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BERMUDA.

REPORT FOR 1918.

(For Report for 1917 see No 982.)

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BERMUDA . .

ANNUAL GENERAL REPORT FOR 1918.

NOTE ON HISTORY AND CONSTITUTION.

According to the Spanish navigator and historian, Ferdinand d'Oveido, who visited these Islands in 1515, they were discovered at an earlier date by Juan de Bermudez, after whom they were called the Bermudas. The exact date of the discovery is not known, but a map contained in the first edition of the "Legatio Babylonica" of Peter Martyr, published in 1511, shows the Island "La Barmuda" in approximately correct position.

No aborigines were found on the islands by the early voyagers, and the Spaniards took no steps to found a settlement.

The islands were still entirely uninhabited when, in 1609, Admiral Sir George Somers' ship, The Sea Venture, while on a voyage with a fleet of eight other vessels, conveying a party of colonists to the new plantations then being formed in Virginia, was wrecked upon one of the numerous sunken reefs which surround the islands on every side. The reef is still called after the name of the Admiral's ship, The Sea Venture Flat.

Sir George Somers died in Bermuda the following year, and his companions, ignorant possibly of the prior claims of Juan de Bermudez, called the group after him, "The Somers' Islands." The reports of the beauty and fertility of the land, taken home by Somers' nephew, Captain Mathew Somers, induced the Virginia Company to seek an extension of their Charter, so as to include the islands within their dominion, and this extension was readily granted by King James I, but shortly afterwards the Virginia Company sold the islands for the sum of £2,000 to a new body of adventurers, called "The Governor and Company of the City of London for the Plantation of the Somers Islands."

During the first 25 years of its existence the settlement prospered exceedingly under the government of the Company, but as the original shareholders, who included many of the most distinguished men of the time, died or disposed of their holdings, the administration was neglected, and the settlers became subject to many grievances and abuses. Finally in 1679 they appealed to the Crown for redress, and in 1684 a verdict having been given under a writ of Quo Warranto against the Charter of the Bermuda Company the government of the Colony passed to the Crown, and the Company, the members of which then held only 25 shares of land in the islands, was dissolved.

GOVERNMENT AND CONSTITUTION.

The Orders and Constitution of the Colony under the Bermuda Company made provision for a reasonable amount of self-government by the settlers including the right to elect representatives to make laws within certain restrictions. The first General Assembly for Bermuda was held at St. George's on the 1st August, 1620.

When the Government passed to the Crown in 1684 the Commission to the first Royal Governor confirmed the grant of representative institutions, which have been continued without interruption until the present day.

The laws of the Colony are enacted by a Legislature consisting of the Governor, the Legislative Council, and the House of Assembly.

The Governor is assisted by an Executive Council, consisting at present of four official and three unofficial members. The Legislative Council consists of nine members, three of whom are official and six unofficial. The House of Assembly consists of thirty-six members, four of whom are elected by each of the nine parishes. The members of the Executive Council and of the Legislature are paid 8s. a day for each day's attendance. There are about 1,350 electors, the electoral qualifications being the possession of freehold property of not less than £60 value. The qualification for a member of the House of Assembly is the possession of freehold property rated at £240.

I.—GENERAL REVIEW.

1. The cessation of hostilities now enables a brief review to be made of the changes which have visited this Colony during the War, with especial reference to the year under report.

2. Bermuda subsists mainly on three forms of trade:—First the tourist and hotel business with its attendant activities, secondly the production and export of vegetables for the New York market, thirdly the supply of coal and other requirements to passing shipping, including the repair of disabled ships. The presence of a garrison and dockyard establishment also plays an important part in local business as the supply of their requirements is to some extent undertaken by the local provision trade and they are large employers of labour.

3. The tourist traffic which had dwindled to very narrow limits by the beginning of 1917, disappeared almost entirely after that time, and during the year under report all the larger hotels and most of the smaller ones have remained closed. As illustrating this it may be noted that while arrivals and departures of 1st class passengers during 1913 totalled about 20,750, during 1918 they numbered only 1,330, a figure which little more than covers the ordinary movements of residents, naval and military officers and passing travellers. The reduction in this traffic affects nearly all branches of business and most forms of employment and reduces greatly the amount of money in circulation.

4. The vegetable export trade was especially prosperous during the war period and reached in 1917 the highest level in its history for quantities exported. The high prices realized also served to swell the declared value of these exports though the effect of high prices on the prosperity of the growers was to a large extent counterbalanced

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by the general rise in the cost of living. The export trade was affected in 1917, and early in 1918, by difficulties in shipping which are referred to in more detail under heads III and IV.

5. The development of the vegetable trade, however, was far from being sufficient to compensate for the loss in tourist trade, and a condition of real privation would have been the result had not the increased shipping activities brought about by war conditions served to redress the balance. Not only was there much increased activity in the naval Dockyard, and a much larger number of visiting warships both British and Allied than in pre-War times, but the establishment in the islands by the United States Navy of a base and supply depôt for smaller craft placed considerable sums in local circulation, and brought large numbers of visiting sailors, whose purchases, while on shore, were of great assistance in maintaining certain lines of trade, the full effect of which was scarcely realized until the withdrawal of the American base and reduction in activity on the part of our own ships.

6. The geographical position of the islands also rendered them a valuable coaling port and port of refuge, more particularly when the shortage of coal in Europe began to be felt, and the number of vessels calling was greatly enhanced with attendant benefits to those engaged in the business of coaling and supplying passing shipping. Changes in the organization of the mercantile marine traffic reduced the number of calling ships for 1918 (see under III Shipping).

7. These conditions enabled merchants to "carry on" during the war period more successfully than might have been expected, though the restriction of trade was felt with increasing pressure in the latter part of the War, especially during 1918. The greatly increased prices of all commodities give to the figures for imports during the War a fallacious appearance of prosperity and progress not borne out by an examination of the quantities dealt in. Speaking generally, however, trade and employment were sufficiently well maintained to secure the population from privation and business failures, though the increase in the cost of living was acutely felt here as elsewhere especially amongst the salaried and wage-earning classes. The effect of these conditions was probably more apparent in Bermuda than in many other small Colonies, as the islands are practically entirely dependent on imported foodstuffs.

8. Supplies of foodstuffs were adequate throughout the war period. Imports of staple articles were restricted in quantity and were placed under control of a Board who regulated their distribution among retailers. No system of individual rationing was necessary. Sugar was obtained from the West Indies in sufficient quantities. Any further reduction, such as several times appeared imminent, would have rendered the introduction of individual rationing necessary, a course which, owing to the absence of "substitutes" in the Colony, would have entailed especial privation on this community.

9. The effect of war conditions on Government finance is more fully dealt with in the section on that subject. In general terms the War involved the cessation of all new works in progress, including, especially during 1918, all progress on channel improvements and on the new Government Hospital which was commenced before the War; and also the reduction to a minimum of expenditure on maintenance

and establishment charges. The money so saved went to meet the special expenditure arising out of the War, which amounted in 1918 to £15,063. The special outlay required to meet the expenses of providing steamship communication with New York has been met up to the present by an advance from the Crown Agents for the Colonies. To repay this, or the greater part of it, one of the Colonial dredgers has been sold to the Government of Nigeria. To sum up, it may be said that while expenditure and revenue was maintained at a somewhat higher level than prior to the War, all progress and improvement was brought to a standstill.

10. The general conditions of living were considerably affected by the absence of the usual influx of tourists and the high cost of commodities, but owing to the various compensating agencies referred to above, the restriction was not nearly as oppressive as in places nearer the War-zone. The sale of liquor was limited to the hours prevailing in the United Kingdom, and, by request of the American authorities, altogether prohibited to officers and men of the United States Navy. These restrictions were removed shortly after the Armistice, but a general restrictive Act passed by the local Legislature on its own initiative limiting the hours of sale to between 9 a.m. and 9 p.m. remains in force until the technical "termination" of the War. Apart from these restrictions on the sale of liquor and the usual restrictions on embarkation and disembarkation of travellers for which special passes were required, the local population was subjected to little or no disturbance of its normal life.

11. There was noticed during the War a tendency to an increase in crime; the number of trials before the Supreme Court (29 in 1918, with 19 convictions) being disproportionately high for so small a population. Serious assaults and housebreaking were regrettably frequent; but the chief feature was the proportion of juvenile crime. No reformatory or similar institution for the detention and education of juvenile offenders has yet been established, but some such institution is an obvious and urgent need. It is doubtful whether war conditions were to any great degree responsible for the apparent increase in crime, but it seems probable that the high cost of living must have been a contributing factor.

12. "War work" of various descriptions was steadily and enthusiastically carried on especially by the ladies of the Colony, who deserve the highest credit for the manner in which they maintained keenness in the various organizations at so great a distance from the War-zone. During the War over £18,000 was privately subscribed to various War charities, local and general, besides large contributions in kind of garments, hospital necessaries, &c. The principal contribution of note in 1918 was £1,988 towards the Red Cross.

13. About 550 Bermudians served with His Majesty's Forces during the War, of whom 379 served in the "Bermuda Contingents."

14. On the whole the Colony managed to maintain its position during the War and emerges from it without serious financial burden and ready to resume its interrupted progress where the outbreak of war halted its path. It has had the satisfaction of playing a useful, if inconspicuous, rôle in the organization of sea-warfare in the Atlantic, and of having proved its value as an outpost of Britain overseas.

II.—FINANCIAL.

REVENUE AND EXPENDITURE.

15. The total revenue for 1918 amounted to £91,645, and the total expenditure to £90,684.

16. The totals of revenue and expenditure for the preceding 5 years are given below.

	Revenue.	Expenditure.
	£	£
1913	80,576	87,779
1914	80,504	89,575
1915	106,467	97,643
1916	107,055	109,652
1917	100,447	105,867

[It should be noted that the figures given in the Annual Report for 1917, for the total expenditure of that year (£107,055) were incorrectly given.]

17. In connection with the above table, however, the following special conditions should be noted.

In 1914 the revenue was augmented by the issue of £8,000 worth of inconvertible £1 currency notes, issued for the general purposes of the Treasury. A further issue of £10,000 was made in 1915 as an advance to the Imperial Treasury Chest in Bermuda being repaid in London. This issue accordingly serves to augment both revenue and expenditure of that year by this amount. In 1916 the paying of a loan of £5,500 taken up for work in connection with the Causeway between the main Island and St. George's Island similarly increased by that sum the revenue and expenditure total. In 1917 a further issue of £10,000 in currency notes to the Imperial Treasury Chest affected the totals on both sides of the account for that year. Further details of the issue of notes will be found under the head of "Assets and Liabilities."

The cash balance in the local Treasury on the 31st December, 1918, was £4,231, as compared with £3,271 at the end of 1917.

18. Certain other causes which led to an increase in revenue and expenditure during the war period, more apparent than real, are noted below under the heads of "Revenue and Expenditure."

Revenue.

19. The principal heads of revenue for 1918 are compared in the subjoined table with the results of 1917.

	1917.			1918.		
	£	s.	d.	£	s.	d.
Customs :						
<i>ad valorem</i> duties ..	34,267	11	4	35,004	4	7
Specific duties ..	27,319	0	9	28,099	7	9
War Surtax 10% ..	6,093	2	7	6,306	18	7
Other Receipts ..	32,768	2	5*	22,234	9	1
	<hr/>			<hr/>		
	£100,447	17	1	£91,645	0	0

* Includes £10,000 from note issue *vide* above.

20. Customs Revenue in 1918 was augmented by the imposition of an import duty of 2s. per ton on coal which produced a revenue of

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£1,796. This duty was introduced late in 1917 and 1918 was the first full year of operation. The receipts from tobacco showed a considerable increase, while there was a falling off of £3,959 in the receipts from duties on spirits other than rum. Rum and malt liquor together showed an increase of £1,058.

Under "Other Receipts" an increase of £2,163 in postal revenue is the most noteworthy, due to the imposition of a stamp duty on bills of lading (6*d.*) and on cheques (1*d.*) and also a War-surtax of 1*d.* on letters posted to other parts of the British Empire.

21. Throughout the war period in addition to the increase in revenue figures due to the inclusion of transactions relating to note issues and the repayment of the loan noted in paragraph 17, the total figures were further swelled by the inclusion of receipts from pilotage. These dues are ordinarily paid direct to the pilots but at the outbreak of war the pilots were placed under Government control and paid by salaries, all dues received being paid into the Treasury, an arrangement which increased both sides of the account. The amount collected for pilotage dues during 1918 was £2,916, being £1,915 less than in the previous year.

Expenditure.

22. Expenditure during 1918 showed a decrease of £5,867, as compared with 1917, omitting in the latter case expenditure on account of note issues.

Distinguishing personal emoluments from other charges the comparative figures for the two years were as follows:—

	Personal Emoluments.	Other Charges.	Total.
	£	£	£
1917 ..	24,254	71,613	95,867
1918 ..	24,389	66,295	90,684

23. Owing to the general rise in prices there was an increase in the cost of maintenance of public institutions and permanent establishment charges other than salaries. Expenditure on public works was reduced to a minimum, being £14,508, as compared with £32,873 during 1916, when work was carried on at nearly normal rate. Expenditure on war services totalled £15,063, the highest yet recorded. This included the cost of separation allowance and comforts for the Active Service Contingents, disability pensions, local services such as pilotage (v. para. 21), censorship, &c., and the annual grant of £3,450 payable to the Imperial Treasury for 15 years as the equivalent of a cash contribution of £40,000 in aid of war expenditure in Great Britain. Dredging work on the steamer channels leading to Hamilton and St. George's was interrupted.

24. The expenditure shown above does not represent the total outlay to which the Colony was committed during the year as it takes no account of the special liability incurred in connection with the maintenance of steamship communication with New York; the operation of the s.s. "Charybdis," a cruiser lent to the Colony by the Admiralty for conversion to mercantile use, has proved expensive, and at the end of 1918 the deficit on the year's operation was £6,646. The operation accounts of this vessel do not pass through the Treasury and are consequently omitted from the published financial returns.

PUBLIC DEBT.

25. The funded debt is £40,000, on which interest is payable at $4\frac{1}{2}$ per cent. The debt is redeemable in 1924, and the sinking funded investments at the end of 1918 totalled £35,902 nominal value.

In addition a sum of £55,000 was borrowed in 1917 from the Crown Agents for the Colonies for the reconstruction of H.M.S. Charybdis and her conversion to mercantile use. To meet this, one of the Colonial dredgers has been sold to the Nigerian Government but the nett sum realised will fall short of the above amount by at least £10,000. No provision has yet been made for the repayment of the balance of this loan.

ASSETS AND LIABILITIES.

26. The total liabilities at the end of 1918 including the above-mentioned £55,000 of the Charybdis loan amounted to £86,781; the other liabilities being £3,781 due to the Corporation of St. George for money advanced to continue dredging work on the channel to St. George's Harbour, and £28,000 the value of Government currency notes issued since 1914.

27. The total assets were £47,792, which includes an investment of £31,293 (face value) as a note guarantee fund against the currency notes issued and an amount of £12,267 due to the Treasury from the Government Savings Bank for advances towards the cost of management over a long period of years. The position of the Bank is now improving and it is in a position to repay about £3,000 of these advances whenever called upon.

GENERAL.

28. It is now possible to review briefly the immediate effect of the War upon the finances of the local Government. The increase in both revenue and expenditure during the war period shown by the figures in para. 16 is due largely to the inclusion of the note issue, and loan transaction referred to above and to the inclusion of pilotage service under Government accounts.

Other expenses have been reduced to a minimum but the sums saved by reduction in Public Works and other services have been counterbalanced by the increased expenditure on actual war services, which totalled up to the end of 1918, £57,137. The rise in prices during the War has also had an important effect in maintaining the level of receipts from *ad valorem* duties which, in spite of greatly decreased imports, were only £2,828 less in 1918 than in 1913. An additional charge of 10 per cent. on all customs duties collected, together with certain specific increases and new stamp taxes have assisted in maintaining revenue.

29. At the end of 1918 the general position was that the Colony was in a position to meet all liabilities with the exception of a floating balance which will amount, probably, to something over £10,000, due to the Crown Agents on account of the "Charybdis" loan. Provision for this must be made in the near future. There remains also an unknown liability in respect to the cost of the operation of the s.s. "Charybdis" the amount of which cannot be determined accurately until the final disposal of this vessel is determined upon.

The cessation of War expenditure will release a considerable sum for current services but the general rise in prices will make it necessary to raise in future a considerably higher revenue than in the past, to meet increasing expenses of administration upon the resumption of normal conditions.

III.—TRADE, AGRICULTURE, AND INDUSTRY.

IMPORTS AND EXPORTS.

30. The total value of imports was £692,742, and of the exports £119,977. Imports and exports during the period 1914–1918 were valued as follows:—

				Imports.	Exports.
				£	£
1914	..	..	..	565,611	106,661
1915	..	..	..	579,828	101,663
1916	..	..	..	734,799	139,825
1917	..	..	..	674,493	207,724
1918	..	..	..	692,742	139,825

Imports.

31. While the value of imports has increased during the war period their nature has necessarily altered considerably. The cessation of the tourist trade in 1916–17 naturally resulted in a considerable diminution in the import of many kinds of goods which were largely sold to tourists, particularly clothing, and building material, such as timber, cement, &c., and certain kinds of wines and spirits. This decrease was, however, largely compensated for by goods imported for the supply of the British and Allied navies and for the increased numbers of merchants ships calling for coal and other supplies during the years 1914–1917. The number of vessels calling decreased in 1917–18. As an indication of the trend of this form of business it may be noted that the imports of coal which totalled 11,984 tons in 1913 rose in 1916 to 36,174 tons and fell again in 1918 to 16,697. The principal factor, however, in maintaining the value of imports was the general and rapid rise in the prices of all commodities, particularly during 1917 and 1918. But for this, imports in spite of compensating influences would have shown a considerable increase as compared with figures for the years immediately preceding the War.

Exports.

32. Bermuda exports consist practically entirely of vegetables grown for the New York market. Prices have on the whole been good during the War reaching in some instances very high levels. The crop exports for 1917 for instance were valued at over £180,000, as during the year unusually large quantities were shipped at prices much above the average. During 1918 the value of the onions, potatoes, and other vegetables exported was £110,800. The export of many kinds of vegetables was curtailed during the early part of the year, which is the season of heaviest shipments of “green” vegetables, by the absence of refrigerated space on the steamer then plying between Bermuda and New York. Exports of vegetables go almost entirely to New York where they arrive in the winter season and fetch “luxury” prices. There are occasionally small shipments of potatoes and onions to the West Indies.

DIRECTION OF TRADE.

33. The absence of communication with Europe and the difficulty during the latter years of the War in getting many kinds of goods has, as might be expected, resulted in the transference of the import trade from the United Kingdom to the United States of America and Canada. In 1913, imports from the United Kingdom were valued at £155,000, those from the United States of America at £325,000, and those from Canada at £75,000. In 1918 the corresponding figures were: from the United Kingdom £35,773, from the United States of America £434,676, and from Canada £181,042. About £40,000 worth of merchandize, mainly rum, molasses, and sugar, was imported from the British West Indies, as compared with slightly over £5,000 in value imported from the same source during 1913.

SHIPPING.

34. Tonnage entered and cleared fell off considerably during 1918 owing to causes beyond local influence arising from the general conditions affecting shipping during the War. The figures for the last 3 years are as follows:—

			British.	Total.
1916	..	..	973,403	1,630,360
1917	..	..	687,340	1,087,980
1918	..	..	368,343	732,613

Of the foreign tonnage calling, American ships total 202,142, the next largest figure being that for Italian tonnage, viz.: 76,798. Of vessels entered and cleared those using the Port of Hamilton totalled 422,819 tons, and those recorded at St. George's, 309,794. Hamilton is the port of call for the regular mail steamers, and St. George's the more usual port of refuge for vessels calling for coal, supplies, or repairs.

BANKS.

35. There are two Banks in the Colony, the Bank of Bermuda, Ltd., and the Bank of N.T. Butterfield & Son, Ltd., both with head offices in Hamilton. Exchange is obtained mainly by the purchase and sale of bills on London drawn by the local Treasury Chest Office to meet the requirements of His Majesty's forces; and during and after the sale in New York of the vegetable crops by drawing on the credits in New York thus obtained. The average premium for Sight Bills on London during 1918 was 1 per cent. and for drafts on New York, 2 per cent.

36. There is also a Government Savings Bank which held deposits on the 31st December, 1918, of £44,057 to the credit of 2,286 accounts, an increase of 57 depositors since 1917. The amount deposited during the year was £12,993, and the amount withdrawn £11,584. Interest on deposits is at 2 per cent. The invested funds of the bank were valued, at the market rates current on the 31st December, at £44,550.

IV.—COMMUNICATIONS.

OVERSEAS.

37. Prior to the War bi-weekly communication with New York was maintained during the winter months by steamers of the Quebec Steamship Company, supplemented by tourist steamers of the Royal

Mail Steam Packet Company. The latter Company also conducted a fortnightly service between Nova Scotia and the West Indian Islands calling at Bermuda en route. In addition steamers of the Cayo Line direct from England called about every six weeks. These services were gradually reduced or discontinued until, in 1917, steamships calling regularly were confined to one vessel of the Quebec Steamship Company sailing between Bermuda and New York, and the Royal Mail Steam Packet Company's Canada-West Indies Service. The latter was reduced by the withdrawal of two steamers for war services. In June 1917 the Quebec Steamship Company's vessel, s.s. "Bermudian" was requisitioned for war purposes and a much smaller and slower vessel substituted, which lacked the refrigerating plant necessary for the shipment of "green" vegetables. By this change all prospects of a continuance of the tourist traffic during 1917-18 season, even on a much reduced scale, disappeared, together with the facilities for the trade in green vegetables, while the tonnage available for the shipment of other crops (potatoes and onions) was reduced to wholly inadequate dimensions. After considerable inquiry and negotiation an arrangement was finally concluded with the Admiralty whereby the 3rd class cruiser "Charybdis" was placed at the disposal of the Colony and adapted at Colonial expense to serve, as far as possible, the requirements of the New York trade. The alterations made, which were very costly, provided moderate refrigerated space and improved cargo capacity, but it was found impossible to adapt the ship to the carriage of more than a very limited number of passengers under uncomfortable conditions. However, the vessel has proved of great value as a stopgap and, assisted occasionally by freighters chartered during the period of the heaviest shipments, has been the means of maintaining the island trade during a difficult period. Her operation has been found to be very expensive on account both of the peculiar nature of the ship and of the general increase in the cost of operating ships during the War. Freight rates have increased to six times the pre-War rates for downward cargo (from New York), and $2\frac{1}{2}$ times pre-War rates for upward freights. Passenger rates rose to about three times pre-War rates.

38. The "Charybdis" is still in operation at the time of writing but negotiations have been concluded with the Furness Withy Co. for the resumption in December of a service similar to the pre-War New York-Bermuda service, and the service of the Royal Mail Steam Packet steamers on the Canada-West Indies route has been restored to its former level.

39. The great importance to the Colony of its tourist trade, which is in normal times its principal source of prosperity, makes the maintenance of a frequent and high-class steamship service between Bermuda and New York a paramount necessity.

2. INLAND.

Post Office.

40. The inland postal service is maintained by mail wagons and boats which distribute mails daily to the 18 sub-post offices throughout the island. The deliveries have been reduced to a single delivery daily from rural post offices, as a measure of economy.

Road and Water Communications.

41. The islands are well furnished with driving roads of good surface quality though somewhat narrow and winding in parts. Owing to their peculiar conformation, the total length of road (100 miles approximately) in use is considerably greater than the surface area of the islands would ordinarily demand. The use of motor vehicles is forbidden by law at present. Communication between Hamilton and the Western portions of the Islands (including H.M. Dockyard) is carried on by ferry steamers across the waters of the "Great Sound." These are privately owned and operated.

Telephones.

42. There is an efficient local telephone service (privately owned) with over 800 subscribers.

V.—VITAL STATISTICS AND PUBLIC HEALTH.

43. The resident population, exclusive of the naval and military establishment, has been slowly increasing during the last decade. At the census of 1911 it was estimated at 18,994 (6,691 whites and 12,303 coloured). On the 1st January, 1919, it was estimated at 21,840 composed as follows:—White 7,443 (3,554 male and 3,889 female) and coloured 14,397 (7,004 male and 7,393 female). Of the total increase in population during 1918, viz.: 211, natural increase accounts for 175 and immigration for 36. There are a fair number of immigrants from West Indian Islands, principally St. Kitts, but this accretion of population is counterbalanced by emigration to the United States of America and a certain number returning to the West Indies. The number of immigrants during 1918 was 183, and the number of departures 147.

44. The birth-rate during the year was 27·10 per 1,000, being 21·63 among the white population and 29·93 among the coloured. This is lower than in preceding years but so small a population is subject to so many casual and accidental influences that no inference can safely be drawn from variations occurring in a particular year unless of a very marked character.

The illegitimacy rate was 14·3 per 100 births (2·3 among whites, and 18·6 per cent. among coloured persons).

The death-rate of 14·37 per 1,000 among whites and 24·10 per 1,000 among the coloured population was higher than usual, being affected by an outbreak of Spanish influenza in September, which was responsible for about 125 deaths.

The marriage-rate was 7·09 per 1,000 (7·1 white and 6·3 coloured).

45. The epidemic of influenza in September and October was the principal circumstance affecting public health during the year. Starting at the west end of the island in His Majesty's Dockyard and vicinity, it spread rapidly eastwards but with decreasing virulence. Relief centres were opened at various points, and much valuable assistance was given by the ladies of the Imperial Order of the Daughters of the Empire and other bodies in administering relief and nursing sufferers. The whole body of medical practitioners gave the most devoted service, under conditions which owing to their small numbers

involved a very heavy strain. The total number of cases cannot be exactly given but is believed to have approximated to 5,000 (including cases in the garrison). There has been no recrudescence since the outbreak. The great majority of deaths occurred among the coloured population and were attributable in some cases to failure on the part of the patients to observe proper precautions and in others to enfeebled physical condition, such as pre-existing tuberculous tendencies.

46. It is many years since the Islands have been visited by an epidemic of so severe a character, and the unusually favourable health conditions normally prevailing intensified the impression caused. The Colony is blessed with natural conditions of climate and geographical position which should make it one of the healthiest spots in the world.

CLIMATE.

47. Except for a period of about 3 months during the summer, when the atmosphere is especially humid and conditions somewhat enervating, the climate of Bermuda is remarkably agreeable and mild. Free from extremes either of heat or cold and situated in mid-ocean with no land nearer than 500 miles the islands offer the conditions of air and atmosphere prevailing on a very large ship in temperate latitudes with none of the discomforts attendant on a sea-voyage. Their freedom from serious infections is due largely to these conditions.

The rainfall during 1918 was 64.16 inches, being some 8 inches above the average of the preceding 9 years. Rain fell on 155 days, being most frequent and heaviest in November and April. Mean atmospheric pressure was 29.947 and the mean temperature 70.2° F. The highest temperature recorded was 88.8 on the 14th August and the lowest 48.0° on the 6th February. Mean relative humidity was 88°.

VI.—EDUCATION.

48. The educational organization existing in Bermuda is of a somewhat unusual character and while possessing obvious defects it nevertheless meets satisfactorily special difficulties attending the question of education in this and similar Colonies. Education is compulsory for all children between 7 and 13 years of age, but there are no Government Schools, and parents are required to satisfy the Board of Education that their children are receiving adequate instruction in a school approved by the Board or by private tuition. This method leaves to the parents wide latitude in the choice of the school which their children attend.

49. Schools which are willing to submit to Government inspection and control are given grants from Government funds in aid of teachers' salaries, books and school furniture and other expenses, the grants being assessed in accordance with the number of pupils and the standard attained. These schools are regularly inspected by the Director of Education and are to a large extent under the control of the Board of Education. Pupils whose parents are unable to meet the small fees charged may be paid for by the Board.

The majority of the primary schools are of this character. In 1918 the "Aided Schools," as they are called, numbered 30, with an average total attendance of 1,864 pupils out of 2,576 children on the books. These figures are considerably below those for 1917 both in average attendance and the number of enrolled pupils, but the decrease was the effect of an epidemic of influenza during September and October when all schools were closed. Attendance registers are inspected by the Director of Education and attendance is also supervised by District Educational Officers whose duty it is to bring to notice cases of persistent non-attendance. These measures, however, leave many loopholes for non-attendance in cases where parents are ignorant or indifferent. Of the aided schools, ten are attended by white children and 20 by coloured children.

50. The expenditure on education, excluding departmental salaries was £4,100 in 1918, of which £3,714 was expended on salaries of teachers and assistants.

51. There are four Secondary Schools, which do not receive Government aid: one for boys (white), two for girls (white), and one mixed school (coloured). The last named is of especial value as a training ground for teachers for the aided schools for coloured children. These schools enter pupils for the Cambridge Local Examinations which set the standard aimed at. There are also a number of small unaided primary schools of varying standards.

52. A Bermuda Scholarship of £150 per annum is awarded yearly by the Government to the boy who attains the highest results in the Cambridge Local Examination and who is otherwise best qualified to become a candidate for the Rhodes Scholarship allotted to this Colony. Election to this Scholarship is normally followed by election to the Rhodes Scholarship. The holder of the Scholarship is required to spend two years at a British educational institution in the United Kingdom or Canada approved by the Governor.

53. The general standard of education probably compares favourably with that in most small Colonies but is capable of much improvement, particularly in the sphere of secondary education. Amongst children of primary school age there have been noticed an increasing number of more or less vagrant boys who are difficult to trace and control, except when they appear, as they too frequently do, as offenders before the Police Courts. The increase in juvenile crime in recent years is a most regrettable feature and points insistently to the need for the establishment of an industrial school or reformatory to rescue juvenile offenders from the pernicious influence of the common prisons.

W. B. JACKSON,

Colonial Secretary.