

INTRODUCTION.

The Cacao Industry of Trinidad, which dates back to the end of the seventeenth century, has seen two periods of considerable prosperity, one long period of stagnation, and two sudden disasters. The first period of prosperity was cut short by a "blast" (the nature of which is not known) in 1727, which completely destroyed the Industry (1). During the hundred and fifty years which followed, Cacao was of secondary importance to sugar, though a steady increase in exports is recorded. After 1870, however, Cacao planting expanded enormously, and soon displaced sugar planting as the primary industry of the Island. There followed fifty years of prosperity during which prices were high and land and mortgage loans easily obtained. Prices remained at such a level that even the lowest yielding and most neglected estates could show a profit. This state of affairs had a most unhealthy effect upon the industry. Few serious attempts were made by planters to improve their "productive efficiency" and mortgages were seldom paid off, planters believing that high prices would continue indefinitely. In 1921 the second great disaster in the history of the industry took place. The price of good plantation cacao which had been as high as 135/- per cwt at the beginning of 1920 had fallen to 56/- by the end of 1921, and since then, with the exception of a small rise to 84/- in 1925, has continued to fall gradually until by the end of 1934 the price was only 38/-. It is not intended here to discuss the cause of this remarkable fall in prices which was mainly due to world monetary conditions, but it should be mentioned that one of the contributing factors within the industry was the enormous increase of production in the Gold Coast, which became a very serious competitor and whose entry into the field caused a great increase in the percentage production of "ordinary" as opposed to "fine" cacao. "Fine" cacao, a vague phrase roughly synonymous with good quality and suggesting a high

percentage of criollo types (2), continues to receive a premium and in all probability will continue to do so as it is necessary in the manufacture of high-class cocoa and chocolate. This premium will no doubt be reduced as the preparation of "ordinary" types improves but should not disappear altogether. Quality in Trinidad Cacao therefore remains of great importance.

As a direct result of this fall in prices in 1921, the industry has, during the last decade found itself in an extremely embarrassed position financially. Many mortgagees, who might well have been repaid during the fifty years of prosperity, have foreclosed and Government have bolstered up the industry with a succession of relief ordinances and with the assistance of the Agricultural Bank.

This, then, is briefly the position in which the industry found itself when the Cacao Research Scheme was founded, and when the Economics Department of the College started its investigations into the organization and financial condition of the Industry. The present investigation is the direct outcome of previous work of the Department. A brief review of this work and of the literature relevant to it must therefore be given.