	-1.8		
11. Gross Domestic Investment	% GDP		11.9	16.9		
12. External Debt Service	% exports <sup>f/</sup>		5.5 <sup>g/</sup>	8.3 <sup>h/</sup>		
13. External Debt Service	% current revenues		13.6	15.4		
14. Central Government Current Revenue	% GDP		13.5	16.3		
15. Central Government Current Surplus (Deficit)	% GDP		-0.2	+1.4		
16. Public Exp. on Social Services <sup>i/</sup>	% GDP		4.0	4.2		
17. Military Expenditure	% GDP		0.7	0.8		
18. Manufacturing Output <sup>j/</sup>	% GDP		5.5	5.3		
19. Energy Consumption	million tons					
20. Electricity Generated	million kwh			89.3 <sup>k/</sup>		
21. Fertilizer Consumption	'000 tons					
<b>II. SOCIAL INDICATORS</b>						
22. Population Growth Rate <sup>l/</sup>	%		1961-65	1966-70	1971-75	
23. Urban Population Growth Rate	%		2.1	2.2	2.4	
24. Freetown Population Growth Rate	%			3.8 <sup>m/</sup>		
25. Birth Rate <sup>n/</sup>	%			5.0 <sup>o/</sup>		
26. Family Planning	Per 1,000 popln. Acceptors '000s		42.4	41.1		
27. Income of: Highest quintile	% total income			33.8		
28. Income of: Lowest quintile	% total income					
29. Income of: Lowest 20%	% total income			3.8		
30. School enrollment: Primary & Secondary	% School-age popln.			25.8 <sup>p/</sup>		
31. Literacy rate	% adult popln.			27.0 <sup>q/</sup>		
32. Unemployment rate	% labor force					
33. Population per hospital bed	Number		1210 <sup>r/</sup>			
<p>a/ During the period 1965/66-1969/70</p> <p>b/ Value added at constant factor cost</p> <p>c/ A three-year average (1964-65 and 66) was taken as a base</p> <p>d/ Freetown only</p> <p>e/ The decline in the index in 1971 is explained by an unusual rise in the previous year due to large imports of rice necessitated by a bad crop in 1969/70</p> <p>f/ Exports of goods and NFS</p> <p>g/ 1965</p> <p>h/ 1971</p> <p>i/ Both current and capital expenditures</p> <p>j/ Value added at current market prices</p> <p>k/ 1970; excluding the mining companies</p> <p>l/ Growth rates in accordance with Kamarck's Memo of December 1, 1970</p> <p>m/ 1960-70</p> <p>n/ Since 1963</p> <p>o/ Western area only</p> <p>p/ 1968/69</p> <p>q/ 1963</p>						



COUNTRY DATA: SIERRA LEONE

(Leone 1 = US\$ 1.22)

Area: 72,326 square km

Population:

Size (1970) 2.5 million  
 Rate of growth 2.4 percent per annum

Percapita GDP (1969/70) US\$ 190

Gross Domestic Product (million Leone)  
 at Factor Cost, 1963/64 prices

	1963/64	%	1969/70	%	Growth rate 1963/64-1969/70
Agriculture	96.5	42.3	104.7	37.8	1.3
Mining and Quarrying	36.6	16.1	42.8	15.5	2.6
Manufacturing	12.0	5.3	15.0	5.4	3.8
Construction	7.1	3.1	12.4	4.5	9.8
Electricity, Gas, Water etc.	1.1	0.5	2.3	0.8	13.1
Transport and Communication	14.5	6.4	21.5	7.8	6.8
Wholesale and Retail Trade	28.7	12.6	33.2	12.1	2.5
Banking, Insurance, Real Estate	1.2	0.5	3.2	1.2	17.8
Ownership of Dwelling	11.7	5.1	14.6	5.3	3.7
Public Administration	11.6	5.1	16.0	5.8	5.5
Education, health, defense and others	7.1	3.1	10.2	3.7	6.2
<b>GDP</b>	<b>228.0</b>	<b>100.0</b>	<b>275.4</b>	<b>100.0</b>	<b>3.2</b>

<u>Government Finance</u>	<u>1969/70</u>	<u>1971/72</u>
Current Revenue	56.6	53.6
Current Expenditure (non-debt)	-39.8	-46.7
Debt Service Payments	-12.0	-6.2
Current Account Balance	4.8	0.7
Development Expenditure (Estimates)	-9.8	-9.3

<u>Balance of Payments (million Leone)</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u> (Jan.-Sept).
Exports (f.o.b.)	87.5	83.3	85.8	65.6
Imports (cif)	82.1	85.8	83.1	68.7
<u>Trade Balance</u>	5.5	-2.5	2.7	-3.3
Services (net)	-17.5	-15.0	-17.7	
Transfers (net)	3.6	4.3	4.9	



	<u>1969</u>	<u>1970</u>	<u>1971</u>	(Jan.-Sept.) <u>1972</u>
Current Account balance	- 8.4	-13.2	-10.1	
Private Capital inflow	13.7	11.9	8.1	
Government-Capital inflow	1.9	1.9	3.0	
Balance in Current and Capital Account	7.2	0.8	1.0	
Monetary movements (net)	- 9.2	- 0.2	5.8	
Errors and Omissions	2.0	- 0.6	- 6.8	

Merchandise Exports (Million Leone)

<u>Minerals</u>	<u>74.1</u>	<u>64.9</u>	<u>65.1</u>	<u>48.7</u>
Diamonds	61.9	51.0	50.0	36.7
Iron Ore	9.9	10.5	11.4	8.3
Bauxite	1.3	1.5	2.5	2.5
Rutile	1.0	1.9	1.2	1.2
<u>Agricultural</u>	<u>12.2</u>	<u>15.6</u>	<u>16.9</u>	<u>16.8</u>
Palm kernels	5.4	7.0	5.9	3.3
Coffee	3.0	4.3	3.5	8.4
Cocoa	2.9	3.3	2.7	2.7
Other	0.9	1.0	1.0	0.8
<u>Miscellaneous</u>	<u>0.8</u>	<u>2.7</u>	<u>3.8</u>	<u>1.6</u>
Total	<u>87.1</u>	<u>83.2</u>	<u>85.8</u>	

Monetary Survey (Million Leone)

	<u>1969</u>	<u>End of Period</u>		<u>1972</u>
		<u>1970</u>	<u>1971</u>	
Money	30.4	28.2	32.3	35.7
Quasi-money	14.0	14.3	15.6	16.9
Domestic Credit (Net)				
To Government	4.6	2.9	8.0	6.6 <sup>a/</sup>
To Private Sector	16.9	19.4	19.8	20.3
Foreign Assets (Net)	24.9	27.2	25.8	36.9
<u>Consumer Price Index</u>				
All Items	133.6	143.7	140.4	146.0
(Food and Drinks)	(113.5)	(129.4)	(124.7)	(133.5)

a/ There is a large amount of unpaid bills to the private sector.

Western Africa  
Division 1B  
December 29, 1972



12/29/72

SIERRA LEONE: A NOTE ON THE CURRENT ECONOMIC SITUATION

A. Recent Developments

1. Despite recent efforts to improve overall economic and financial management, the Government of Sierra Leone has not yet been able to move very far away from the underlying weaknesses which have been noted in previous economic reporting. While price stability was maintained in both 1970 and 1971, last year saw the beginning of inflationary pressures resulting from large increases in Government borrowings from the banking system. This became necessary largely because of budgetary weaknesses which had revealed themselves earlier - since 1970 current budget expenditures have shown a tendency to increase sharply, despite evidence the government revenues showed no upward buoyancy - in fact revealed a negative trend relative to national income. The resulting worsening in the public savings performance was further accentuated by the Government's persistent inclination to rely excessively on the use of suppliers credits for the financing of investments and alleged development purposes - many of which are of uncertain economic value and ill-prepared. The budget is now beginning to feel the impact of debt service obligations arising out of these suppliers' contracts, as debt servicing last year absorbed 13.2% of total recurrent expenditures in the budget - compared to only 6.5% a decade ago. The Finance Minister's Budget Speech last July indicated a willingness to increase tax efforts substantially, but so far little progress has been made to implement these proposals, though some moderate progress has been made towards reducing extra-budgetary expenditures and improving expenditure controls. Further tax action is needed; it remains to be seen whether the Government will have the political will to act resolutely on new taxes and tougher tax administration in face of upcoming national elections, now apparently scheduled for the summer of 1973.

2. The Government's fiscal and financial performance has weakened substantially after 1970. Total government revenue rose at an average of about 10% per annum between 1962/63 and 1969/70 and improved the ratio of government revenues to GDP from 14.7% to 16.3% during that period. However, in both 1970/71 and 1971/72 the level of government revenues remained stationary at around Leone 56 million. The ratio of government revenue to GDP declined to 15.3% during 1970/71 and appears to have deteriorated further during 1971/72, since recurrent budgetary expenditure rose almost continuously at about 7.3% per annum throughout the decade from 1962 to 1972. Debt servicing



increased most rapidly in recent years - at a rate of 16 percent per annum. Under these circumstances the Government has been forced to rely heavily on borrowings from the banking system.

3. The banking system's net credit to the Government during the 12 month period to September 1972 increased by about 58 percent. Credit extended to the private sector remained at a stationary level during the same period. Government borrowings were implemented largely through the issuance of Treasury Bills; the level of such bills increased from Leone 13 million in the beginning of 1972 to Leone 22 million by end of October 1972 - an increase of about 70 percent in ten months. Most of these bills were absorbed by the commercial banks and the semi-government institutions.

4. Sierra Leone has experienced relative price stability during recent years. The cost of living rose by about 3 percent per annum during 1969-71 and 4.4% during the 12-month period to September 1972. The food prices have increased relatively more rapidly. To the end of 1971, the increase in money supply had been restrained -- rising only by about 3 percent per annum during 1970 and 1971. However, during the first three quarters of 1972, the money supply increased by about 10 percent; mostly due to government borrowings.

5. Reliable national income statistics are only available for the period 1963/64 - 1969/70. These show a growth in real GDP of around 3-3.5 percent per annum during this period. Growth in the agricultural sector (about 1.3 percent per annum) did not keep abreast of population increases. Most of the growth in GDP originated in domestic construction and the foreign-owned mining sector. With respect to 1970/71, preliminary estimates show agriculture production increased by about 3 percent but production volume in the mining sector increased only by about 2 percent. Due to about a 6 percent decrease in the unit value of diamond exports, total value of such exports was reduced from Leone 62 million in 1969 to Leone 51 million in 1970. Due to improved conditions in the U.S. market the unit price of diamonds has improved by 13 percent during the first 9 months of 1972. However, with a reduction of about 7 percent in the volume of diamond exports, the export proceeds from diamonds increased by only Leone 3 million during the first three quarters of 1972 compared to the same period the year before.

B. Assessment of Progress on Economic Policy Understandings

6. Some of these continuing problems have been subject of policy understandings which the Government reached with the Bank during the 1971 Annual Meetings, designed mainly to improve financial and economic management and to initiate a systematic development effort. The summary of these policy understandings are:

- (i) improving economic policy coordination within the Government through the creation of an Economic Advisory Committee (EAC);



- (ii) observing a freeze on contracting and guaranteeing external public debts of 12-year maturity or less until April 1, 1972 and limiting such short and medium term credit on commercial terms to no more than US\$3.0 million equivalent between April 1, 1972 and June 30, 1973;
- (iii) maintaining an adequate level of foreign exchange reserves, equivalent to not less than three months imports;
- (iv) mobilizing Government savings with emphasis on improving the collection and enforcement of taxes, introducing new taxes and tightening budgetary controls;
- (v) improving development planning through the formulation of clear development policy guidelines and the creation of appropriate planning machinery and institutions.

Economic Advisory Committee

7. A major problem has been the absence of effective economic advice at the highest decision-making levels in the Government. The Economic Advisory Committee (EAC), which was created in November 1971 with the Principal Financial Secretary (of the Ministry of Finance) as its Chairman, was to advise the Government on all matters relating to economic policy; particularly before external debts would be incurred or guaranteed by the Government. It was expected to bring together the joint advice of the chief civil servants and technical experts in the various Ministries for the consideration by the Cabinet. The Committee was expected to meet regularly.

8. In actual practice, EAC has met only twice. Neither the Cabinet nor the Economic Sub-Committee of the Cabinet has referred any economic policy matter to EAC. Decisions on economic policy continue to be taken on an ad hoc basis and the EAC has not been allowed to play the role envisaged for it. Because of the intense inter-Ministerial jealousies so prevalent within the Government, many of the other ministries take the view that EAC is merely an arm of the Ministry of Finance trying to exercise yet another means of control over their operations. Therefore, they deliberately try to keep it dormant. The recent establishment of the National Planning Council (discussed below in para. 18) is no substitute for EAC because their roles were expected to be mutually complementary. If the idea of a broad-based economic advisory machinery such as EAC is not accepted, economic decision-making could be improved through the appointment of an Economic Advisor of high calibre and international reputation, who could freely offer advice to the President and to the Economic Sub-Committee of the Cabinet. In this connection, it may be mentioned that a former IBRD staff member (Mr. Gunther Conrad) held such a position for several



years until 1971 when he left Sierra Leone over differences as to the Government's economic policies. Under the circumstances, as a first step, the Bank should impress upon top levels of the Government that they should now avail themselves of the presence of Dr. Mesaric, head of the UNDP planning unit located in the Ministry of Development, while at the same time, reviving EAC by enlisting support of the most important economic ministries.

#### Supplier's Credits

9. Reliance on supplier's credits has been a persistent trait in Sierra Leone's financial affairs. Despite the country's difficulties with these credits in the early 1960's, leading to an IMF-supervised stabilization program, the Government continues to resort to such credits for what it considers "urgent" projects. Restraint is particularly important now with the tight budgetary position. There is great temptation for many ministries to resort to supplier's credit to finance rather ill-prepared projects. Within 8 months of the agreed 14 month period, the \$3.0 million ceiling on the contracting or guaranteeing of such credit has been exceeded by about \$0.5 million. There is considerable danger that in view of the approaching elections the limit may soon be exceeded substantially. Some potential suppliers who appear to know that the Government has agreed with the Bank to limit credits of 12 years or less maturity now proposes slightly longer maturities, e.g. the proposed \$15 million Italian loan for construction of a 1000-bed hospital offers between 12 and 13 years maturity; the proposed Canadian-Italian \$42 million supplier's credit for the Bumbuna hydro-electric scheme envisages 14 year maturity; and the proposed Leone 40 million loan for general purposes ASPI (Alvarez Scambi Progetti Internazionali) of Italy is reported to be for 20 year maturity. Regrettably all of these loans carry high interest rates and will result in heavy pressure on the tight budget situation. Also, they appear to be intended for inadequately prepared projects which have more political significance than economic merit. Furthermore, they will lock-in the already meager resources of the Government for projects with uncertain economic benefits and thus preclude participating in the financing of more viable projects which are likely to be identified through several studies and operations now in progress. It is in this context that our offer to consider financing a general package of feasibility studies can be of particular value.

10. We should therefore emphasize strongly to the Government that the contracting of such supplier's credits will worsen the budgetary situation and balance of payment and also weaken Sierra Leone's standing with bilateral donors and international agencies.

#### Foreign Exchange Reserves

11. In contrast to the domestic finance situation, the foreign



exchange reserve position has improved recently. Net foreign exchange assets increased from Leone 30 million (US\$36 million) in September 1971 to Leone 37 million (or \$47 million) in September 1972. The current level of foreign exchange reserves, therefore, provides a comfortable four months import cover. However, if the developing inflationary pressures are not contained, they could quickly erode this foreign exchange reserve position.

#### Public Sector Savings

12. On the basis of the 1971 IMF report on taxation, the Government has already amended the Income Tax Act which will become effective on April 1, 1973. The Amended Income Tax Act, if implemented efficiently, could improve the revenue situation during the course of the next fiscal year. During the last Budget presentation, the Minister of Finance emphasized the Government's intention to collect tax arrears and improve the enforcement of custom duty collection. However, so far, the Government has achieved little success, perhaps due to half-hearted attempts in view of impending elections. The Government's capacity to collect arrears on taxes is also limited by lack of staff, transportation facilities, administrative facilities, as well as legislative provisions. It is estimated that the book value of tax arrears are between Leone 3 to 4 million, with collectable arrears probably half of that amount.

13. The Government's tight cash position results to a large extent from extra-budgetary expenditures, despite its avowed intention to have the 1972/73 budget estimates prepared on a realistic basis. The contingency fund of Leones 0.2 million has already been exhausted. It is estimated that supplementary budget authorizations on current account during this fiscal year will amount to between Leone 4-5 million (including about Leone 1 million for elections) - in total about 8 - 10 percent of the recurrent expenditures. Similarly, special or supplementary warrants for development expenditures already issued exceed Leone 1 million and there are likely to be further increases in these expenditures over and above the budgeted sums. To cover the rapidly rising expenditures, the Government is tempted to resort to expensive supplier's credits. Due to the vigorous efforts of the Bank of Sierra Leone and the Ministry of Finance, the Government has been temporarily dissuaded. However, these two agencies have recently had to agree that as a substitute for contracting supplier's credits, the Government would float Development Bonds, for about Leone 5 million, which the Bank of Sierra Leone will underwrite. There is a very limited market for such bonds with private and institutional investors and it is most likely that the Bank of Sierra Leone will have to absorb most of the proposed sums, thus accentuating further the inflationary pressures. The Bank of Sierra Leone believes that, compared to the use of suppliers' credit, such action is probably the lesser of the two evils.

16. In order to generate more satisfactory public savings, the



Government must be urged to apply more rigid financial controls on recurrent expenditures and to take steps to raise revenues.

#### Development Planning

17. In contrast to serious setbacks to the Economic Advisory Committee, a development planning machinery is now becoming operational. After almost two years of recruitment efforts by UN headquarters, the UNDP-financed development planning team has finally found a suitable project manager (Dr. M. Mesaric from Yugoslavia). However, a possible obstacle to the team's effectiveness is that it is subordinated to the Principal Secretary for Development, an able civil servant, but without much influence in the Government; nor is his Ministry powerful.

18. The Planning Unit is currently collecting information at the macro and sectoral levels with a view to reviewing developments during the last decade and is compiling a complete inventory of all existing investment projects. This review is expected to be completed in January 1973. The Unit will then draw up preliminary projections for the economy as a whole and its main sectors. By May 1973 it is expected to elaborate the preliminary findings with a view to delineating a development strategy and mapping out alternative growth patterns. Thereafter sectoral programs will be prepared in detail and will be aggregated and put together to achieve a balance through successive approximations of different targets, growth patterns and their resource implications. The first draft of the 5-year plan is expected by end February 1974. During March-April 1974, extensive plan discussions will take place which will enable the Planning Unit to finalize it by June 1974 so that fiscal year 1974/75 would become the first year of the plan period.

19. This time schedule and work program look very reasonable and appropriate. The Government has established a National Planning Council to be headed by the President. The first meeting of the Council is expected to take place in mid-January and to review, among other things, the time schedule mentioned above; decide on the Plan period; approve establishment of planning units in all major ministries and sectors; and create an appropriate administrative machinery to formulate the development plan.

20. The Bank had been tentatively planning a basic economic mission to Sierra Leone in the fall of 1973. In the light of above time schedule, it may possibly be more appropriate to send the mission after the first draft of the Plan has been completed (i.e. about February-March 1974). Then the mission may benefit most effectively from the work of the Planning Unit and offer its comments on the priorities, development strategy and policies. It should be made known to the Government that the Bank's lending programs would draw heavily on the Development Plan after review by the proposed basic mission.



This will strengthen the planning effort now being initiated. Meanwhile, to help improve resource allocation in priority areas, it seems important for the Bank to support broad-based project identification and preparation work in Sierra Leone.

December 29, 1972  
Western Africa Region



CHAPTER III

THE HOME FROM HOME

*Freetown*

FREETOWN, the capital of Sierra Leone, at first was just an impression of heat and damp; the mist streamed along the lower streets and lay over the roofs like smoke. Nature, conventionally grand, rising in tree-covered hills above the sea and the town, a dull uninteresting green, was powerless to carry off the shabby town. One could see the Anglican cathedral, brick and tin with a square tower, a Norman church built in the nineteenth century, sticking up out of the early morning fog. There was no doubt at all that one was back in home waters. Among the swarm of Kru boats round the ship the *Princess Marina* with its freshly painted name was prominent. "Princess Marina, Princess Marina," the half-naked owner kept on calling. "Sweetest boat on the coast."

Tin roofs and peeling posters and broken windows in the public library and wooden stores, Freetown had a Bret Harte air without the excitement, the saloons, the revolver shots or the horses. There was only one horse in the whole city, it was pointed out to me by the proprietor of the Grand Hotel, a thin piebald beast pulled down the main street like a mule, with the prominent

THE HOME FROM HOME

bony thighs (I don't know the proper horsy term) of an elderly Scotswoman. There had been other horses from time to time, but they had all died. Where there wasn't a tin shed there were huge hoardings covered with last year's Poppy Day posters (the date was January the fifteenth). On the roofs the vultures sat nuzzling under their wings with horrible tiny undeveloped heads; they squatted in the gardens like turkeys; I could count seven out of my bedroom window. When they moved from one perch to another they gave no sensation of anything so aerial as flight; they seemed to hop across the street borne up just high enough by the flap-flap of their dusty wings.

This was an English capital city; England had planted this town, the tin shacks and the Remembrance Day posters, and had then withdrawn up the hillside to smart bungalows, with wide windows and electric fans and perfect service. Every call one paid on a white man cost ten shillings in taxi fares, for the railway to Hill Station no longer ran. They had planted their seedy civilisation and then escaped from it as far as they could. Everything ugly in Freetown was European: the stores, the churches, the Government offices, the two hotels; if there was anything beautiful in the place it was native: the little stalls of the fruit-sellers which went up after dark at the street corners, lit by candles; the native women rolling home magnificently from church on a Sunday morning, the cheap European cottons, the deep coral or green flounces, the wide straw hats, dignified by the native bearing, the lovely roll of the thighs, the swing of the great shoulders. They were dressed for a garden party and they carried off cheap bright grandeur in the small backyards among the vultures as nature couldn't carry off Freetown.



The men were less assured; those of them who were Creoles had been educated to understand how they had been swindled, how they had been given the worst of two worlds, and they had enough power to express themselves in a soured officious way; they had died, in so far as they had once been men, inside their European clothes. They didn't complain, they hinted; they didn't fight for what they wanted, they sourly prevaricated. "From what I garnered here and there," suggested the Creole gossip-writer in the Sierra Leone *Daily Mail*, "it is not the intention of the Governor and his wife to make Governor's Lodge, Hill Station, the official residence of the representative of His Majesty the King; those who maintain the view that the environments at Hill Station may influence them to the prejudice of the interest of the people are quite mistaken. In fact, it is considered improbable to entertain such an opinion, and I believe His Excellency will burst into peals of laughter if he were to hear such a thing. I leave it at that."

That was the nearest they could get to a Petition of Right. They wore uniforms, occupied official positions, went to parties at Government House, had the vote, but they knew all the time they were funny (Oh! those peals of laughter), funny to the heartless perfect eye of the white man. If they had been slaves they would have had more dignity; there is no shame in being ruled by a stronger, but these men had been given their tin shackles, their cathedral, their votes and city councils, their shadow of self-government; they were expected to play the part like white men and the more they copied white men, the more funny it was to the perfects. They were withered by laughter; the more desperately they tried to regain their dignity the funnier they became.

*"Fashionable Wedding at St. George's Cathedral"*

"St. George's Cathedral was the scene of the first fashionable wedding to take place there this year, on Wednesday, the 11th instant.

"The contracting parties were Miss Agatha Fidelia Araromi Shorunkeh-Sawyer, fourth daughter of the late Mr. J. C. Shorunkeh-Sawyer, Barrister-at-law, and Mrs. Frances M. Shorunkeh-Sawyer of 'Bells Ebute,' King Tom's Peninsula, and Mr. John Buxton Ogunyorbun Logan of the Survey Dept., son of Mr. S. D. Logan, Retired Civil Service Officer.

"The bride entered the church at 1.15 p.m. leaning on the arm of her only brother, Mr. J. C. I. Shorunkeh-Sawyer, who subsequently gave her away.

"She wore a frock of white lace lined with white satin, and of full length. Its full court train was of white lace lined with rose-pink satin and it fell from the shoulders. She had on a short veil held in place on her head by a coronet of orange blossoms. She carried a bouquet of natural flowers.

"She was followed by five bridesmaids, the Misses Molaké Shorunkeh-Sawyer (bride's sister) and Annie Macaulay, being the chief. They wore salmon-pink lace frocks with georgette coats of the same colour with white straw hats with pink bands. The others were the Misses Fitzjohn, Olivette Stuart, and Eileen Williams. These wore pink georgette frocks and pink hats. The hymn 'Gracious Spirit, Holy Ghost,' was sung as the bridal procession moved slowly up the nave. The full choir of the cathedral, of which the bridegroom's father



is the Dux, was present, and Mr. A. H. Stuart, F.G.C.O., the organist, presided at his organ.

"Immediately after the ceremony, the guests repaired to the Crown Bottling Restaurant for Cake and Wine. This function was presided over by Mr. A. E. Tuboku-Metzger, M.A., J.P., an old friend of the bride's late father.

"Here six toasts were proposed and responded to. After this the company broke up, some going to the bridegroom's parents in Waterloo Street, and others to the bride's at King Tom's for more solid refreshments.

"About 6 p.m. Mr. and Mrs. John B. Logan left for their honeymoon somewhere on the Wilkinson Road.

"Before leaving them there, we wish them connubial bliss, and the best of luck."

Sometimes it was almost Firkbank, it recalled the Mouth far forcing their way into the highest social circles of the city of Cuna-Cuna, but alas! the smell of the fish laid fourteen deep in the roadway, the flowers withered and everlasting in the small public garden, the low church hymns did not belong to Cuna—"Cuna, full of charming roses, full of violet shadows, full of music, full of love, Cuna. . . !" Wilkinson and Waterloo streets and the Crown Bottling Restaurant were a poor exchange for Carmen Street, the Avenue Messalina, the Grand Savannah Hotel.

Freetown's excitements are very English, as Dakar's are very French; the Governor-General's garden party, where white and black, keeping sedulously apart on either side the beds, inspected the vegetables to the sound of a military band: "Look, he's really managed to grow tomatoes. Darling, let's go and see the cabbages. Are those really lettuces?"; the Methodist Synod: "No-

tices of motions fall thick and fast. We pass over some questions in the agenda meanwhile. We sit intently waiting to hear the Missionary Committee's letter, every one is attentive, we listen, the air is still, we can hear the dropping of a pin;" literature from the Freetown Ede-droko Store which advertised, "Novels, Works of Hall Caine, Marie Corelli, R. L. Stevenson, Bertha Clay, etc., e.g. by Corelli: *Wormwood, Sorrows of Satan, Barabbas, Vendetta, Thelma, Innocent*; by Caine: *The Dempster, A Son of Hagar, The Woman Thou Gavest Me*; by Stevenson: *Treasure Island, The Black Arrow*; by Clay: *A Woman's Temptation, Married for her Beauty, Beyond Pardon*."

The contributions of Dorothy Violetta Mallatson to the local daily Press vividly summarise the evangelical fun of Freetown: "Looking behind us, Christmas is just round the corner and out of sight. Outspreading away into the distance there is sunshine, sports, and all the outdoor joys we love so well. For the school girl or boy there are school sports to take away the dullness and flatness of the schoolroom life. Then there is the Prize Distribution and Thanksgiving Service. For older people there is the All-Comers Tennis Competition and there is coming up shortly many dances and concerts. For instance, there is the Danvers Dance on the 8th of February, and the Play and Dance of the Ladies of the National Congress of British West Africa which comes on the 15th proximo."

It would be so much more amusing if it was all untrue, a fictitious skit on English methods of colonisation. But one cannot continue long to find the Creole's painful attempt at playing the white man funny; it is rather like the chimpanzee's tea-party, the joke is all on one side.



Sometimes, of course, the buffoonery is conscious, and then the degradation is more complete. A few Creoles make money out of their prefects, by deliberately playing the inferior, the lower boy: R. Lumpkin alias Bungie is the most famous example. He has become a character. Tourists are taken to see his shop. You are advised by every white man you meet, in the long bar at the Grand, in the small bar at the City, on board ship: "You must go to Bungie's." He is the proprietor of the British-African Workmen Store and he styles himself 'Builder for the Dead, Repairer for the Living.' This is one of his advertisements:

Fear God Honour Your King, be just to mankind  
— s Bungie.

Easy System.

British-African Workmen Store undertake to supply Coffin with Hearse, Men, Grave, etc., by special arrangements for easy payment by instalment.

Contracts taken up for Carpentry, Masonry, Painting etc., at moderate charges.

Ready-made Plain and Polished Coffin supplied with Hearse and Uniformed men at any moment. Corpse washed and dressed.

Come! I'll bury the dead by easy system only be true to your sympathetic friend.

That's Bungie.

Do not live like a fool and die like a big fool. Eat and drink good stuff, save small, be praying for a happy death, then a decent funeral. Bungie will do the rest.

I'll bury the Dead  
(Book of Tobias)  
I'll bury the dead and feed the living.  
THAT'S BUNGIE ALL OVER.

*The City Bar*

I wanted to do a pub crawl. We were staying at the Grand because it advertised running water in the rooms (cold running water, of course, not hot). The long bar downstairs was almost empty; I had put on mosquito boots because I had been told that everyone wore mosquito boots after sundown; they were like riding boots in soft leather; they were very comfortable. An Englishman at the bar looked at them. "Been up-country?" he asked with contempt (a sartorial rule of the Old Boys' Association had apparently been infringed), and turned back to the Sierra Leone *Daily Mail*. I went sadly upstairs and took them off.

But one can't crawl very far in Freetown. All one can do is to have a drink at the Grand and then go and have a drink at the City; there is a third restaurant but it closes at ten; it's "not quite the right place for an Englishman." Not because the blacks go there, but because one may find Syrian shopkeepers. The other two bars close at eleven. The City is usually more crowded and noisy because there's a billiard table; people are rather more dashing, get a little drunk and tell indecent stories; but



not if there's a woman present. I had never found myself in a place which was more protective to women; it might have been inhabited by rowing Blues with Buchman consciences and secret troubles. Everyone either had a wife at Hill Station and drank a bit and bought chocolates at the week-end and showed photographs of their children at home:

("I'm afraid I don't care much for children.")

"O, you'd like mine.")

or else they had wives in England, had only two drinks, because they'd promised their wives to be temperate, and played Kuhn-Kan for very small stakes. They played golf and bathed at Lumley Beach. There wasn't a cinema that a white man could go to, and books of course rotted in the damp or developed worms. You developed worms too yourself, after you'd been out a little time; it was inevitable; nobody seemed to mind. Freetown, they told you, was the healthiest place on the Coast. The day I left a young man in the educational department died of yellow fever.

It was the only case and so there was no quarantine; only strained nerves among the bungalows. One infected mosquito can do a lot of damage; it can wipe out a Bridge four in a few days as it did one year in Monrovia. Bathurst was still in quarantine, and these epidemics were liable to travel down the coast. There had been five deaths at Bathurst; it doesn't sound much on paper, but when one remembers that the white residents numbered rather less than the first-class passengers in a mail-boat, five deaths seem a little more important. Everybody knew everybody who had died; the women were sent home; no boat would take passengers off; no tourists landed. They just had to wait on the strip of beach and

see whether they were going to die too. I felt a family interest in yellow fever. My grandfather had died of it in St. Kitts; an uncle had survived it in Brazil. When my uncle first went out to Santos as a boy in business he found the harbour packed with ships which couldn't sail because their crews were dead. It's a quick disease; one is usually dead within twenty-four hours.

Worms and malaria, even without yellow fever, are enough to cloud life in 'the healthiest place along the coast.' These men in the City bar, prospectors, shipping agents, merchants, engineers, had to reproduce English conditions if they were to be happy at all. They weren't the real rulers; they were simply out to make money; and there was no hypocrisy in their attitude towards 'the bloody blacks.' The real rulers came out for a few years, had a long leave every eighteen months, gave garden parties, were supposed to be there for the good of the ruled. It was these men who had so much to answer for: the wages, for example, of the plate-layers on the little narrow-gauge line which runs up to Pendembu near the French and Liberian borders. These men were paid sixpence a day and had to buy their own food, and yet they were docked one day's pay a month. This was perhaps the meanest economy among the many mean economies which have assisted Sierra Leone through the depression, a depression caused by the fall in the price of palm oil and palm kernels, the preference Levers have shown lately for whale oil. The economies have nearly all been at the expense of the coloured man; government staffs have been reduced by a clerk here and a messenger there. Until the visit of Lord Plymouth, the Under-Secretary of State, who arrived in Freetown on the day that I did, there had been only one sanitary inspector for the whole



colony and protectorate. Badgered by the central authority, constantly moved from a district which he was attempting to clean up, he would apply in vain for assistants. Forced labour is illegal in a British Colony, but the sanitary inspector without a staff had to choose between breaking the law or leaving villages as dirty as he found them.

One could exonerate the men in the bar; they were not guilty of these meannesses; they were only guilty of the shabbiness of Freetown, the tin roofs and the Poppy Day posters. Santayana, with the romanticism of a foreign Anglophil, has written that "what governs the Englishman is his inner atmosphere, the weather in his soul." The inner atmosphere, he explains, "when compelled to condense into words may precipitate some curt maxim or over-simple theory as a sort of war-cry; but its puerile language does it injustice, because it broods at a much deeper level than language or even thought. It is a mass of dumb instincts and allegiances, the love of a certain quality of life," and in a finely chosen if romantic metaphor, he describes how "it fights under its trivial fluttering opinions like a smoking battleship under its flags and signals." So to be fair to these men one must recognise a certain fidelity, a kind of patriotism in the dust and anglicanism and the closing hours; this is their 'corner of a foreign field,' just as much as the flowers and cafés and the neat tarts of Dakar are the Frenchmen's corner. If you are English, they would argue, you will feel at home here; if you don't like it you are not English. If one must condemn, one should condemn not the outposts but the headquarters of Empire, the country which has given them only this: a feeling for respectability and a sense of fairness withering in the heat.



## SIERRA LEONE

### Historical, Social and Political Background

1. Historical: Portuguese sailors gave Sierra Leone its name. They called it "Serra Lyoa," or lion mountain, thinking its high mountains, rising abruptly from the surrounding plain, looked like wild lions. The Government is now examining how to change the name to make it more African sounding.
2. From the beginning of the 17th century, English trading ships put in regularly at the deep, natural harbor at what is now Freetown. They bought slaves, ivory, iron and other goods. As trade increased, the English Monarch in 1672 established the Royal African Company (later the Sierra Leone Company) to handle all trade. During the American Revolutionary War, the British offered slaves freedom if they would leave their American masters. Many slaves came to London and, later, with help from Granville Sharp, leader of the anti-slavery movement, settled in Sierra Leone. They negotiated a treaty with a leader to the Temne tribe, King Tom, and on August 22, 1788 the first colony of ex-slaves was formally established.
3. After the abolition of slavery in the British empire in 1807, Freetown became a haven for "recaptives." British naval ships would prowl the west African coast, capture slave ships and bring them before a court for trial in Freetown. The slaves were freed and most stayed in the Freetown area. Ships arrived filled with people from different parts of West Africa. Population and pluralism flourished and the roots of future social tension were securely planted.
4. On January 1, 1808, Freetown officially became a British Crown Colony. In 1895 the British and French governments signed an agreement which fixed Sierra Leone's present frontier--partly at the expense of Liberia. The lines were drawn in geographical, not political, terms--following lines of latitude and river watersheds rather than chiefdom boundaries. Some chiefdoms were divided into British and French parts. The chiefs and people were not consulted, but were told what had been formulated in Europe. On August 31, 1896 a British Protectorate was proclaimed over all the territory on the British side of the French and Liberian frontiers. Outside the Freetown colony, the British maintained traditional rule by tribal chiefs (whose titles were changed to "Paramount Chief.") Five districts were established in the Protectorate, each under a European District Commissioner. On April 27, 1961 Sierra Leone officially became independent of Britain. In March 1971, President Siaka Stevens established a republic.
5. Social: Sailing into the Freetown harbor more than 30 years ago, Author Graham Greene remarked: "There is no doubt at all that one is back in home waters... England planted this town, the tin shacks and the Remembrance Day posters, and then withdrew up the hillside to smart bungalows." (see Tab F iii). Physically, not much has changed since then. Freetown remains a rather quaint-looking British colonial city with streets named Walpole and Oxford, civil servants with hyphenated surnames (Taylor-Lewis, Coleridge-Taylor, etc.) and politicians who punctuate their speech with such expressions as "jolly", "bully" and "palaver".



6. The "quaintness", however, conceals a very real social problem. The Creoles of Freetown, descendants of former slaves, have always aimed at attaining a European way of life. They were Christians; they wore European clothes; they lived in European-style houses. Today they remain a breed apart--an educated, relatively well-off minority that dominates key civil servant posts and tends to look down on the people from "up country". The two largest tribes--the Mendes of the south and the Temnes of the north central area--each numbered more than 600,000 in 1963. But the next largest tribes, the Limbas and the Konos, comprised only about 200,000 and 100,000 respectively. The remaining quarter of Sierra Leone's two million or so people was divided among no less than 12 other indigenous tribes. This diversity, aggravated by the presence of westernized black settlers, has created some of the deepest social rifts in Sierra Leone, making the quest for national cohesion extremely difficult.

7. Another tribal disparity, though less striking, is politically significant. This is the difference in both rates and type of development between the northern and southern parts of the country, between Temnes and Mendes. Until the opening of the Marampa iron mine and the discovery of gold in the 1930's, almost all economic activity had been concentrated in the south. Most agricultural products came from Mendeland--a tendency encouraged by climatic conditions as well as by the railways and river ports. Trading towns, in consequence, developed in the southern provinces. Educational opportunities also were best in the south. This further widened the gap between the two largest tribes.

8. Lassa fever: An epidemic of Lassa fever has recently broken out in the Panguma-Tongo area of Sierra Leone (east-central). This disease was first recognized in Nigeria in 1969. Subsequently epidemics occurred in Jos, Nigeria in 1970 (28 cases) and Zorzor, Liberia in 1972 (11 cases). Symptoms are fever of 100 degrees or higher for seven consecutive days (or more), abnormal bleeding, diarrhea, abdominal or chest pain, deafness developing during the illness, puffiness of the face or neck, death at any point on or after the 10th day of illness. At the instigation of a Peace Corps doctor in Freetown, a six-man team from the Center for Disease Control in Atlanta visited the Panguma area in October/November 1972, attempting to find the source of the disease and possible antidotes. Unlike previous epidemics this is not a hospital related outbreak; most individuals are infected in the community at large, probably from other persons excreting virus, rather than from an animal host. The actual mode of transmission (i.e. respiratory, urine, etc.) is not clear, but closeness of human-human contact appears to be important. A lab technician working with blood samples taken in Nigeria caught the disease and died. One member of the Atlanta team also fell victim, but was saved through injections of blood plasma from an individual who had recovered from the disease in Sierra Leone. All Peace Corps volunteers have been ordered out of the Panguma area. We have made contact with the Ministry of Health and with the Center for Disease Control in Atlanta and intend to watch developments closely.



9. Political: Social differences, although manifested in many ways, tend to come to a head in the political arena. They explain Sierra Leone's tumultuous political history. In order to understand the present situation, it is necessary to go back to the time of independence when the first Prime Minister, Sir Milton Margai, put together a coalition of Creoles and Mendes under the umbrella of the Sierra Leone People's Party (SLPP) and won the first general election in 1962. But even before the election, a younger, more impatient group of "modernizers" within the SLPP were agitating for a more broadly based party organization. They complained that "common people" were ignored and that the north, specifically the Temne tribe, was not adequately represented in the party hierarchy. They advocated "non-alignment" in foreign policy and development of an educational system that would "reflect the African personality and way of life". These dissidents were led mainly by northerners--among them, Siaka Stevens (Limba tribe, trade unionist, commoner) and C.A. Kamara-Taylor (Limba, clerk and transport owner, commoner). Eventually they broke with the SLPP and formed the All People's Congress (APC) Party.

10. In the general elections of 1967, the APC won the majority of seats in the House of Representatives. However, a military coup robbed the party of victory. Siaka Stevens went into exile, dividing his time between London and Conakry, where he laid the foundations of the friendship with Guinean President Touré, which has assumed more importance in domestic politics since. The army itself was racked by dissension; changes occurred in the leadership before a group of junior officers with tribal affiliations to Stevens brought him back to power following the coup of April 1968. Since then, however, his position has been anything but secure and he has found himself increasingly squeezed between political opponents outside his party and those within its ranks who want to see their position consolidated by more radical and authoritarian methods. A leader of this latter faction is the Vice-President, S.I. Koroma (Temne, transport owner, commoner).

11. The elections mentioned in the CPN, then scheduled for late 1972, have now been postponed until next summer. However, so far a date has yet not been definitely set. It is being speculated in Freetown that President Siaka Stevens may not go ahead with national elections - and possibly introduce a one-party state.

Western Africa Region  
Division 1B  
December 28, 1972



THE WORLD MARKET OUTLOOK FOR DIAMONDS

Chas. D. Whyte  
Commodity and Export Projections  
Division  
Economic Analysis and Projections  
Department

November 30, 1972



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TABLES

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### Summary

1. The main markets for diamond are gem stone and industrial. Both markets have been affected generally by the recent economic depression which began with the US in early 1970 and expanded to the European and Japanese markets. World output of gem and industrial diamonds decreased about 1.0 percent in 1971 from the previous year. Value (export) also decreased in 1971 from the previous year. This decrease has been attributed not only to the fall in output of gem diamond (about 4%) but also to decline in the quality of the diamond mines.

2. Angola, Sierra Leone, Zaire and the Republic of South Africa continue to be the largest producers of gem diamond, synthetic diamond is produced mainly in the USA, USSR and the Republic of South Africa and Ireland. The diamond market is highly monopolistic with De Beers' Central Selling Organization (CSO) controlling about 80 percent, both gem and industrial.

3. Diamond sales in 1971 indicate recovery from the economic slump in 1970. Demand is expected to increase with improved economic conditions and levels of income of the US and other industrialized countries. Substitute materials pose very little threat to diamond. It is expected that production will grow at a rate of from 2.5 to 3.5 percent per year. Prices will increase at an average rate of from 5 - 6 percent per year.



## A VIEW OF THE MARKET AND THE OUTLOOK FOR DIAMOND

### The Markets for Diamond

1. The two markets for diamond are gem stones and industrial. The designation of gem stones refer to the qualities - beauty, durability and rarity - appropriate for personal adornment. Diamond is the most important gem stone.<sup>1/</sup> Industrial diamond is diamond which because of color, structural defects, size or shape does not meet requirements for gem stones and is, therefore, suitable only for industrial uses such as cutting, grinding, drilling, wire drawing and abrasive lapping. Diamond is far harder than any other natural or artificial abrasive material and is, therefore, essential for some uses (particularly automated cutting and grinding processes) and much more efficient than other abrasives<sup>2/</sup> for many others.

2. Both markets are affected generally by economic conditions. The recent downtrend in business activities which began with the U.S. in early 1970 and expanded to the Japanese and European markets has caused an overall decrease in the output and value of diamond (Tables 1 and 2). World output of gem and industrial diamonds decreased almost 1.0 percent in 1971 from the previous year. Whereas there was a slight increase (0.5 percent) in output of industrial diamonds in 1971 over 1970, output of gem decreased about 4.0 percent from 13.3 to 12.7 million carats during the period (1970-1971). Using exports (value) in place of demand data, since the latter is unavailable, total value decreased almost 16 percent, from £930.0 in 1969 to £783 million in 1970. Value of diamonds in 1971 were estimated to be

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<sup>1/</sup> Other gem stones are: emeralds, rubies and sapphires, marasites, pearls, etc.

<sup>2/</sup> Includes: industrial diamond, emery, natural corundum, garnet, tripoli, etc.



Table 1: WORLD PRODUCTION OF DIAMOND BY COUNTRY<sup>1/</sup>

(Thousand carats)

Country	1969			1970			1971 <sup>2/</sup>		
	Gem	Industrial	Total	Gem	Industrial	Total	Gem	Industrial	Total
Africa									
Angola	1,516	506	2,022	1,797	599	2,396	1,625	542	2,167
Botswana	n.a.	n.a.	n.a.	54	490	544	87	785	872
Central African Republic	348	187	535	313	169	482	304	163	467
Ghana	239	2,152	2,391	255	2,295	2,550	256	2,306	2,562
Guinea	22	50	72	22	52	74	22	52	74
Ivory Coast	81	121	202	85	128	213	88	132	220
Lesotho	5	25	30	4	13	17	1	6	7
Liberia	562	184	746	577	235	812	525	214	739
Sierra Leone	736	1,253	1,989	723	1,232	1,955	715	1,220	1,935
South Africa									
Republic of <sup>3/</sup>	3,612	4,251	7,863	3,758	4,354	8,112	3,100	3,931	7,031
South-West Africa	1,923	101	2,024	1,772	93	1,865	1,800	100	1,900
Tanzania	394	383	777	359	349	708	404	404	808
Zaire <sup>4/</sup>	1,802	11,621	13,423	1,649	12,438	14,087	1,700	12,000	13,700
Other Areas:									
Brazil	160	160	320	160	160	320	160	160	320
Guyana	21	31	52	23	37	61	19	29	48
India	10	2	12	17	3	20	16	3	19
Indonesia	14	6	20	14	6	20	14	6	20
USSR	1,500	6,000	7,500	1,600	6,250	7,850	1,800	7,000	8,800
Venezuela	118	76	194	129	371	500	130	370	500
<b>WORLD TOTAL</b>	<b>13,063</b>	<b>27,109</b>	<b>40,172</b>	<b>13,312</b>	<b>29,274</b>	<b>42,586</b>	<b>12,766</b>	<b>29,423</b>	<b>42,189</b>

n.a. = not available

<sup>1/</sup> Total (gem plus industrial) diamond production of each country includes actually reported and/or estimated

<sup>2/</sup> Preliminary

<sup>3/</sup> Includes Transvaal, Cape Province, Orange Free State

<sup>4/</sup> Formerly Congo-Kinshasa

Source: US Dept. of Interior, Bureau of Mines Mineral Yearbook, 1971.



Table 2: WORLD EXPORTS OF DIAMOND<sup>1/</sup>

(Declared value, all types, in millions of £ sterling)

EXPORTING COUNTRIES	1969	1970
United Kingdom	328.4	252.1
Belgium	191.1	180.6
South Africa	129.9	102.5
Israel	90.0	84.2
U.S.A.	60.8	49.2
Angola	26.7	33.9
Sierra Leone	27.1	16.0
India	14.4	15.7
Netherlands	15.2	14.6
Tanzania	10.4	9.4
Venezuela	3.6	7.5
Central African Rep.	6.2	n.a.
France	5.9	5.6
Fed. Republic of Germany	6.5	4.9
Ghana	5.7	4.2
China	4.0	n.a.
Liberia	3.7	2.4
<b>TOTAL</b>	<b>929.6</b>	<b>782.8</b>

<sup>1/</sup> Official export values for materials from USSR, South West Africa, Brazzaville, Zaire and the Republic of Ireland are not available. Countries with exports of less than £2 (sterling) million per annum are not included.

Source: Mining Annual Review, Mining Journal London, June 1972.



down from the previous year. This decline has been attributed not only to the fall in output of gem diamond, but also to decline in the quality of diamonds (gem and industrial) mined.

#### Production

3. World production of diamonds in 1971 was about 90 million carats of which a little over half was synthetic. African countries continued to produce most of the world's natural industrial diamonds. Angola, Sierra Leone, Zaire and Republic of South Africa are the largest producers of gem diamond. Sierra Leone and South Africa produce the largest and highest grades of gem diamonds.

4. Synthetic diamonds produced are up to 0.003 carat. More than half the world's production of diamonds are synthesised diamonds; produced mainly in the USA, USSR, the Republic of South Africa and the Republic of Ireland. All synthesised diamonds are used for industrial purposes.

#### Review by Major Countries

5. Angola: Production rose to a record high of 2.4 million carats in 1970, a 20 percent increase over the 1969 production but, as the proportion of gem quality stones was smaller than the previous year, the value of output declined 16 percent. Diamond export value, however, increased 25 percent in 1970 over the previous year. The exclusive diamond prospecting rights granted to "Condiama" (formed by Companhia de Diamantes de Angola of Lisbon and De Beers Consolidated Mines Limited of the Republic of South Africa) in 1971, will give not only impetus to diamond production but provide the Angolan Government with sizeable financial gain.

6. Botswana: The Orapa diamond mine of De Beers Botswana Mining Company came into full scale operation at the beginning of July 1971. During 1970 544 thousand carats were produced and the 1971 output was set at 572 thousand carats. At full production capacity more than 2 million carats of diamond



per year are expected, and the output will consist predominantly of industrial grade stones.

7. Ghana: The 1970 production was recorded at 2.56 million carats, a 5.5 percent increase over 1969 production of 2.29 million carats. Consolidated African Selection Trust (CAST) is the main producer while the government controlled Diamond Marketing Corp. is the sole legal purchaser of diamond in Ghana.

8. Central African Republic (CAR): The year 1971 marked the third consecutive year of decreased diamond production, down to 467,000 carats valued at about \$12.6 million (Table 1). The diamond industry in recent years has produced about 50 percent of CAR's export revenue and the Government has associated itself with a program to expand production and exercise control over the market for diamond.

9. Sierra Leone: SEE ATTACHED ADDENDUM

10. Republic of South Africa: Natural diamond production rose in 1970 over 1969 but declined in 1971 (Table 1). The main production is from De Beers group of mines. The Central Selling Organization (CSO) of the De Beers group announced half-year sales of gem and industrial diamonds for 1971 at 8 percent above first-half 1970 value. Second-half sales were affected by the floating of South African and US currencies. Total sales for 1971 were reported to be 18 percent higher than for 1970 but were 10



percent lower than the record year of 1969.<sup>1/</sup> Diamond mining taxation in South Africa, taking overall nearly 75 percent of the gross mining profits, is higher than that borne by any other industry in the Republic. This high taxation could well be the cause of production decrease.

11. South West Africa: Production currently is entirely from alluvial deposits on land where there exist large reserves but production costs are high. Production declined from 2,024 thousand carats in 1969 to 1,865 in 1970, but increased slightly in 1971 to 1,900 thousand carats. Sea mining of diamonds took place in 1970, but was discontinued for economic reasons.

12. Zaire: Production decreased from 14.0 million carats in 1970 to 13.7 million in 1971. Zaire is believed to have the world's largest reserves of diamond and, although it is the world's largest producer by weight, the bulk of its production is small stones of low quality suitable for crushing.

#### Demand and Prices

13. Virtually all gem diamond is used for decorative purposes in jewelry, art objects and for exhibit in collections. Low quality gem diamond is used for industrial purposes. The value of the gem stone usually is determined by demand and by its beauty, durability, rarity, freedom from defects and perfection of cutting. Control over output by the Diamond Corporation Limited plays a determining role in the price of gem diamond. The De Beers Central Selling Organization (CSO) controls more than 60 percent of the market for gem diamond. According to the USDI, Bureau of Mines,<sup>2/</sup> representative price ranges in 1971 for first quality, cut and polished, unmounted gem diamond

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<sup>1/</sup> U.S. Department of the Interior, Bureau of Mines, Mineral Yearbook, 1971.

<sup>2/</sup> See: Robert G. Clark, Gem Stones, U.S.D.I. Bureau of Mines, Mineral Yearbook (preprint from 1971) p. 3.



were 0.25 carat, \$100 to \$450; 0.5 carat, \$250 to \$950; 1 carat, \$650 to \$3,000; 2 carats \$2,000 to \$10,000; and 3 carats, \$3,000 to \$18,000. The median price for each range was 0.25 carat, \$210. 0.5 carat, \$525; 1 carat, \$1,600; 2 carats, \$4,500; and 3 carats, \$8,700.

14. The principal uses for industrial diamond stones are in drilling bits and reaming shells, single - or multiple - point diamond tools, diamond saws, and diamond wire drawing dies.<sup>1/</sup> Demand for industrial diamond depend to a large extent on final demand for such industrial products as transportation equipment, electrical equipment and supplies, construction (of buildings, highways, etc.), mineral services, abrasive products, etc. 1970 prices for industrial diamonds ranged from about \$4 per carat for small size to about \$50 per carat for first quality die stones.<sup>2/</sup>

#### Outlook

15. While the markets for metals and minerals generally have been slow in recovering from the recent economic depression, the diamond markets are well on their way to recovery. Diamond sales figures (Table 3)

Table 3: CENTRAL SELLING ORGANIZATION (CSO) DIAMOND SALES.<sup>1/</sup>  
(GEM AND INDUSTRIAL)

<u>Year</u>	<u>Sales in £ Sterling</u>
1965	148,316,941
1966	177,845,823
1967	178,763,764
1968	250,129,109
1969	288,538,256
1970	220,745,524
1971	256,889,873

<sup>1/</sup> About 85% of the world's diamonds, both gem and industrial, are marketed by De Beer's (CSO).

Source: Mining Annual Review, Mining Journal, London, June, 1972.

<sup>1/</sup> USDI, Bureau of Mines, Diamond Industrial-Mineral Facts and Problems, 1970 Edition.

<sup>2/</sup> ibid.



for 1971 have already pointed to recovery from the slump of 1970 when world sales failed to register an increase on the preceding year for the first time in 10 years. Decrease in 1970 sales was 23 percent from the preceding year. Prices were increased selectively from November 1, 1971, by an average of 5 percent. Because of the virtual monopoly on diamond sales through the CSO an increase in sales does not necessarily reflect an increase in demand for diamonds. However, this early and continued recovery through 1972 will definitely be related to economic recovery, particularly in the United States.

16. World production of natural diamonds (gem and industrial) are expected to increase at about 2.5 to 3.5 percent per year.

17. Although reserves of some of the higher quality gem diamonds appear to have been depleted in the past few years, there have been no indications that natural industrial qualities will be in short supply in the foreseeable future.

18. Several factors have tended in the past to restrict production in several countries while, on the other hand, new developments point to significant increases over the next several years. Those factors restricting production may be regarded as follows:

- (a) One or two countries (mainly the Republic of South West Africa) have experienced increasing costs of production due to the increasing quantities of materials that have to be handled to recover the equivalent amounts of diamond.
- (b) High export duty in Sierra Leone has encouraged illicit trade which has caused cessation of prospecting (1971) for fear of revealing new areas to illicit miners.



- (c) High taxation now being borne by miners in the Republic of South Africa have adversely affected production.
- (d) There has been a temporary surplus since 1971 and it is thought that some countries, particularly Zaire, is holding down production for the present.
- (e) CSO is believed to have a sizeable stock and through its monopoly position can control supply.
- (f) Some countries outside CSO, like Ghana and Liberia, have experienced difficulty in marketing their diamonds despite their quoted prices below world prices.

19. Several new developments which are likely to offset the above restrictions on production and cause sizeable increases are:

- (a) New concessions for greater exploration in Angola, the Malagasy Republic, Mozambique, Lesotho and elsewhere will increase total production.
- (b) Expansion of mining is likely to take place in such countries as Canada, Saudi Arabia, Spain, India, Indonesia and Zaire.
- (c) Recovery from established producing countries should also cause increases as new and more mechanization is introduced.

20. Demand for gem diamond is expected to increase with improved economic conditions and increases in the levels of income and standards of living of the U.S. and other industrialized countries.



21. Although substitute materials such as silicon carbide, boron nitride and boron carbide have been proposed as rivals to diamond, it is highly unlikely that they can make any large inroads into the diamond's market. The biggest threat to natural diamond producers come rather from synthesised diamond producers. Synthetic diamonds have some advantages - they can be produced to specification and for certain applications are more uniform and hence more reliable - but producing synthetic diamond over a certain size becomes excessive (costly), and where industrial diamond stones are required only natural diamond is suitable.

22. Demand for industrial diamonds will continue at the present rate of about 6 percent per year as industrial demands create new uses for it, particularly in the electronics industries.



## OFFICE MEMORANDUM

TO: Mr. Abdi

DATE: December 21, 1972

FROM: Charles Whyte

SUBJECT: SUPPLEMENT TO THE MARKET OUTLOOK FOR DIAMONDSSierra Leone:

Production of diamonds in Sierra Leone declined from 1,989 thousand carats in 1969 to 1,935 thousand carats in 1971, or 1.5 percent per year. Depressed economic conditions in the past 2 years have resulted largely from the decline in sales of diamonds which account for over 60 percent of the country's total export earnings. The formation of the "National Diamond Co." (DIMINCO) in December, 1970 with Government's acquisition of fifty-one percent of the operation (Sierra Leone Selection Trust's diamond mining operation which has been operating for the past thirty-six years) should give greater financial benefits to the Government for development purposes. Diamond poaching from neighbouring Liberia and Guinea, and smuggling to these countries from Sierra Leone continue to adversely affect not only the legal diamond franchise area but also Sierra Leone's revenue from diamonds.

The Market:

Approximately fifty percent of diamonds mined in Sierra Leone is by Diminco; the remaining fifty percent is by individuals who have been legally enfranchised. All enfranchised mined diamonds are purchased by the Government Diamond Office (GDO). Efforts to prevent these diamonds from being smuggled to Liberia and Guinea have not met with much success. The GDO purchases all its diamonds for resale to the Central Selling Organization (CSO) of London which controls 80-85 percent of the world diamond market, selling mainly to Belgium, Israel, the Federal Republic of Germany and the United States. Purchases of rough and uncut diamonds by GDO totalled 1,031,090 carats valued at \$30.3 million in 1971, compared with 1,048,875 carats valued at \$31.4 million in 1970. During 1971, DIMINCO produced \$27.0 million worth of diamonds of which half was sold to the CSO and the remainder to three American companies.

Greater Benefit to Sierra Leone:

The acquisition of a larger share of the diamond mining operation, fiftyone percent compared to forty-nine percent under the old agreement, will give Sierra Leone a larger share of the profits. In addition Diminco will pay Sierra Leone taxes on its profit at a rate of 70 percent. The new arrangement implicitly provides more adequate security measures by the Government in the problems of eradicating illicit mining in view of its majority interest.

Smuggling:

The Government estimates that about 40,000 diggers poach on the franchise area of the mining company, and, that possibly 400,000 thousand carats (legal and illegal) are smuggled out of the country each year. The main reasons for the poaching are:



- (j) the third largest rough diamond in the world - the 968.9 carat "star of Sierra Leone" - found in February 1971 has encouraged greater interest in diamond mining; and
- (ii) Unlike in the mines of southern Africa where diamonds are imbedded in volcanic rocks (kimberlite) which must be broken up by machinery, in Sierra Leone, rough diamonds are strewn among river beds and in valleys that once were river beds.

The main reason for smuggling is that Sierra Leone imposes a 7.5 percent export tax on diamond compared to a 3.0 percent export tax imposed by Liberia. The tax differential together with the easy access of movement between countries tend to perpetuate, if not encourage, smuggling. It would appear that by lowering the export tax, Sierra Leone could reduce the rate of smuggling, but whether or not total revenue from diamond export would increase remains a question for further investigation.

Liberia:

Depressed world diamond market conditions during 1970-1971 affected the Liberian market as well. Production of diamonds declined from 826,000 carats in 1971 to 739,000 carats in 1971 (Table 1) - a decline of 10%.

Table 1: PRODUCTION OF DIAMONDS  
(in '000 carats)

	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971 (Estimate)</u>
Gem	537	562	620	525
Industrial	<u>212</u>	<u>184</u>	<u>206</u>	<u>214</u>
Total	<u>749</u>	<u>746</u>	<u>826</u>	<u>739</u>

Source: USDI, Bureau of Mines - The Mineral Industry of Liberia, 1970.

Production data includes diamond smuggled from Sierra Leone. There are no available data to differentiate the percentage of mined diamond from that of smuggled diamond.

Diamond mining is active in various parts of the country. Exploration work on new deposit in the Kakata area began in 1970 but details as to output, size, importance and reserves are not available.

CWhyte:jmca



SIERRA LEONE

APPRAISAL OF AN  
INTEGRATED AGRICULTURAL DEVELOPMENT PROJECT

SUMMARY AND CONCLUSIONS

i. This report appraises an agricultural project in the Eastern and Southern Provinces of Sierra Leone, for which an IDA credit of US\$4.3 million equivalent is proposed. It would be the first agricultural project undertaken by the Bank Group in Sierra Leone.

ii. Sierra Leone's economy is based on an export oriented mining sector producing about 85% of total exports, of which diamonds contribute about 80%, and a mainly subsistence agricultural sector, producing about 16% of total exports and employing about 75% of the population. Diamond reserves are declining, however, and the country's future economic prospects depend largely upon the development of the agricultural sector, in which little has been achieved so far mainly because of Government's uncoordinated agricultural policies and weaknesses in public administration. This project is straightforward in concept involving simple and proven technical methods, and its success depends entirely on efficient project management.

iii. The project area comprises some 1.5 million acres of the Eastern and Southern Provinces, with a population of about 242,000. The project, which would be carried out over a three year disbursement period, would include: establishing a Project Management Unit within the Ministry of Agriculture and Natural Resources (MANR); planting 510 acres of oil palm to complete a 2,000 acre estate; providing smallholders with credit for bringing 6,000 acres of inland swamp into rice production, planting 750 acres of cocoa, and planting 1,830 acres of oil palms; constructing a 9 ton/hour palm oil mill and 20 rice mills each capable of processing 500 tons paddy/annum; training project participants in modern agricultural techniques; preparing an agricultural development project in the North of the country and a forestry project in the centre of the country; and the establishment of an Agricultural Development Authority (ADA) to own and operate the oil palm nucleus estate and mill, and to take over the management of project credit operations after project disbursements of the IDA Credit are completed.

iv. Project costs are estimated at US\$5.6 million equivalent. The proposed credit would finance 77% of project costs, covering foreign exchange costs estimated at US\$3.0 million, and 50% of local currency costs. The balance of US\$1.3 million would be met from Central Government revenues - US\$0.9 million, and subscriptions to ADA's equity of US\$234,000 and US\$156,000 by the Bank of Sierra Leone and Sierra Leone Produce Marketing Board respectively. Project procurement valued at about US\$2.0 million would be by international competitive bidding; procurement of other goods and services would be subject to satisfactory local competitive bidding procedures.

v. The project manager would be responsible to the Permanent Secretary of MANR. The project manager, financial controller, credit manager, land planning officer, mill engineer, and plantation manager, would probably be expatriates.



vi. By full development project produced exports would total: cocoa 1,230 tons and palm kernels 860 tons annually, and import substitutes: palm oil 4,300 tons, and rice 2,900 tons annually. Net foreign exchange benefits would be substantial, amounting to a value of US\$21.8 million over the life of the project. Based on the Bank Economics Department's current long-term cocoa, rice, and palm produce price forecasts, and using a shadow price for hired labor justified because of unemployment, the estimated rate of return from investment in the project is 15%. Costing hired labor at its actual price decreases the rate of return by 2%. The project would increase substantially the incomes of some 2,500 farm families, and create an institution to obtain and provide finance, planning, and management for agricultural development projects.

vii. The Government recognizes the current weaknesses in public administration and gave assurances during negotiations that a plan for improving the marketing of domestic and imported rice would be prepared, and that suitably qualified and experienced persons would be employed to fill key project posts so as to provide satisfactory management.

viii. The project is suitable for an IDA credit of US\$4.3 million to the Government of the Republic of Sierra Leone.



SIERRA LEONE - INTEGRATED AGRICULTURAL DEVELOPMENT PROJECT

CREDIT AND PROJECT SUMMARY

Borrower: Sierra Leone

Amount: US\$4.3 million equivalent. The proposed credit would cover the project's estimated foreign exchange component of US\$3.0 million and US\$1.3 million of local expenditures.

Terms: Standard IDA terms.

Project: The project would assist Government to implement its agricultural development program by initiating a program of integrated rural development and by strengthening Government services and institutions. It would include:

- establishing a project management unit within the Ministry of Agriculture and Natural Resources;
- planting 510 acres of oil palm to complete a 2,000 acre estate;
- providing smallholders with credit for bringing 6,000 acres of inland swamp into rice production, planting 750 acres of cocoa, and planting 1,830 acres of oil palm;
- constructing a 9 ton/hour palm oil mill and 20 rice mills each capable of processing 500 tons paddy/annum;
- training project participants in modern agricultural techniques;
- preparing an agricultural development project in the north of the country, and a forestry project in the central region;
- the establishment of an Agricultural Development Authority to own and operate the oil palm nucleus estate and mill, and to take over the management of project credit operations after the disbursement of the IDA credit is completed.

Cost of Project:

<u>Component</u>	<u>(US\$ million)</u>		
	<u>Local</u>	<u>Foreign</u>	<u>Total</u>
On Farm Costs	0.74	0.35	1.09
Project Administration and Services	1.39	1.95	3.34



Establishment of Agricultural Development Authority	0.05	0.05	0.10
Studies and Consultants	0.07	0.25	0.32
Contingencies	<u>0.35</u>	<u>0.40</u>	<u>0.75</u>
Total Project Cost	<u>2.60</u>	<u>3.00</u>	<u>5.60</u>

<u>Financing:</u>	<u>Local</u>	<u>(US\$ million)</u>	
		<u>Foreign</u>	<u>Total</u>
IDA Credit	1.3	3.0	4.3
Government	<u>1.3</u>	-	<u>1.3</u>
	<u>2.6</u>	<u>3.0</u>	<u>5.6</u>

Estimated Disbursements:

Cumulative estimated disbursements at end of fiscal year are as follows:-

<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>1976</u>
0.8	2.8	3.7	4.3

Procurement Arrangements:

Goods and services required for the construction and equipment of the palm oil mill and rice mills, vehicles, spraying machines and fertilizers valued at about US\$2.0 million would be procured on the basis of international competition; and other goods and services estimated at US\$0.5 million would be procured by local competitive bidding, under procedures agreed with the Association. <sup>1/</sup>

Smallholder Net Income:

	<u>Year 1</u>	<u>Year 5</u>	<u>- US\$ -</u> <u>Year 10</u>	<u>Year 15</u>
2 acres of cocoa	-	50	100	170
3 acres of swamp rice	125	135	185	185
10 acres of oil palm	-	110	310	600

Economic Rate of Return:

15%

<sup>1/</sup> The Government is not party to any preferential tariff arrangements.



Consultants:

- (1) To carry out preinvestment studies for:
  - (a) an integrated agricultural development project,
  - (b) a forestry project;
- (2) To undertake a study of the domestic palm oil market;
- (3) To assist Government in preparing a plan to improve the marketing and processing of domestic rice, and the marketing of imported rice;
- (4) To assist in preparation of tender documents and evaluation of bids for oil palm mill and to oversee construction.

Appraisal Report: Report No. PA-104b, June 6, 1972. Agriculture Projects Department.



APPRAISAL OF AN EDUCATION PROJECT IN SIERRA LEONE

SUMMARY AND CONCLUSIONS

- i. The Sierra Leone Government requested financial assistance for an education project estimated to cost US\$6.86 million. After appraisal, the project was modified to cost about US\$5.60 million. Of this, the Canadian International Development Agency is contributing US\$0.6 million for equipment and UNDP is expected to provide technical assistance costing US\$0.5 million. The proposed IDA credit and the Government contribution would cover the remaining US\$4.5 million. Implementation will require 4 years.
- ii. Sierra Leone lacks a national development plan and an up-to-date manpower survey, but a 9-man UNDP team is expected to arrive in Freetown early in 1970 to prepare the former and carry out the latter. It is clear, however, that an imbalance exists between general secondary education, where 26,400 pupils are enrolled, and technical education with only about 700 full-time students. Therefore, until the UNDP team's findings are made known, Government's policy is to restrict enrollments in general secondary level and direct efforts towards qualitative improvement of the schools. Existing technical institutions are to be improved and expanded within the constraint imposed by a shortage of technical teachers.
- iii. The project would improve existing buildings and provide facilities for diversified curricula in practical subjects in eleven general secondary schools. Enrollment would increase by only 4%, but nearly 6,000 pupils would have better employment prospects. Two technical institutes and two trade schools would be expanded to raise their annual output to about 650 craftsmen and technicians. These would replace only about a third of the estimated annual wastage of the existing stock of 70,000 skilled workers in Sierra Leone's economically active population of about 0.9 million. Their employment prospects should, therefore, be good. The project also includes the rebuilding of Freetown Primary Teachers' College where in-service teachers follow upgrading courses.
- iv. Funds to provide an architect for the project unit and to support developments in agricultural education, educational statistics, and curriculum revision are included in the project.
- v. In addition to the assistance referred to under ii. above, the Government expects to obtain an 8-man team of technical experts under a UNDP project, to help develop the technical institutes and trade schools and organize technical teacher training.
- vi. Schedules of accommodation and estimates of furniture and equipment costs are satisfactory. Contracts for civil works, furniture and equipment procurement would be awarded on the basis of international competitive bidding. Consulting architects would be retained to undertake the design and supervision of construction work involved in the proposed project.



vii. The estimated annual current expenditure created by the project would amount to about US\$0.37 million which is about 3.5% of the Government's current expenditure on education. The capital contribution and current costs are within the capacity of the Government.

viii. The project provides a suitable basis for an IDA credit of US\$3.0 million. This would provide for the foreign exchange component, estimated at US\$2.3 million, on the assumption that contracts for furniture to the value of about US\$0.20 million will be awarded to local suppliers, and a local currency component of US\$0.7 million.



## VI. THE PROJECT

6.01 The proposed project, which is designed to meet the needs described in the preceding section, would comprise the following:

- (a) One Primary Teacher Training College. Rebuilding the Freetown Primary Teachers' College, providing improved facilities for 250 students, of which 125 would be increased enrollments.
- (b) Eleven Secondary Schools (Annex 12). Construction of extensions for practical subjects, providing improved facilities for 5,960 pupils, of which 1,180 would be increased enrollments, and 1,190 would be boarding places.
- (c) Four Technical/Trade Schools (Annex 13). Construction of extensions to two technical institutes and two trade schools, providing improved facilities for 1,930 students of which 1,200 would be increased enrollments and 175 boarding places.
- (d) Services of Consultant Architects. To set standards in school buildings, furniture and costs, and oversee implementation of the building program.
- (e) Technical Assistance. To provide an architect for the project unit and to support developments in agricultural education, educational statistics and curriculum revision.
- (f) UNDP Technical Assistance. To comprise an 8-man team of specialists in technical education and vocational training and associated teacher training.
- (g) Instructional Equipment. To be supplied under a grant by the Canadian International Development Agency.

### Freetown Primary Teachers' College

6.02 There are 2,270 untrained primary school teachers in Sierra Leone, of whom about 500 are within commuting distance of Freetown Primary Teachers' College, which is used in the evenings for training such teachers and upgrading others. It is on a site adjacent to Bishop Johnson Secondary School which is included in the proposed project for extension and improvement. The college buildings are dilapidated and lack equipment. By sharing the new laboratories, workshops and library to be built for the school, only minimal extra facilities would be required for the college to increase its enrollment from 125 to 250, thereby doubling its output, and providing urgently needed improved training facilities. Reposting of untrained teachers from the provinces to Freetown would enable the college to be used continuously in the foreseeable future.



### Eleven Secondary Schools

6.03 \* From 1965 to 1968 enrollments in Sierra Leone's 72 general secondary schools increased from about 16,400 to 26,400. Because of inadequate capital provision for this expansion (para. 4.03), equipment is deficient, facilities for science and practical subjects are lacking, and some buildings in the longer-established schools are old and structurally unsuitable for conversion. This has resulted in a purely academic education and low-quality output of pupils for whom unemployment is increasing. Better facilities for training in practical subjects are therefore needed to prepare school leavers for existing opportunities in the technical, commercial and agricultural fields.

6.04 Seven of the schools, four of which are in the Freetown area, were chosen because they are progressive and interested in curriculum change, but they urgently require improved facilities. The other four were chosen because of their keen interest in agriculture. Bearing in mind that 24 of the country's 72 secondary schools are in the Freetown area, a reasonable national distribution has been achieved (see Map).

6.05 The eleven schools now have 1,150 boarders, mainly in sub-standard accommodation, about three-quarters of which will be improved, resulting in facilities for 1,190 pupils, all of whom live beyond commuting distance from school.

### Technical Institutes and Trade Schools

6.06 Enrollments in technical institutes and trade schools total about 1,100 students, of whom 740 were full-time day, in 1968/69 as compared with 26,000 pupils in general secondary schools. This substantial imbalance between technical and general education requires that action should be taken to increase the output from technical institutes and trade schools. This view is reinforced by the existing shortage of skilled craftsmen and technicians and by the fact that many posts requiring technical skills are filled by foreigners.

6.07 The standard of administration, organization and training in the two technical institutes and two trade schools is low, principally because of an acute shortage of industrially experienced teachers. Buildings are good but some extensions, additional equipment, improved maintenance of equipment, and improved direction and teaching are required.

6.08 Pending clarification of manpower needs (para. 5.02), developments in technical training are being limited to the four existing institutes and schools (Annex 13) as follows:

- (a) Freetown and Kenema Technical Institutes. Increased enrollments in mechanical, electrical, civil engineering and building technician courses at Freetown Technical Institute



from about 160 to 280 and in commercial studies from about 110 to 260; at Kenema Technical Institute, artisan course enrollments to expand from about 100 to 430.

- (b) Kissy Trade School. An expansion from about 300 to 700 students which includes new courses in refrigeration and air-conditioning.
- (c) Magburaka Trade School. An expansion from 60 to 240 students including new courses in painting and decorating, and in plumbing.

Total day enrollments would increase from about 750 to about 1,950 of whom 175 would be boarders living beyond commuting distance. Additional classrooms, workshops and equipment would be required.

#### Technical Assistance

6.09 Because local staff lack experience, technical assistance would be required as part of the IDA Credit as follows:

- (a) An Agricultural Education Specialist. To coordinate the agricultural training programs at Njala University College, the secondary schools, and primary teacher training colleges, a qualified and experienced agricultural educationist would be attached to the Ministry of Education for 3 years (para. 3.01).
- (b) A Statistician. To improve the system for compiling and reporting educational statistics at district and regional levels, and their processing at headquarters, an experienced statistician would be attached to the Ministry of Education for 3 years (para. 3.01).
- (c) Four Curriculum Specialists. To modernize secondary school curricula to accord with employment opportunities in Sierra Leone's expanding commercial, industrial and agricultural sectors (para. 3.03), four specialists, one each for mathematics, science, social studies and English, would be attached to the Ministry of Education for a total of 3 man-years.
- (d) A Project Architect. To coordinate, supervise and approve the architectural work and contract awards for construction work, an experienced architect would be appointed to the project unit for 4 years (para. 7.01).

6.10 From UNDP Funds. On completion of the proposed expansion of the technical institutes and trade schools, about 70 technical and 30 general subject teachers would be needed. No difficulty is anticipated in obtaining the general teachers (para. 3.07) but special steps to upgrade existing and train additional technical teachers are needed. The Government expects to obtain from UNDP an 8-man team, led by a chief of project, to cover in-plant and apprentice training, electrical trades, automotive trades, refrigeration



and air-conditioning, machine shop work, commercial teacher training and instructor training. Each expert would be required for 3 years, except the team leader who would be required for 5 years. The team would assist the general development of the four technical institutes and trade schools and the establishment of a technical teacher training program in association with the Freetown Technical Institute and Milton Margai Teachers' College.

6.11 During negotiations, the Government gave an assurance that the services of a technical team as indicated above would be obtained, either as a UNDP project or through other means.

6.12 The Canadian International Development Agency is to provide instructional equipment for all the schools in the project in a value of about Can.\$650,000 or US\$600,000. Freight costs for delivery of the equipment to Sierra Leone will be met by the IDA share of the project.



G



SIERRA LEONE

Bank Group Operations: Existing and Prospective

A. Existing Operations

1. The Bank Group has loaned \$22.2 million for power, roads, education and agriculture. There have been no IFC investments. Project execution has encountered problems in many instances and these, plus the Government's financial difficulties, have complicated our relations with Sierra Leone.

Bank Loans and IDA Credits (as at January 1, 1973)

<u>Loan or Credit Number</u>	<u>Year</u>	<u>Borrower</u>	<u>Purpose</u>	<u>Amount (US\$ million)</u>		
				<u>Bank</u>	<u>IDA</u>	<u>Undisbursed</u>
388-SL	1964	Sierra Leone Electricity Corp.	Expansion of electricity system	3.8		
553-SL	1968	Sierra Leone Electricity Corp.	Expansion of electricity system	3.9		
170-SL	1970	Sierra Leone	Education		3.0	2.6
218-SL	1970	Sierra Leone	)Roads, highway )maintenance,		3.5	3.2
710-SL	1970	Sierra Leone	)studies	3.7		3.7
323-SL	1972	Sierra Leone	Agriculture		<u>4.3</u>	<u>4.3</u>
			Total	<u>11.4</u>	<u>10.8</u>	<u>13.8</u>

2. As early as 1961--when it became independent, but before obtaining Bank membership--Sierra Leone indicated to us that one of its first requirements for development assistance would be in the power field. A British consulting firm studied the power situation in Freetown. Its recommendations provided the basis for our first lending operation in 1964--a \$3.8 Bank loan for a power expansion program in Freetown (Loan 388-SL). During appraisal for that project, the Bank advised that it would not consider financing the



project until the Electricity Division of the Ministry of Works was reorganized as a separate entity with an appropriate financial and corporate structure. The Government decided, in view of the need for power, to proceed immediately with the project on the basis of suppliers' credits, but with a provision to enable these to be paid off should the Bank subsequently make a loan. With the help of its consultants, the Government followed standard Bank procedures, conferring with the Bank about technical details, and called for tenders on an international competitive basis. It was agreed in principle that should the Bank subsequently approve a loan, it would reimburse expenditures made on the project after January 1, 1963. Legislation establishing the Electricity Corporation was enacted in May 1964. The Sierra Leone Electricity Corporation (SLEC) began operations on August 4, 1964. The Bank approved a loan for \$3.8 million two weeks later.

3. Until 1969, SLEC operated quite successfully, both administratively and financially. Then problems developed, as differences between employees and management, and between management and government, resulted in strike and the dismissal of the General Manager. This brought the administration of SLEC to a virtual halt. Concurrently, financial problems arose due to slackening of load growth, rising labor costs, increasing operating losses on provincial power operations and rapidly growing accounts receivable (the latter in part due to arrears on electricity bills by Government itself). While an expatriate General Manager was subsequently appointed and labor tension abated, financial problems remain very serious. The Bank has followed this situation closely through supervision and area department visits: strong representations have been made to Government stressing the need for improvement. However, Government's response has generally been inadequate. In fact, the Electricity Corporation has in recent months consistently failed to pay its Bank loan service payments on time. This situation has on several occasions been called to the attention of Government (which is Guarantor for both power loans). The delayed payments problem has had to be reported to the Bank's Executive Directors.

4. In a letter dated May 16, 1972, the General Manager of SLEC requested a supplementary loan of US\$675,000 to help meet the overrun on the foreign exchange cost of the 1968 power project (Loan 553-SL). Mr. Chaufournier replied on June 8, 1972 that it was not likely that the Bank would consider the supplementary financing, but that a supervision mission soon would be in the field to review the matter more carefully. The mission filed its report on October 26, 1972. The cost overrun of about 17 percent of the \$3.9 million amount was due to the actual cost of the equipment and services exceeding estimates by about \$375,000 and by recent changes in foreign currency values, accounting for \$300,000. The loan was fully disbursed in April 1972 and additional funds are now being sought to pay balances outstanding on about 10 equipment contracts. It is not unusual for a Borrower to have to complete payments on contracts for which no Bank funds remain; this in itself does not provide a basis for a supplementary loan.



5. At present, in addition to accounts receivable from ordinary consumers of about \$1.25 million and improperly billed accounts representing prospective revenues of about \$375,000,000 the Government itself owes the SLEC about \$700,000 -- or the amount of the requested supplementary loan. If the Government paid its accounts, SLEC would be in a position to make complete payments on the contracts without the need for a supplementary loan. However, even so, the financial position of SLEC would continue to be precarious until measures -- including perhaps a possible tariff increase and/or increase of the Government's subsidy on behalf of provincial operations -- are adopted to make SLEC financially viable.

6. The temptation to throw up our hands in desperation is great in the case of the SLEC, but it could be argued that the Bank has particular responsibility here. It was largely through our insistence that the Corporation was established. Recently SLEC has seen some improvements. Labor difficulties have been resolved. Friction between the General Manager, the Board and Government Ministries involved no longer seem to exist. Certain key management posts, which have been vacant for some time, have recently been filled; the overall management situation seems to be improving. A major problem outstanding is the financial position of SLEC. The case for a supplementary loan is weak at present because of this problem and because as shown above, Government payment of its arrears could take care of the additional costs which have been incurred under our project. Under any circumstances we could only be prepared to consider any future lending to the SLEC if we see evidence of real effort on the part of Government and SLEC management to improve the latter's financial situation.

7. Our continued involvement in the power sector may be useful in order to stem the Government's desire to construct the long discussed 72MW Bumbuna hydroelectric facility at a cost of about \$58 million -- available for financing by suppliers' credits from an Italian-Canadian consortium. Bank examination of this project indicates that for the time being it would be uneconomic to go ahead with this power project. Moreover, it might inhibit development of higher priority projects in other sectors as a result of virtually exhausting the country's capacity to assume debt in the next decade. A UNDP-financed power study, completed in 1971, concludes that the generating facilities under the Bumbuna scheme are not required until after 1980. In expressing its reservations about this project, the Bank might indicate that it would consider financing it at some point in the future. The Canadian firm that forms part of the consortium which is conducting the feasibility study for Bumbuna (and presumably, will get the contract for construction, if Government decides to go ahead immediately) is concerned about the weak condition of the Sierra Leone economy. A representative of the firm has recently told us that his firm would not request Canadian export credit financing for construction of Bumbuna if the World Bank should advise against such action. The representative plans to visit Bank headquarters in January, 1973.



8. For reasons indicated above, we believe that it could be most advisable to inform the Government that:

- (a) We do not believe that the Bank can justify the supplementary financing which has been requested because of the Government's failure to assist SLEC to operate on an adequate financial basis.
- (b) If the Government wishes to pursue this matter further the Bank would be willing to re-open the question only if there are adequate assurances and a program for raising SLEC tariffs and
- (c) In addition, the Government should appreciate that any further Bank activity in the power sector necessarily entails agreement that the Bumbuna project will not go ahead now and under any circumstances not on the terms of suppliers' credits. The Bank would need an assurance that the Government's decision as to future power generation would be justified on economic criteria. If this is acceptable, the Bank would be willing to help the Government assess the feasibility study presently underway in order to arrive at an economic solution to Sierra Leone's power generating requirements.
- (d) If the Government is agreeable to the above, a Bank mission could arrive later this month (January) to pursue these matters.

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told govt*

9. In education an IDA credit is being used to help finance extensions to 11 secondary schools, two technical schools and two trade schools; rebuilding of a primary teacher's training college; technical assistance for technical education and vocational training. The Canadian International Development Agency is providing instructional equipment. Generally, the project has been executed satisfactorily. However, in April 1972, an issue arose over the award of a contract for construction of school buildings. International



bidding, following prequalification, was very keen. The lowest bid, by an Italian firm, was 6,890 Leones (US\$8,307) lower (less than 2.5 percent) than the second lowest bid, which was by a local joint venture firm. The Government sought the Association's agreement to award the contract to the local firm. However, it could not be established that the second lowest bidder was capable of executing the work more efficiently than the low bidder and in these circumstances the Association reluctantly informed the Government that a contract awarded to other than the low bidder would not be eligible for financing the credit. Government sent a special delegation to Washington (headed by the Finance Minister) to argue the case. We were forced to say no. The matter was discussed at length by the Executive Directors during presentation of the credit for the Agriculture Project in June 1972. Since then, the third, fourth and fifth phases of the six-phase school construction program have begun. Local firms were lowest bidders in two of these subsequent phases.

10. The highway project includes construction of the Bo-Kenema road, purchases of road maintenance equipment, and a feasibility study and detailed engineering for a future highway project, as well as technical assistance to the Ministry of Works for improving road maintenance; the latter component is financed by UNDP, with the Bank acting as Executing Agency. Implementation of the project was substantially delayed after Board approval in 1970 because the bids for construction of the road came in more than 60 percent above the consultants' estimate and about 50 percent higher than the Bank appraisal estimate. A special study was commissioned by the Bank to look into the reasons for this discrepancy. The report, issued in March 1972, recommended either negotiating with the two lowest bidders to obtain lower prices or carrying out the works under a management-type contract, similar to the contract under which the Crown Agents (U.K.) are executing construction of the adjoining road--Taima-Bo. Extensive negotiations followed with the two lowest bidders and with the Crown Agents, who had been invited to submit a proposal. Government finally chose the original lowest bidder, a German firm, and we concurred. Because of the management-type contract, under which the Government assumes most of the risks, it is possible that the construction can be completed within the financing provided in the original Loan/Credit. Construction on the Bo-Kenema road began last November.

11. Delays also occurred in the purchase of highway maintenance equipment, for which \$1.5 million was included in the project. The Government received bids in January 1971, but no contracts were awarded because the evaluation procedures were in substantial conflict with Bank Guidelines for Procurement. In April 1972, the Government agreed to rebid for the equipment. New bid documents have been prepared and approved by the Bank. Tender invitations were recently sent out.

12. Some delays had been encountered in obtaining expatriate staff for the project unit for the agriculture project; effectiveness date had to be postponed twice. In part the delay was caused by our own administrative



and procedural difficulties. To borrow ADS staff from Nairobi for a job in Sierra Leone was something we were not able to agree to without prolonged internal discussions. The credit is now effective, however, as Mr. Pease from ADS has been appointed Project Manager. The project will include: completing the establishment of a 2,000 acre oil palm plantation and constructing a palm oil mill to service the estate; providing smallholders with credit for labor, pesticides, fertilizers and improved planting materials to clear and bring into production up to 6,000 acres of swamp rice, plant up to 750 acres of cocoa and plant up to 1,830 acres of oil palm; construction of 20 small rice mills; training project farmers in efficient rice, cocoa and oil palm production techniques; carrying out studies to prepare an agriculture development project in the northern province, a commercial forestry project in the Tama forestry reserve and detailed studies of domestic oil palm requirements, the marketing and processing of domestic rice and the marketing of imported rice.

B. Prospective Operations and Strategy

13. As mentioned in the CPN, we plan to assist Sierra Leone more in developing agriculture--the highest priority within its development efforts. The present agriculture project should provide a good foundation for further assistance in this sector. Proposals for specific Bank projects should emerge from the studies being financed; of most immediate interest is an integrated rural development project in the Norther Province--the most underdeveloped region in the country. In addition, we are exploring possibilities for livestock development. Of the total recommended operations program for FY1973-77, about 40 percent would be allocated to agriculture.

14. One rather unusual initiative may be attempted in FY1973 when we hope to propose a special lending operation for project preparation purposes. This would help strike at one of the very real development bottlenecks in Sierra Leone. We have discussed this matter informally with Government and it is most anxious to have the assistance. This approach was approved by the CPN meeting last November. It would finance specific sectoral studies from which viable development projects would emerge. UNDP would normally help in this area, but has a scarcity of funds. The Government is preparing a list of high priority feasibility studies for submission to the Bank in mid-January. This list will then be reviewed by the various Projects Divisions and Departments involved--and, if found acceptable for Bank financing, a joint Projects/Program mission will go in the field in February or March to complete appraisal of the project.

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15. In education, a UNESCO sector review mission is scheduled to go to Freetown early in 1973. It is possible that suggestions for a second education project will result from their investigation. The UNESCO mission has been postponed twice already at the Government's request, since it has queried the usefulness of having education experts which have no prior knowledge of Sierra Leone.



16. Because of the precariousness of the Sierra Leone economy, we will link our future lending activity very closely to improved economic performance generally and specifically to greater government efforts to restrict the contraction of suppliers' credits and improve the budgetary situation. At the same time, it should be noted that apart from the possible project preparation credit, the current situation indicates no Bank Group lending prospect before FY 1975, since the earlier scheduled FY 1974 agricultural project has slipped a year for reasons of project staff constraints.

Western Africa Region  
Division 1B  
December 28, 1972



Loans and credits after 6/30/70

Approved	Country	Description	Cost	Loan	Cr.	Return	Remarks
10/27/70	Sierra Leone	Construction of 43-mile Bo-Kenema Highway, mechanical equipment for highway maintenance, and consultant services.	\$11.4	\$3.7	\$3.5	24%	Completes last section of main trunk highway between Freetown, the capital, and Kenema, the third largest town, in area of 500,000 people producing most of Sierra Leone's cocoa and coffee exports, and center for diamond mining, its chief export. Project is based on UNDP-financed Land Transport Survey (IBRD was Executing Agency) which in addition concluded, and Government agreed, that uneconomic Sierra Leone Railway be closed down, and comprehensive road maintenance program be undertaken. Will lead to major reorganization of Highway Division, large increase in budget for highway maintenance, and new investment in equipment and workshops. UNDP will supplement project with US\$ 1 million technical assistance grant.
6/20/72	Sierra Leone	Integrated Agricultural development project including establishment of project management unit; planting 510 acres in oil palm, constructing palm oil mill; smallholders credit to bring 6,000 acres into rice production, plant 750 acres of cocoa, plant 1,830 acres of oil palm; farmer training; agricultural studies; establishment of Agricultural Development Authority.	\$5.6	-	\$4.3	15%	Project is first phase of program to raise income, living standards about 2,500 smallholder farm families comprising some 13,000 people and conforms to Government policy of increasing exports crops and expanding smallholder cropping. Project will increase rural employment and is initial step in diversification of economy.



H



SIERRA LEONE

UNDP Activities: <sup>1/</sup>

The UNDP Country Program for Sierra Leone covering the period 1972-77 is scheduled to be presented to the June 1973 session of the UNDP Governing Council. The Bank wrote to Mr. Alfred Edward, UNDP Resident Representative in Sierra Leone, on November 6, 1972 offering comments on the Background Paper which precedes the Country Program.

The Indicative Planning Figure (IPF) for Sierra Leone is US\$7.5 million for the Program period. Since the Country Program is not yet available even in draft, it is not clear as to whether the IPF might be over programmed. As in the case of most African countries, however, it is likely that there will be more technical assistance and pre-investment projects than there are UNDP funds to finance them.

Due to financial constraint, it is doubtful that UNDP will be in a position to meet, to any significant extent, the technical assistance and pre-investment requirements related to Bank Group projects during the Program period. UNDP is aware of its limitations, and there is no indication that additional funds will be secured from any source in the immediate future to increase UNDP resources and to help overcome or even reduce these limitations.

The Bank will soon be invited to participate in the preparation of the Country Program Paper, when copies of the draft Paper will be sent to us for review and comments.

There are about forty on-going projects financed by UNDP in Sierra Leone at present. The Bank serves as Executing Agency for two of them. The first is a Land Transport Survey scheduled to be completed in August 1973. UNDP has contributed US\$822,000 to the cost of the project. The second is a Highway Organization and Maintenance and Highway Feasibility studies project approved in June 1971 and scheduled for completion in July 1975. UNDP's contribution to the cost of the project is \$1,313,000 equivalent.

The Bank has expressed "special interest" in one project - the strengthening of the Sierra Leone Electricity Corporation - and has requested periodic and final reports in connection with another: Vocational Training Program.

UNDP now appears anxious to cooperate with the Bank and to finance investment oriented pre-investment activities. The scope for this cooperation appears to be limited, however, due to the financial constraints described above.

It is partly for this that we are anxious to help finance a series of feasibility studies ourselves. As mentioned (under Issues for Discussion) we have agreed to review a list of such studies evaluated by the UNDP-financed economic planning team (needed by Dr. Meseric and located in the Ministry of

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<sup>1/</sup> For Curriculum Vitae of UNDP Resident Representative, see Tab D.



Development) for possible inclusion under a separate project preparation operation for possible financing by a Bank technical assistance grant, or, an IDA credit.

The planning team was approved for UNDP financing as long ago as June 1970 but due to a very slow recruitment - largely caused by UNDP's headquarters in New York - effort the team has only been operational as of last fall, when team leader arrived in Freetown. Recently a Bank staff member, Miss Aileen Powell, was deputized for two years as UNDP Assistant Resident Representative in Freetown. An accountant by profession, Miss Powell has worked with the Controller's, Treasurer's and Development Services Departments for about 10 years. She began her assignment in Freetown in early January 1973. At the end of it she will return to the Bank. Meanwhile a UNDP staff member has taken over her duties in Development Services Department (liaison work with UDPD) on a temporary basis.

Attached is a listing of UNDP-financed projects approved as of June 30, 1972.

Attachment

Western Africa Region  
Division 1B  
December 26, 1972



## SIERRA LEONE

II. COUNTRY PROJECTS  
Approved as of 30 June 1972

Project number and title	Executing agency	Date approved	Estimated completion date	Estimated project cost (US dollar equivalent)	
				UNDP	Government counterpart contribution
<u>AGRICULTURE, FORESTRY AND FISHERIES</u>					
SIL-66-507 SURVEY AND DEVELOPMENT OF PELAGIC FISH RESOURCES	FAO	01/66	02/72	1,024,660	394,084
SIL-68-006 FORESTRY DEVELOPMENT	FAO	11/68	02/72	65,900	
SIL-68-005 LAND AND WATER DEVELOPMENT AND RURAL INDUSTRIES	FAO	12/68	05/73	25,400	
SIL-68-007 NUTRITION	FAO	11/68	01/73	23,550	
SIL-70-015 COOPERATIVE BANKING CREDIT AND FINANCE	ILO	12/70	08/72	43,200	
SIL-71-012 AGRICULTURAL CREDIT AND FINANCE	FAO	10/71	01/73	30,000	
SIL-71-015 AGRICULTURAL METEOROLOGY	WMO	11/71	04/72	2,800	
SIL-71-020 PROTEIN RICH FOOD EXPERT	FAO	01/72	10/73	77,000	
<u>EDUCATION</u>					
SIL-71-005 EDUCATIONAL STATISTICS AND PLANNING	UNESCO	09/71	06/74	63,332	
SIL-65-501 TRAINING OF SECONDARY SCHOOL TEACHERS AT THE MILTON MARGAI TRAINING COLLEGE, FREETON	UNESCO	01/65	01/73	1,131,813	2,825,330
<u>GENERAL ECONOMIC AND SOCIAL POLICY AND PLANNING</u>					
SIL-69-003 DEVELOPMENT PLANNING	UN	10/69	03/73	27,700	
SIL-70-006 NUTRITION	FAO	08/70	12/72	36,700	
SIL-70-011 MANPOWER	ILO	05/71	05/73	64,600	
SIL-70-012 ORGANIZATION AND METHODS	UN	11/70	01/73	47,300	
SIL-70-510 ASSISTANCE IN DEVELOPMENT PLANNING	UN	06/70	08/74	978,243	358,306
SIL-71-009 AGRICULTURAL SURVEYS AND CENSUSES TRAINING PROGRAMME IN	FAO	10/71	01/73	6,400	
SIL-71-011 MACROECONOMIC PROJECTION FOR DEVELOPMENT PLANNING	UN	11/71	11/72	1,000	
SIL-71-019 ASSISTANCE IN DEVELOPMENT PLANNING	UN	12/71	01/72	1,300	
SIL-68-001 PUBLIC FINANCE	UN	12/68	04/73	63,272	
SIL-68-002 PUBLIC ADMINISTRATION	UN	03/69	07/72	3,700	
SIL-71-002 LOCAL GOVERNMENT FINANCE	UN	05/71	01/73	32,350	
<u>HEALTH</u>					
SIL-68-008 VENEREAL DISEASE AND TREPONEMATOSIS CONTROL	WHO	12/68	12/72	220,800	
SIL-68-009 EDUCATION AND TRAINING	WHO	11/68	10/73	22,000	
SIL-71-013 SYMPOSIUM ON HEALTH SAFETY	IAEA	10/71	01/72	1,450	
<u>INDUSTRY</u>					
SIL-69-006 MINERAL SURVEY (ECONOMIC GEOLOGY)	UN	06/70	01/74	25,300	
SIL-71-511 VOCATIONAL TRAINING PROGRAMME	ILO	01/71	01/74	690,500	370,413
<u>INTERNATIONAL TRADE</u>					
SIL-71-001 INSURANCE LEGISLATION	UNCTAD	03/71	01/73	33,700	
<u>NATURAL RESOURCES</u>					
SIL-69-509 STRENGTHENING OF THE SIERRA LEONE ELECTRICITY CORPORATION	UN	01/69	08/72	557,023	200,233

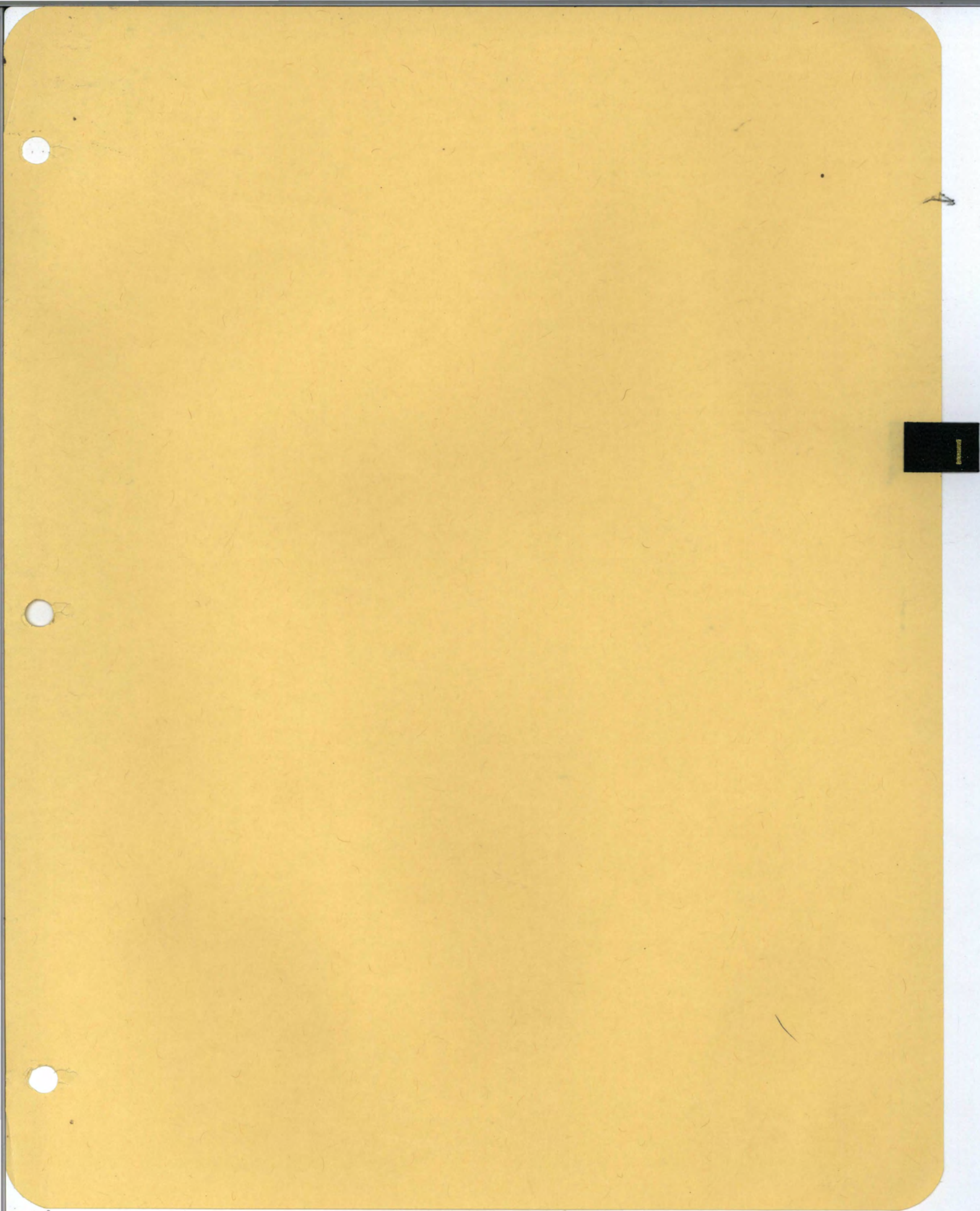


II. COUNTRY PROJECTS  
Approved as of 30 June 1972

SIERRA LEONE (continued)

Project number and title	Executing agency	Date approved	Estimated completion date	Estimated project cost (US dollar equivalent)	
				UNDP	Government counterpart contribution
<u>SCIENCE AND TECHNOLOGY</u>					
SIL-68-010 MARINE SCIENCES	UNESCO	11/68	03/74	88,400	
SIL-68-012 METEOROLOGY	WMO	12/68	01/73	50,439	
SIL-70-007 METEOROLOGY	WMO	09/70	01/73	6,400	
SIL-68-013 NUCLEAR PHYSICS	IAEA	07/69	07/71	43,700	
<u>SOCIAL SECURITY AND OTHER SOCIAL SERVICES</u>					
SIL-68-003 SOCIAL INSTITUTIONS DEVELOPMENT CONSUMERS CO-OPERATIVES	ILO	12/68	04/72	74,725	
<u>TRANSPORT AND COMMUNICATIONS</u>					
SIL-66-506 LAND TRANSPORT SURVEY	IBRD	01/66	07/73	822,000	217,172
SIL-70-001 TRAFFIC ENGINEERING	UN	08/70	03/72	27,350	
SIL-71-004 PORT MANAGEMENT AND ADMINISTRATION	UNCTAD	05/71	10/72	42,500	
SIL-71-513 HIGHWAY ORGANIZATION AND MAINTENANCE AND HIGHWAY FEASIBILITY STUDIES	IBRD	06/71	07/75	1,313,000	85,081
SIL-71-008 CIVIL AVIATION OFFICERS TRAINING	ICAO	08/71	06/72	11,200	
SIL-68-011 TELECOMMUNICATIONS	ITU	12/68	01/73	73,374	
UNDP PROJECTS, NOT YET APPROVED, FOR WHICH THE BANK HAS REQUESTED PERIODIC AND FINAL REPORTS:					
SIL-14 Rice Research at the Agricultural Research Institute	-	-	4 yrs. duration	1,564,700 (proposed)	1,816,000 (proposed)
SIL/72/001 - Preparatory Assistance to the Rokupr Rice Research Station	FAO	-	2 yrs. duration	396,000	Le1,030,100 (local currency proposed)
* We have expressed "special interest".					
** We have requested periodic and final reports.					







## OFFICE MEMORANDUM

TO: Mr. William Clark

DATE: December 28, 1972

FROM: Paul Danquah <sup>B</sup>SUBJECT: Mr. McNamara's West Africa Trip -- the media in Sierra LeoneGeneral

For all practical purposes the media is in the hands or under the control of the Government. For this reason it is almost obligatory and certainly practicable to send any material one wants to be sure of publication in the press to the Chief Information Officer\*.

Generally speaking, the newspapers are frankly poor in both form and content. English is the main working language but Sierra Leone is most noted among Western African countries for having the most sophisticated development of its indigenous languages. Krio (Creole) is a form of pidgin English which is written and spoken with great pride as a Sierra Leonean language. SLBS transmits regularly in Krio and the other main languages, including Mende and Temne.

The Press

The Daily Mail, government-owned, circulation about 15,000 (1971).

The Nation, also government-owned, circulation about 9,000 (1971).

We Yone. This newspaper has long been noted for its great character and boldness under succeeding regimes in Sierra Leone's recent history of coups and counter coups. Even before this period it was well-known as exceedingly vituperative and disrespectful to all and sundry. It is now the organ of the ruling party and therefore has lost, pro tanto, much of its former fire and radical independence. It now comes out in Saturday and Sunday editions. The circulation claimed is 14,000 but, in fact, it is probably considerably less today.

The Sierra Leone Trade Journal. This newspaper also had something of a reputation for independence and in spite of its name is considered to be in the national class. It is the leader among a number of weekly and monthly journals.

Radio and Television

Both radio and television come under the aegis of the Government through SLBS (Sierra Leone Broadcasting Services). Radio coverage is national, based in Freetown and with two relay stations for the interior. A good deal of the broadcasting is in Krio.

\* Ministry of Information and Broadcasting, Lightfoot Boston Street, Freetown.



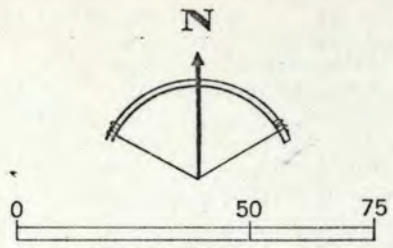
Mr. William Clark

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
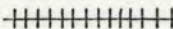
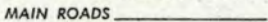

December 28, 1972

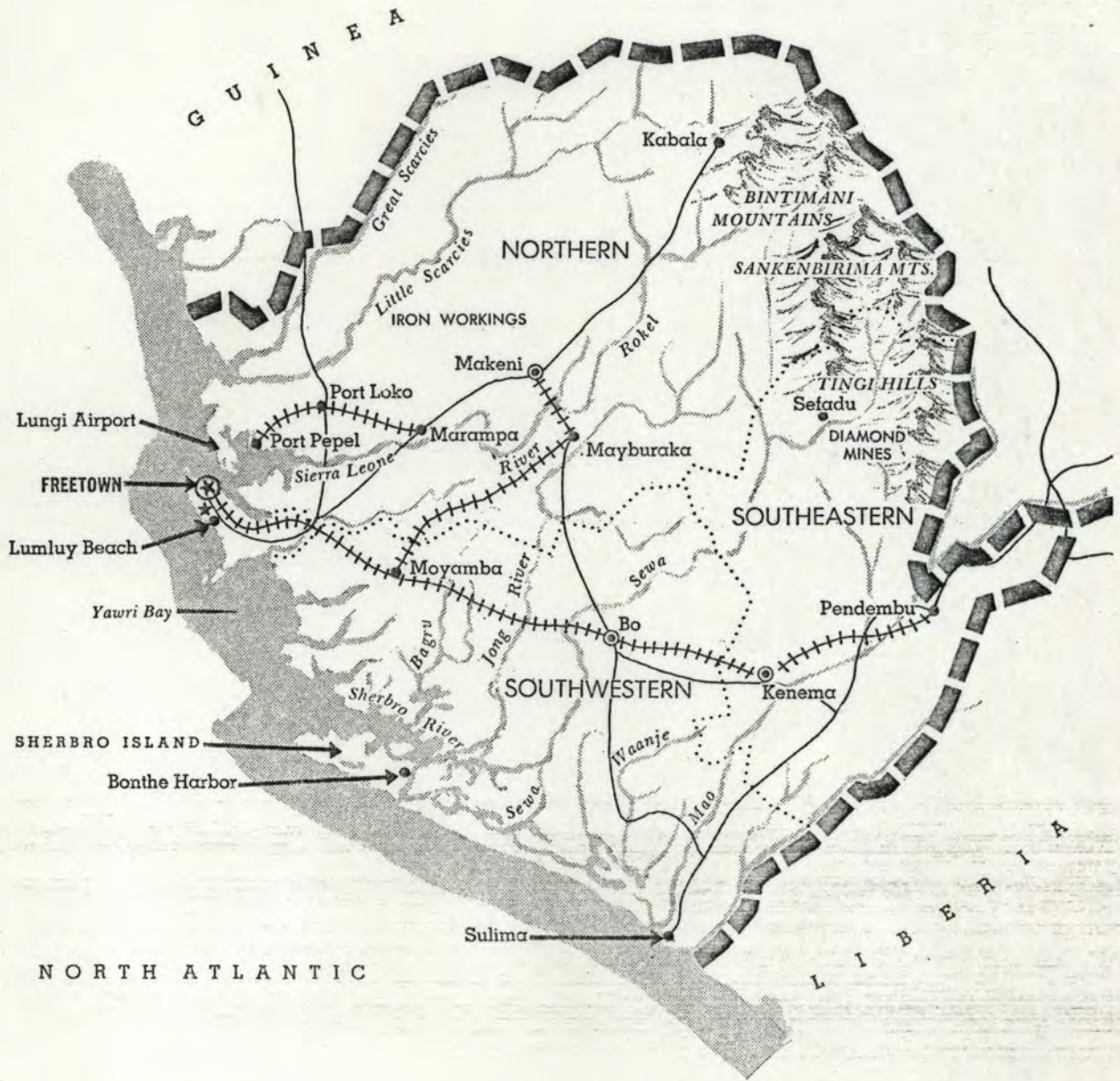
The television service does not cover much more than the Freetown area and although the reference books claim that the television service reaches "most of the country," in practical terms it does not go much beyond a radius of 20 miles.





### Sierra Leone

- CAPITAL 
- REGIONAL CAPITAL 
- REGIONAL BOUNDARIES 
- RAILROADS 
- MAIN ROADS 
- AIRPORTS 







**SIERRA LEONE**, the 39th largest country in Africa (27,925 square miles), slightly larger than West Virginia and Delaware combined, is the shape of a hastily made snowball.

**Boundaries:** Guinea curves around the little country on its west, north, and northeast. Liberia lies to the southeast, and the Atlantic gives it 210 miles of coast on the southwest.

**The new nation** combines what, before independence, was the tiny British Crown Colony of 256 square miles and the large mainland Protectorate Territory. Three provinces make up the new nation: Northern (13,925 square miles), Southeastern (5,876 square miles), and Southwestern (7,868 square miles).

**Sierra Leone's coast** is flat and sandy, pierced by hundreds of rivers except where the coast rises into the mountainous Freetown peninsula.

Tidal swamps overgrown with mangrove lie behind the sand beaches. Inland, coconut groves line the rivers and piassava (a reed) grows wild on the river deltas. Rolling hills rise behind the swamps to upland plateaus in the north and east, where they erupt into the Sula and Kangari hills to the west. In the northeast along the Guinea highlands, the peaks of the Bintimani, Tingi, and Sankenbiriwa mountains rise to 6,390 feet.

The country is webbed with rivers draining the northern plateau. The Great and the Little Scarries, Bagru, Jong, Sewa, Waanje, and Moa rivers provide inland waterways whose navigability depends on the rains and the flood seasons.

**The capital:** Freetown is the oldest city in West Africa (88,000 population). Other important towns are Bo (estimated 20,000 population), Kenema (4,000), and Makeni (7,500).

**Transportation:** Freetown Harbor is one of the largest natural harbors in the world. The estuaries of the Sierra Leone and Rokel rivers at Freetown and the Sherbro River at Bonthe Harbor accom-

modate ocean vessels.

More than 3,000 miles of roads, all-season despite the rains and floods, cover the country. Ten major bridges, dozens of small ones, and many ferries span the maze of rivers.

A government-owned railroad laboriously covers 311 miles of difficult terrain connecting the iron mines of Makeni, the diamond beds of the Sewa River, the Pendembu mines on the eastern frontier, and the town of Bo with Freetown.

A 57-mile private line carries ore from Marampa to Port Pepel. The Lungi airport is more than an hour by motor launch across the bay from Freetown.

**Population:** Over 2,975,000, almost all African, including fewer than 100,000 descendants of the non-indigenous freed slaves for whom the colony was created. The non-African population includes around 2,000 Lebanese and Syrian tradesmen and 2,000 Europeans and Americans.

**Population density:** An average of 106.5 persons per square mile.

**Religion:** 30%, Christian; 18%, Muslim; remainder, Animist or pagan.

**Illiteracy:** 90%; in school, 20%.

There is an estimated average of one doctor for every 69,450 persons.

**Economy:** Agricultural; diamond-mining an important asset.

**Chief exports:** Diamonds, cocoa, coffee, palm kernels, palm oil.

**Food crops:** Rice, cassava, millet.

**Trade balance:** Small deficit.

**Per capita income:** \$140.00 per year.

**Monetary unit:** Sierra Leone pound = U.S. \$2.80.

**Official language:** English.

**Government:** Republic, with unicameral legislative branch.

**Armed forces:** Around 1,000; security and police force, 2,000.





## Sierra Leone

20

IN THE ORDER OF  
INDEPENDENCE

Attaining its independence on April 27, 1961, Sierra Leone became, through peaceful evolution, the twentieth independent nation of Africa after a hundred and fifty years as part British Crown Colony and part British protectorate.

The story of Sierra Leone is deeply interwoven into the history of all West Africa. It was named by the Portuguese navigator, Pedro da Cintra, who in 1460 sailed along the coast and into the great natural harbor created by the Sierra Leone Peninsula on the tip of which Freetown now stands. From the harbor a high ridge of wooded hills rises steeply 3,000 feet. Often a deep mist hangs over the summit of the ridge.

From these mountains, according to legend, the Portuguese explorer heard a great, thunderous roaring and named the spot "Sierra Lyoa" (Mountain of Lions). No one really knows whether it was thunder, the roaring surf, or native drums that Pedro da Cintra heard, for a lion has never been seen in the hills around Freetown. Two thousand years before Da Cintra's discovery, the Carthaginians

sailed near the coast but did not land on the strange shore because of "great blazing fires, the wild beat of drums, and strange chants." The wild rhythmic beating of fifty African drums in an "ngoma" (playing of drums and dancing) is indeed an awesome, overpowering sound when first heard. It is undefinable, like something that must surely explode, and it may well have been Da Cintra's "lions."

English, Spanish, Dutch, German, and French trading ships followed along the Sierra Leone coast in the wake of the Portuguese ships, searching for gold and slaves. The first British ships to visit the Sierra Leone coast included those of Sir Francis Drake and of Sir John Hawkins, captain of the first British slave ship to transport slaves from the Nigerian coast of Africa to the island of Haiti in the New World.

In 1785 the Lord Chief Justice of England, Lord Mansfield, refuted slavery, decreeing that "as soon as any slave sets his foot on English ground, he becomes free." Soon after, Henry Smeatham, a ship's doctor, conceived the idea of creating an African settlement on African soil for both freed slaves and those rescued





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from illegal slave ships. Granville Sharp, a retired English civil servant and a leader in the movement to abolish slavery, took up the idea. The St. George Bay Company was formed to carry out the plan, and what is known today as Sierra Leone Peninsula, on the southwestern coast of the West African "hump," was chosen as the site. Twenty square miles were purchased by the St. George Bay Company from King Niambana, paramount Temne chieftain whose tribes controlled the peninsula. The price paid to King Niambana was a goodly amount of rum, a few muskets, and an embroidered waistcoat.

Some four hundred Africans who had been freed in England, including the famous "first freed runaway slave," James Somerset, were soon on the first ship leaving England for their new haven on African shores. The ship, supplied by the British government, left the Thames on Christmas day, 1786, and anchored almost six months later (May 1787) in the harbor of Sierra Leone. It arrived with a tragic cargo of eighty-seven dead including Dr. Smeatham — all victims of the hazardous voyage.

There had, unfortunately, been too little advance preparation for the voyage and the settlement of the small group in the remote, unknown land. However, the courageous settlers erected a bamboo church, built houses, and called the settlement Granville. But lack of knowledge of the climate, the hinterlands, and the hostile tribes that surrounded the little village proved disastrous to the project. The surviving settlers had scarcely a roof over their heads when the rains came, as the rains still fall today along the coast, averaging more than 150 inches in the two annual seasons of deluge (from April to June and from October to December). Nothing could be planted, and in the following months many of the immigrants starved or died of disease in the wet, unhealthy climate, leaving fewer than a hundred inhabitants in the little village. The survivors were soon attacked by hostile tribes from across the bay on the mainland, and all but a handful were killed.

The operation of the unhappy project was then transferred to the Sierra Leone Company, which brought freed slaves from Nova Scotia to the settlement, and they, along with the few remaining first settlers, founded Freetown Colony. A British governor was sent out from England and the new colony struggled to survive. But the ill-fated venture was destined for new trouble when the town was destroyed by the sans-culottes, firebrands of the French Revolution. Although still surrounded by hostile tribes, the settlers slowly rebuilt the little town. Gradually a few Temne, Mende, Foulah, Sou Sou (Sousou), and Mandingo traders became friendly to the settlement, which had grown to more than three hundred houses and a small stand of public buildings. As Freetown developed into a thriving little community, "King Tom Junior" of the Temne became displeased with the whole idea and began a siege of the town in 1799. Intermittent attacks continued for five years, with more than 16,000 tribal warriors harassing the Black settlers who, after having escaped from white slavery, were barbarously persecuted by their own Black countrymen. At the height of the Temne attacks, around a thousand former slaves arrived in Freetown, following a rebellion on the Caribbean island of Jamaica. They became known as the "maroons" as their descendants are still called today.

At the start of the siege in 1799, Freetown was incorporated and the colony attempted to establish itself as a free state under the royal charter granted to the Sierra Leone Company. But the problem of defending itself from the warring Temne tribes proved too great, and in 1808 Freetown was declared the British Crown Colony of Sierra Leone, to be ruled by a governor and an advisory council.

The slave trade which had flourished along the coast had been declared illegal by Britain in 1807 and Freetown became a base for enforcing the act. Courts were set up to try offenders and a patrol fleet lay off the coast of Sierra Leone to intercept slave-contraband ships. The first slave ship was captured in 1808 and its cargo of terrified Blacks, once



destined for slavery, were settled in Freetown. This haven among their own Black people was meant to bring freedom and friends to dislocated Blacks who had no idea where their homes were or who their people might be. They only knew they had lived in "a village in a forest" or in "a hut in the tall bush." But to the indigenous Black tribes of Sierra Leone, the Black settlers were "strangers" invading their tribal lands. These intruders came to be known as "creoles" and remained outsiders. Although the inland tribes eventually came to trade with the people of Freetown, it was necessary for the governors of the Crown Colony to make treaties with the neighboring chieftains to protect the Black settlers and the white missionaries. The British also had to stop the chieftains from illegally selling their own tribal people and the prisoners they had taken in inter-tribal battles and slave raids — to traders still illegally operating off the coast of Africa.

It must be said, however, that the intentions of the British founders of the original colony for freed slaves were not altogether altruistic. It had been hoped that the Crown Colony would be an extended arm of British culture and religion in Africa and a base for the expansion of trade. This it was — to the extent that the lack of communication and transportation through the hostile interior would allow. To the best of their abilities, the Black settlers created a Victorian world to please their benefactors, but their efforts unfortunately also lowered a curtain of mistrust between them and the surrounding tribal Africans.

Although the slave resettlement may have failed as a basis of trade and British propaganda, the little community on the inhospitable coast of Sierra Leone did make an extremely important and lasting mark on Africa. Despite the calendar of hard years during its settlement and colonization, Sierra Leone became the educational center of West Africa. Missionaries were active in the territory in the early nineteenth century, and the Church Missionary Society founded Fourah Bay Col-

lege, now known as the University College of Sierra Leone. The famous college today stands on Mount Aureol, above Freetown. Many of Africa's leaders can thank the settlement of freed and runaway slaves for their education. Men such as Macaulay of Nigeria and Caseley-Hayford of the Gold Coast (Ghana) had roots in Freetown. Samuel Adjai Crowther, a Yoruba from somewhere along the Gulf of Guinea, was rescued from a slave ship, brought to Freetown, educated at Fourah Bay College and eventually became the first African Bishop of the Church of England.

The Colony's first African-born governor, William Ferguson, was elected in 1844, and in 1861 Sherbro Island and a strip of the mainland were annexed to Sierra Leone Colony. In 1863 a governor-in-chief ruled Britain's far-flung West African empire from Sierra Leone. This empire included the Gold Coast Colony and Lagos Colony, today the independent nations of Ghana and Nigeria. The territorial boundaries of Sierra Leone were agreed upon between the English and Liberia, the adjoining territory, in 1885. At this time the Berlin Conference laid down the rules for the splitting up of Africa among the European colonial powers. In 1895 borders were drawn with the French, who were expanding their territories on the north and west in what is today Guinea. By 1896 the British had moved north and east from the Sierra Leone Peninsula and had declared a protectorate over the mainland area that today, along with the original "colony" on the peninsula, makes up the new nation of Sierra Leone.

The mainland Protectorate Territory of Sierra Leone was administered separately from the Crown Colony of Sierra Leone and, in the usual British manner, through the tribal chieftains. But with the first attempt by the British to collect a "hut tax," the chieftains rebelled, and two years later, in a bloody revolt of the chieftains and their tribesmen, about a thousand British subjects and a few American missionaries were killed. This was the last rebellion against either the British or the "creoles" by the mainland tribes. In 1924 a



new constitution brought the Protectorate and the Colony together under one administration but gave less representation to the Protectorate, thus permitting it to be dominated by the Colony.

Owing to the early development of educational facilities in Sierra Leone, the "creoles" were, for many years, in demand as teachers and civil service workers in the British colonial territories of the Gold Coast and Nigeria. Sierra Leone Colony became a leader among the West African territories, advanced as it was in its semi-autonomous government as well as in its educational achievements.

However, the Colony's status in Africa changed as World War II came to an end. The whole of Africa was then awakening politically, and its aims were no longer "some measure" of self-rule under colonialism but the throwing off of colonial rule altogether and the attainment of complete independence. Most colonial powers had become aware of "the change" that was taking place in Africa, and they acted to save what they could of their African empires for as long as they could. France granted limited autonomy to her territories and Britain began preparing her colonies for eventual independence in some form.

Although nationalism was stirring all across Africa, the movement did not arouse the little Colony to concerted or violent action. It waited for independence to come and the rest of emerging West Africa passed it by politically and began to catch up with it in education.

Hostility and lack of unity between the Colony and the Protectorate hampered the territory's political development and its progress toward independence.

It was not until 1947 that the Protectorate attained a proportionate representation in the government, but even then the Colony had more power. In 1956 the people of the Protectorate rose in revolt to obtain rights totally equal to those of the people in the Colony, who were still considered "strangers" in Sierra Leone.

Although the inhabitants of the Colony

were politically sophisticated the tribal population of the Protectorate was still politically unaware and had no organized parties. The largest of the tribal groups were the *Mende*, who today make up more than 30 percent of the total population. The Mende are extraordinarily prolific and their language is spoken across the northern area. They still practice the traditional African Animist religion, often enshrining small images by burying them in the ground. Nwego is their "Supreme God."

The *Temne* tribes, now second in size, had originally swept down from the north around the time the freed slave settlement at Freetown came into being. The Temne had come under Muslim influence and still show signs of Islamic culture. The Temne language is the language of the south.

The *Limba* is the third largest of the many tribes. The *Mandingo* are pastoral, Muslim people whose history is interwoven with the Muslim invasion of the western Sudan, when the Muslim empires of Ghana, Mali, and Gao flourished on the upper Niger. Today the Mandingo tribes spread across what are now lower Mali, upper Guinea, and Sénégal. The *Sou Sou*, who sing and dance and play the "balanji" and the xylophone, live in the coastal regions of both Sierra Leone and Guinea. The nomad *Fula* (Fulani) cattlemen of the north, own a large part of the country's 200,000 head of livestock. The *Kissi* are of pure West African Black origin. Their ancestors inhabited the coastal forests from the western "hump" to the "elbow" of the continent. The *Bullom* and *Sherbro* tribes of the coast, believed to have been the original inhabitants of Sierra Leone, are now the fishermen. The *Kono* and the *Kuranko* are the great hunters. The only written tribal language is that of the *Via* (Gallina) people.

As other countries of Africa fought for independence, Sierra Leone perhaps had just enough self-rule to lull it into a passive state. Furthermore, the friction between the Colony and the Protectorate also forestalled independence. Within this strange political climate, a cautious leader rose. He had to fight first



for equal rights for the indigenous peoples of the Protectorate. Then, before independence could be approached, some kind of union of Sierra Leone's two parts had to be achieved.

That leader, Milton Margai, who eventually became Prime Minister of Sierra Leone, was a Mende born in the village of Gbangba on December 7, 1895, the year Sierra Leone's boundaries began to take shape through agreements between the British and French colonists. His father was a merchant at Bonthe, where he went to primary school. He attended secondary school in Freetown and then went to Fourah Bay College for his bachelor of arts degree. In 1926 he received his medical degree from King's College Medical School in England, became the Protectorate's first Black doctor, and joined the government medical service. As a medical officer, he worked throughout almost every part of the country. In the Mende territory, he taught anatomy and child care through the "Bundu" secret initiation society of the Mende women whose object was, in their primitive ways, (that included circumcision of young girls) to prepare women for adulthood and marriage according to their tribal traditions.

During these years Margai combined politics with his medical work, serving as a member of the Bonthe District Council and a non-chief member of the Protectorate Assembly. In his own cautious but determined way, he fought for the new Constitution of 1947 that gave the Protectorate equal and proportionate representation with the Colony in the Legislative Council. He was co-founder of the Sierra Leone People's Party (SLPP), which finally achieved a political union between Colony and Protectorate. He came into power in the 1952 government. A new constitution was drawn up and self-government was slowly worked out; all government posts were taken over by Africans and the first general elections were held in 1957. In 1958 Sir Milton Margai became Prime Minister.

Complete independence in 1961 brought out the drums, "obololis," zylophones, "balanjis," iniles of bunting, and the singing Sou Sou. In-

dependence festivities drew the heads of state from many of the newly independent countries of West Africa, who expressed gratitude for the part Sierra Leone had played in the development of education in Africa since its first educational center was established in Freetown a hundred years earlier. The Paramount Hotel, built for the occasion, overflowed for three grand days, although it has been comparatively quiet and decidedly uncrowded ever since.

The 1962 elections were contested by the opposition, but through a coalition with the All People's Congress, Prime Minister Margai formed a government. The tribal chieftains, still powerful leaders, were well established at the top levels of politics and government. In African affairs, the new nation politically leaned to the right, as indicated by its membership in the Monrovia Group.

Its slow evolution into independence deprived the country of the impetus that comes with the dramatic sudden change of revolution. Many other countries of Africa, plummeted into independence by explosive revolutions, had been carried on by the momentum to faster, though in many instances not lasting, political and economic development. Sierra Leone, on the other hand, was forced to generate day-to-day momentum to carry the nation ahead. Young men in the foreground of Sierra Leone's new regime, such as Dr. John Kerefa-Smart, wisely proposed starting out by discovering what the country had and what it had not, so that they could evaluate what it needed. Most facts and figures available on Sierra Leone in use after independence were over twenty-five years old. Despite the fact that after the Second World War many larger African territories had made great strides in educational facilities, with schools and colleges developed by the colonial powers, Sierra Leone, although it had progressed little during this period, still remained in the front ranks as an educational center.

*Flower-print dresses blend with market greens*



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At independence there were twenty-eight secondary schools in Sierra Leone, plus the famous school at Bo which was founded in 1906 by Sir Leslie Probyn for the sons and protégés of paramount chieftains of Sierra Leone. This unique school, giving Africans a British school education without interfering with their traditional African tribal life, became the "Eton of Sierra Leone," where many of the chieftains now prominent in Sierra Leone were educated. Even today there is nothing anywhere else in Africa like this school. The Prince of Wales Secondary School, the Freetown Secondary School for Girls, and twenty-eight others in the colony are superior to the schools of the many larger countries in Africa in number and quality. There are also six teacher-training colleges and two technical institutes.

Sierra Leone was prominent in the West African Congress; and the West African Youth League, radically dedicated to a Pan-African ideology, was founded in Sierra Leone.

On April 28, 1964, the man referred to in Africa as "the mildest and most unexpected nationalist leader Africa has produced," Prime Minister Sir Milton Margai, died. Soon after Sir Milton's half-brother, Albert M. Margai, was appointed prime minister after strong opposition from members of Parliament had been withdrawn. The new prime minister, Minister of Finance at the time, had begun his career as a London-trained lawyer, becoming active in politics as co-founder, with his brother, of the Sierra Leone People's Party. In the last few years the two brothers had grown apart politically, but the new prime minister could be called a moderate also. His first year in office indicated that few changes in the policies of Sir Milton during his regime would be made.

In 1966 Prime Minister Margai attempted to establish one-party rule but met with very strong opposition. As corruption in government increased and unwise government spending reached an alarming peak, the Prime Minister became even more unpopular than he had been at the beginning of his term.

In the March 1967 elections Margai was defeated by only a few votes by Siaka Stevens, leader of the All Peoples Congress. The decision was so close and there had been so many irregularities in the balloting on both sides that the government of Prime Minister Siaka Stevens was overthrown by the army two hours after his taking office. The army coup installed Colonel Andrew Juxon-Smith as head of the governing body, the National Reformation Council.

The military government was soon accused of also being corrupt and failing to fulfill its promise to return the government to the people. On April 18, 1968 a new army coup overthrew the government of Andrew Juxon-Smith and the ruling National Reformation Council, which had raised taxes as living costs and unemployment rose. Tension had been mounting for some time and an earlier attempt to overthrow Juxon-Smith's regime had been thwarted by help from neighboring Guinea's President Sékou Touré, who had sent his troops to the border between the two countries in a show of support for Juxon-Smith's government.

Names prominent in the new coup (which was carried out by a group of young non-commissioned officers) were Warrant Officers 1st Colonel Patrick Gordon and Imadu Rogers, and an older officer, Colonel John Bangura, long active in politics and head of the National Interim Council set up by the coup.

Very quickly a new prime minister was selected by a majority of acting government officials who had been in office since the 1967 elections. Their choice was again Siaka Probyn Stevens, who was then 62 years old.

The new Prime Minister, sworn in on April 26, 1968, was Oxford-educated. He had been active in the labor movement in Sierra Leone, and once had been Mayor of Freeport.

The "Creole" population of under 25,000 still dominated civil service; they were the lawyers, doctors and clergy. The "Leopard men" of the "Poro," a secret tribal society, were still used for political terrorism.

The diamond riches of Sierra Leone have



been both a blessing and a curse. Some leaders think the diamond industry's place in the economy has been exaggerated at the expense of other development. In the first days of self-government in the mid 1950's, Dr. Margai and his People's Party government were severely criticized for not dealing decisively with the illicit diamond digging and smuggling which had become a national political issue and a border problem with Sierra Leone's neighbors.

The country's largest single export, diamonds, were, until 1956, legally mined exclusively by the Sierra Leone Selection Trust at Yengema, mostly in the Kono and Tongo areas. At this time illicit diamond digging and smuggling reached its height. It was estimated that more than 30,000 "strangers" had entered the country and were illicitly digging diamonds and smuggling them across the borders into Guinea and Liberia. Tensions with neighboring countries became explosive, and the Sierra Leoneans were aroused as the figure of loss in diamonds rose to an estimated six million pounds. This alone threw off the country's delicate trade balance.

The British governor, Sir Maurice Dormer, took action. The mining monopoly was restricted to an area of approximately 500 square miles. By 1957 most of the "strangers" had been expelled from the country, and in a short time 75,000 newly licensed Sierra Leoneans were digging, with a diamond corporation set up by the government to evaluate and buy from the "little man." Smuggling continued in a small way and, going in and out of the country, luggage was unpacked piece by piece, every article examined, memorized, and neatly and unhurriedly put back. The little country today produces an estimated one-fourth of the world's diamonds. The third largest diamond ever discovered (770 carats) came from the Woxie River in 1945.

The precious diamond gravel lying on the river beds of the Sewa, the Male, and the Woxie rivers is crudely mined by native divers working along miles of riverbed when the rivers run shallow in the dry season. Men risk their lives, diving again and again into the

muddy water to scoop up a trowelful of gravel in one hand while holding on with the other to a pole tripod they have erected in the river. For miles the rivers bristle with these poles, sometimes weighted with rocks, marking the gravel patches much as clam beds are staked out. Many men of Sierra Leone have given their lives for the handfuls of gravel that may hold a few grains of the sparkling riches.

The Southeast Province is the richest area of the country with the diamond deposits in the Sewa River and the Sefadu diamond mines, plus an abundance of piassava palms, remnants of high forest, and a climate that is proving suitable for growing cacao, coffee, and rice. In the north are the grazing lands of the herds of small Ndama cattle and the Marampa iron-ore mines on the site of deposits first discovered in 1926.

Eight out of every ten people depend on the land for their livelihood and food — and the soil does not produce willingly. The heavy rains erode and drain the land of valuable properties, and much of the country is still bush, uncleared of scrub and mangrove. The forests, devastated for fifty years as the only source of fuel, now cover less than 5 percent of the land. Baboons are so numerous along the Liberian borders that they sometimes destroy half the cacao crop.

Fishing is more personal and picturesque than productive. Two or three commercial companies use modern trawlers or power-driven fishing boats, but the fishermen along Lumley Beach still lay their miles of nets in the sea before the gray dawn of day, from little, hollowed-out canoes that bob on the water. When the sun is high, dozens of men heave the huge nets with their swags of fish slowly onto the beach to the rhythm of the songs sung by the Sierra Leone fishermen for generations. The Sherbro fishermen use their unique "toe-line" method. Sitting in their frail canoes with their feet resting on the gunwhale, they drift over the sea around Sherbro Island with a line in each hand and a line deftly held by the toes of each foot.



Piassava, a fiber extracted from a wild palm that grows in the swamps and river deltas, is exported for brooms and brushes all over the world. Bristles from Sherbro and Silima are considered the finest. In the mid-1950's, due to the departure of many farm laborers to work in the mines, the production of rice slumped and supplies did not meet local demands. But 650,000 acres are now under rice cultivation, and rice is becoming an important crop. Nevertheless, rice — as well as meat — is imported from Guinea.

Village industries are comprised largely of the pressing of palm oil, the cracking of nuts, coffee-hulling, fish-drying, the scraping of ginger, and the weaving of narrow eight-inch strips of the famed Sierra Leone cloth with

its white and indigo geometrical designs.

Small industry consists of rice mills, furniture factories, soap, tile, and mineral-water plants, sawmills, and mills for processing palm oil and food. By 1964 the production of hand-made aluminum cooking pots had become a small export industry. Fuel oil for industrial and other needs comes in by pipeline, but the country has potential hydroelectric power in its many rivers.

It takes some 12,000 waterfront workers to handle the shipping at Freetown Harbor, which is surpassed in size only by the harbors of Rio de Janeiro, Brazil, and Sydney, Australia. Around 1,200 ships a year pass in and out of the harbor, and 240 can find anchorage there at the same time. The remaining wage

*The little fish that slip through the net are gathered from the beach and divided up among the wives of the fishermen*





earners of the country are for the most part, employed in mining, commerce, clerical work, and railroading. The importance of railway maintenance labor is seen when noting that the famous Freetown-Bo train, in operation since 1899, takes ten hours to cover the 136 miles of curves, hills, and many bridges, even with Diesel locomotives doing the job since 1958.

Sierra Leone, despite its humid, rainy coastal area with its malaria-breeding swamps that once gave the country the name of "white man's grave," has achieved creditable health status. It still fights yaws, sleeping sickness, and malaria. The British spent millions of pounds on mosquito control. There are thirty hospitals, including one in each district, two private ones run by mining companies, five new ones, Freetown Hospital, and the famous one at Bo, plus sixty medical centers.

Victorian villages, their houses elegantly derelict but not replaced, are hidden among the palms along Lumley Beach and dotted over the peninsula. The atmosphere of Freetown is completely unlike that of most of Africa's little cities, which are a contrast of mud huts and skyscrapers. Freetown is a stranger to modern Africa as it was to the old, primitive Africa. An incredible sense of being in a small world, once too far ahead, but now a step behind, prevails. Missing is the contrast, the "brashness," and the movement that permeate life in the rest of Africa. Today Freetown is still a sleepy Victorian town leisurely climbing the steep hillside from the huge harbor. But it assumes its status as the oldest European city in West Africa with grace, and it has its own distinctive charm.

The new, small but deluxe Paramount Hotel shames the old City Hotel where Graham Greene lived in a back room while writing *The Heart of the Matter*, a best-selling novel that truly captured the Victorian dreariness of the town. The famous cotton-silk tree, more than 300 years old and once called "King Jimmy's gree-gree (amulet) tree," stands in the center of the town. King Jimmy's witch doctors were carving their "gree-gree" from its



*King Jimmy's "gree-gree" tree*

branches when the Black settlers came there in 1787. Sick and weary slaves grew well as they forgot the terror of slave ships in its shade. Some of the most famous men of Africa studied beneath its rustling leaves while they were students at Fourah Bay College. At night, the stars seem to rest on its massive top while muffled sounds of drums roll along the waterfront below it. Along Lumley Beach, soft voices among the banana groves croon to music strummed on homemade instruments. Shacks patched together with tin catch the moonlight and the sand beaches lie like white velvet carpets along the swishing sea. And soon, somewhere along the thirty-five miles of beaches skirting the Freetown peninsula, a large international hotel will be adding tourist dollars to Sierra Leone's treasury if and when the country achieves political stability.