



Statement of the Secretary of State
for the Colonies to accompany the
Estimates for Colonial Services,
1927, Class II. 9, and Middle
Eastern Services, 1927,
Class II. 10.

*Presented by the Secretary of State for
the Colonies to Parliament by
Command of His Majesty,
July, 1927.*

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Statement to accompany the Estimates for Colonial Services, 1927, Class II. 9, and Middle Eastern Services, 1927, Class II. 10.

PREFACE.

Colonial Services, 1927, Class II. 9.

The total expenditure provided for on the Colonial Services Estimate for 1927 is £308,769, as compared with £442,699 in the previous year. The net decrease in the estimated expenditure is £133,930.

The reduction in the amounts required for Grants in Aid of Local Revenues during each of the last five years continues. This year £90,000 less is required for Nyasaland, the Protectorate requiring assistance to the extent of £50,000 only towards the sum necessary under the Trans-Zambesia Railway Guarantee. The improved financial position made it unnecessary to issue £20,000 of the sum voted for the previous year. The great improvement of the revenue in Northern Rhodesia enabled the sum voted last year to be dispensed with and no provision is made this year. Less assistance is needed this year for the general funds of Dominica, which are showing some improvement, while, owing to balances in hand, the amount required for the arrangements agreed to be essential for restoring the economic position is only £5,000 against £15,000 last year.

On the other hand, owing to depletion of balances, Somaliland requires this year a loan in aid of the general expenses of administration, in addition to a larger grant for military expenditure.

Somaliland and Nyasaland are this year changing their financial year to the calendar year, and the present is the year of transition.

The grant to the Imperial College of Tropical Agriculture has been discontinued, but a smaller contribution based on one-third of the probable expenditure is included for the Agricultural Scholarship scheme in connexion with the College. These and other reductions on the B. Subheads for Other Grants in Aid amount to £19,260.

Only two other changes on this Estimate need be noticed. There are small unavoidable increases on most items for British Services in the New Hebrides, amounting to £1,359, but again, for the seventh successive year, no assistance is required to meet any deficit on Condominium revenue under the terms of the Anglo-French Protocol, 1914, by virtue of which we are present in the group. Boundary Commissions account for the other increase. The Jubaland Commission has completed its work in the field after two years, and is now settling the maps:

£10,300 less is provided for this Commission. On the other side the Anglo-Belgian Commission to complete the delimitation, broken off by the Great War, of the line between Northern Rhodesia and the Congo has now been appointed and is *en route*. The work is expected to take quite two years. It is this Commission which is responsible for the increase on the Sub-head.

The usual interest and sinking fund payments expected to be received in respect of East African loans show an increase this year with the issue of further loan grants, and in consequence of the settlement of terms in regard to the Tanganyika loans of past years. (Cmd. 2853.)

Middle Eastern Services, 1927, Class II. 10.

The circumstances which led to the creation in 1921 of a separate Middle Eastern Services Vote were described in the Statement presented to Parliament in July, 1926 (Cmd. 2704). The Estimates for the present year include, for the first time, charges in respect of political and military administration at Aden. This follows upon a recent decision of His Majesty's Government under which the control of those branches of the Aden Administration has been transferred to the Secretary of State for the Colonies.

The total expenditure provided in the Middle Eastern Services Estimate, 1927, is £3,395,000, as compared with £4,444,000 for the previous year, showing a net decrease of £1,049,000. Of this decrease £1,141,400 is in respect of 'Iraq, £166,600 is in respect of Palestine, whilst there is an increase of £259,000 in respect of Arabia, owing to the inclusion of charges in respect of the political and military administration of Aden. The cost of the Imperial garrisons in 'Iraq and Palestine, which still forms by far the largest item in the vote, fell from £3,455,500 in 1926 to £2,519,000 in 1927, a decrease of £936,500. Of this decrease £893,900 is attributable to 'Iraq, mainly as a result of the Treaty with Turkey in June, 1926.

As an offset to the large annual savings that have been effected in the cost of the garrison in 'Iraq, and as part of the general settlement arising out of the conclusion of this Treaty (Cmd. 2679 of 1926), His Majesty's Government have agreed to waive their claim against the Government of 'Iraq for the repayment of the value of certain "transferred assets," viz., works of public utility (roads, bridges, telegraphs, irrigation works, etc.) constructed in 'Iraq during the British occupation and subsequently transferred to the 'Iraq Government under an arrangement by which the estimated capital value, amounting originally to 94 lakhs (approximately £700,000 at the present rate of exchange) and afterwards reduced to 76 lakhs (approximately £570,000) was to be repaid, with interest at 5 per cent., in twenty years. The decision to waive this claim was in accordance

with the recommendation of the special Financial Mission appointed by the Secretary of State for the Colonies in 1925 to enquire into the financial position and prospects of the 'Iraq Government. The report of the Mission was presented to Parliament in June, 1925, as Cmd. 2438.

Apart from the Imperial garrison, the only services of importance to which British Revenues still contribute in 'Iraq are, as stated last year, (1) the High Commissioner's establishment; (2) the 'Iraq Levies; (3) a Grant-in-Aid towards the maintenance of the 'Iraq Army. In Palestine His Majesty's Government have agreed to contribute in the year 1927 a sum of £45,000 towards the cost of the Frontier Force which was created in 1926 as part of the scheme introduced for the reorganisation of the Defence Forces of Palestine and Trans-Jordan. British Revenues also contribute a Grant-in-Aid of £62,000 towards the cost of the Administration of Trans-Jordan. A sum of £31,000 is included under the new Subhead "Appropriations in Aid," as a contribution from Palestine Revenues towards the cost of the Imperial garrison. Under this Subhead is also included a contribution from the Government of India of £250,000 towards the military and political charges in connection with Aden.

July, 1927.

NOTES ON MATTERS OF GENERAL INTEREST.

Colonial Office Conference, 1927.

Perhaps the most outstanding recent feature in connection with the progress of the Colonial Empire has been the Colonial Office Conference which was held at the Colonial Office from the 10th to the 31st May, 1927.

The inception of this Conference, which was admittedly of an experimental nature, was held to be so amply justified that in all probability similar Conferences will be held every three years in future. Twenty-six Governments were represented, and the general exchange of views on problems of common interest was found to be very valuable and stimulating both to the Colonial Office and to the Oversea Governments represented.

The Agenda, which were of a comprehensive and varied nature, contained among others the following items:—

1. Recruitment and training of Colonial Civil Servants.
2. General conditions of service of officers in the Colonial Service.
3. Relation of technical to administrative services.
4. Co-operation and exchange of information.
5. Colonial Trade Agencies in London.
6. Civil air development in the Colonies.

7. Developments in mechanical transport.
8. Wireless communications and broadcasting.
9. Forestry.
10. Medical and Public Health questions.
11. Education.

A full summary of the proceedings and conclusions of the Conference will be found in Cmd. 2883 and Cmd. 2884*.

East African Dependencies.

(a) GENERAL.

Kenya.—Uganda.—On the whole, the financial position in East Africa continues to reflect a satisfactory rate of development. In Kenya the budget for 1927, after allowing for extraordinary expenditure amounting to nearly £100,000, showed a considerable surplus, and in Zanzibar, where at first a deficit on the year had been feared, later reports now point to the probability that the satisfactory state of the Protectorate's finances will be maintained. In Uganda, however, the low prices obtainable for cotton have reacted unfavourably on the revenue, and it will be necessary to have recourse to surplus balances which have been built up in previous years to carry on the programme of necessary public works.

At the beginning of the present year, a general election took place in Kenya for the return of European non-official members to the Legislative Council, and the members who were elected have undertaken to press for a European elected majority over all parties in the Council, and to endeavour to further a scheme of co-ordination between the Northern East African Territories. It is satisfactory to record that the Indian community in this Colony have now decided to participate in the elections to the Legislative Council on the basis of a communal roll. The Indian community in Uganda have also agreed to the nomination of one of their number to the Protectorate Legislative Council. A number of important enquiries have been instituted during the year by the Government of Kenya; the Local Government Commission, of which Mr. Justice Feetham was chairman, and the visit of Professor Sir Rowland Biffen to study the wheat industry of the Colony, being particularly worthy of note. The Governments of Kenya, Uganda, and Tanganyika are sharing in the expense of a scientific enquiry into the fisheries of Lake Victoria. During the year a Conference of the Law Officers of the East African Dependencies was held with a view to bringing about greater unanimity and co-ordination between the laws of the respective territories, particularly those relating to commerce. The Anglo-Italian Commission which was appointed to demarcate the new frontier between Kenya and Italian Somaliland as a result of the cession of Jubaland to Italy in 1924 has now completed its work in the field, and is holding its final session in Florence.

* Note :—Cmd. 2884 will shortly be published.—July, 1927.

Tanganyika Territory.—Nyasaland.—Northern Rhodesia.—The general financial position of Tanganyika Territory continues to be satisfactory. The revised Estimate of Revenue for 1926-27 (including revenue from the Railway, which is now paying its way) was £2,142,950, as against £1,975,950 in 1925-26.

In Nyasaland the revised Estimate of Revenue for the year 1926-27 is £325,431, exceeding the approved Estimate by £8,000.

In Northern Rhodesia the revised Estimate of Revenue for the year 1926-27 exceeds the approved Estimate by £27,439, and a large increase is anticipated for the year 1927-28.

The system of indirect administration through native chiefs, which was set up in the Tanganyika Territory last year, is now well established. Approval has recently been given for the grant of a loan of £5,000 from public funds to the native administration of the Masai, for the purpose of improving water supply and conservation in their reserve. A Labour Department, consisting of a Labour Commissioner and three Assistants, was formed during the year. This Department collects information and statistics regarding the labour supply, examines labour conditions, and advises generally on recruiting and care of labour. A labour camp for natives travelling to or from plantations has been constructed at Kilosa, and another camp will shortly be established at Handeni, on the North-East labour route. The Labour Commissioner reports that the labour situation is better now than it was a year ago, and that there is every reason to expect a further improvement during the year.

By agreement with the Belgian Government a Joint Boundary Commission has been appointed and will shortly proceed to carry out an intensive demarcation of the Congo-Zambesi watershed section of the Belgian Congo—Northern Rhodesia boundary, where accurate demarcation is of great importance owing to mining development on both sides of the border.

(b) ECONOMIC DEVELOPMENT.

Kenya and Uganda.—The following table gives particulars of the imports and exports of Kenya and Uganda for 1926 as compared with the previous year :—

	Imports.		Exports.		Transit Trade
	Kenya.	Uganda.	Kenya.	Uganda.	(i.e., to and from Tanganyika Territory).
	£	£	£	£	£
1925	4,195,724	2,677,764	2,724,629	5,097,215	1,187,960
1926	4,197,657	1,964,174	2,414,341	3,596,045	1,278,818
<i>Total Value of Trade.</i>					
				£	
	1925	...	...	15,883,292	
	1926	..	...	13,451,035	

The fall in the total value of imports and exports is due in part to the price of cotton and a shortage in the yield of a maize crop, together with a drop in soda exports, but the industrial situation in Great Britain in 1926 also affected unfavourably the trade of these territories.

The exports of cotton in 1926 showed a decrease in value of £1,637,399 as compared with the previous year. The exports of maize were £280,596, as against £416,964 in 1925, and of coffee £895,080, as against £963,920. The value of sisal exported rose from £531,129 to £579,499.

The percentage of total imports into Kenya and Uganda from Great Britain was 37.12, as against 38.06 in 1925 and 39.90 in 1924. The percentage of exports going to Great Britain was 49.5, as against 56.4 and 42.8 in the two preceding years.

Tanganyika Territory.—Nyasaland.—Northern Rhodesia.—In the following table particulars are given of the imports and exports of the Tanganyika Territory in 1926, as compared with 1925 :—

	<i>Imports.</i>		<i>Exports.</i>		<i>Transit Trade, i.e., from the Belgian Congo.</i>	
	£		£		£	
1925 ...	2,863,917	...	...	3,007,879	...	1,355,602
1926 ...	3,152,422	...	...	3,129,292	...	1,423,045
<i>Total Value of Trade.</i>						
	£		£			
	1925	...	...	7,227,398		
	1926	...	...	7,704,759		

Cotton exported from the Tanganyika Territory in 1926 reached the record figure of 109,450 centals of pounds, as compared with 56,927 centals in 1924 and 49,100 centals in 1913. The export of sisal fibre (a purely non-native crop) has passed pre-war production, 25,002 tons being exported as against 20,834 tons in 1913.

The value of the external trade of Nyasaland, including domestic imports and exports and goods in transit to and from neighbouring territories, but not including Government imports nor specie, reached a total of £1,637,729, the largest figure ever recorded, exceeding the previous year's total by £343,429, or 26.5 per cent.

The following comparative figures show the value of imports and exports in 1925 and 1926 :—

	<i>Imports.</i>		<i>Exports.</i>		<i>Total Value of Trade.</i>	
	£		£		£	
1925 ...	591,654	...	...	564,925	...	1,156,579
1926 ...	791,054	...	...	671,086	...	1,462,140

The most noteworthy feature of the export trade is the quantity of tobacco shipped during the year, which, in spite of adverse weather conditions, established a record, viz., lb.9,142,437, exceeding the quantity exported in 1925 by lb.2,224,998. The ever-increasing activity in tobacco production is attributed mainly to Imperial preference, and to the stabilisation of the preferential duty for a period of ten years. 42 per cent. of the tobacco exported was of native production.

The Director of the Imperial Bureau of Mycology has recently visited Nyasaland for the purpose of advising European planters on the subject of tea diseases.

An expert will shortly proceed to Northern Rhodesia for the purpose of investigating the forest resources of the territory, as recommended by the East Africa Commission.*

(c) COMMUNICATIONS AND TRANSPORT.

Kenya and Uganda.— It is expected that the through railway line from Mombasa to Jinja on the Victoria Nile will be ready for open traffic during 1927. The working of the existing line to Kisumu and of the steamer service on Lake Victoria has been much improved, and the High Commissioner for Transport was able to report in June, 1926, that no complaints had been received regarding congestion of cotton traffic during the preceding year. The extensions of the main line in Kenya to Kitale and Solaji have been opened for public traffic, while the Nyeri extension has been opened as far as Nyeri, and a further extension to Rongai is expected to be opened during 1927. Provision has been made from loan funds for the commencement of the branch line from Tororo to Mbale in Uganda. The continuation of the main line from the Victoria Nile to Kampala has been decided on, but the route of this line is at present under consideration. The two deep-water berths at Kilindini have now been completed and are in use, and the construction of a further two berths has been begun.

Following upon consideration of the recommendation of the Mombasa Port Commission, an agreement has been arrived at between the Kenya and Uganda Railway and the lighterage companies at Mombasa for the general working of Mombasa port.

Tanganyika Territory.—Nyasaland.—Northern Rhodesia.— It is hoped that the Tabora-Mwanza Line at present under construction in the Tanganyika Territory will be opened for through traffic to Mwanza in March, 1928. At the end of 1926, 117 miles out of a total length of 237 miles had been completed. A detailed survey to determine the route of the extension of the

* See Cmd. 2387.

Tanga Line from Moshi to Arusha (as approved by the Guaranteed Loan Committee*) has been carried out, and construction will now begin. Surveys of certain other lines provisionally recommended by the Guaranteed Loan Committee have been carried out, and reports on these surveys will shortly be received. The re-laying of the Central Line with heavier rails was completed during 1926.

It is hoped that the Dodoma-Iringa road, of which 52 miles have been constructed, will be completed in September, 1927.

The construction of a new wharf at Dar-es-Salaam has been continued and nears completion; foundations have also been put in for new Customs sheds.

In Nyasaland certain of the surveys recommended by the Guaranteed Loan Committee in connection with proposals for the extension of the railways and the construction of a bridge over the Zambesi have been carried out, and the reports on these surveys are now under consideration. Other similar surveys are still in progress. An extensive road programme to facilitate transport of native-grown tobacco and other produce is in progress.

Northern Rhodesia has embarked on a road programme approved by the Guaranteed Loan Committee.

(d) RESEARCH AND EDUCATION.

Kenya and Uganda.—An Agricultural, Cotton, Entomological, and Mycological Conference, attended by representatives of the East African Dependencies, and of the Empire Cotton Growing Corporation, the Belgian Congo, Italian Somaliland, and Portuguese East Africa, was held in Nairobi in August, 1926. In Uganda the work of the Sleeping Sickness Commission, under the auspices of the League of Nations, at Entebbe has been continued for a further six months up to June, 1927, and arrangements are being made for the continuation of the work of the Commission in Uganda after that date. The question of education continues to receive the careful attention of Governments, and the provision of suitable school premises is being dealt with in Kenya by the allocation of money from loan funds. The work of the Jeanes Native Teachers' School is being extended by the provision of additional staff. The work of the Makerere College in Uganda is being supplemented by the opening of a new Government Intermediate School, and a Normal School for the training of teachers is also about to be opened. In Zanzibar this year a new departure is being made by the provision of funds for the education of Arab women.

Tanganyika Territory.—Nyasaland.—Northern Rhodesia.—A Director has been appointed to the Amani Institute, and arrived in the Tanganyika Territory early in 1927. He is to return to this country in October, 1927, to prepare a scheme for the future organisation and working of the Institute.

* See Cmd. 2701.

Special provision has been made in the Tanganyika Territory Estimates for 1927-28 for an extensive medical campaign among one particular tribe in the Kahama area in order to obtain information and statistics as to the physical progress of a typical section of the native population. A sum of £70,000 has been set aside, from Guaranteed Loan Funds, for Tsetse Fly Research in the Tanganyika Territory for a period of five years, and steps are being taken to appoint the staff of skilled scientific investigators necessary for the research programme.

In Nyasaland approval has been given for the initiation of measures for the co-ordination of the educational work of the various Mission Societies, who will receive increased grants from the Government and will at the same time come under Government inspection and control. A Board of Education is to be formed and an inspecting staff is being appointed.

In Northern Rhodesia the establishment of the new Agricultural and Veterinary Station at Mazabuka is in progress. The necessary buildings are under construction and the senior Agricultural Research Officer has been appointed.

West African Dependencies.

(a) GENERAL.

Nigeria.—The revenue for 1926-27 was £7,411,983, or nearly £800,000 less than the preceding year. The expenditure was a little over £8,000,000, and, in addition, nearly £2,000,000 was spent from loan funds: The surplus of assets on 31st March, 1927, was over £5,500,000. A heavy programme of public works is being undertaken. During 1926-27 the approved public works expenditure was £1,604,966; for 1926-27 the estimate is £1,829,734..

It has been decided to extend direct taxation to the Colony of Lagos and to those parts of the Southern Provinces which have hitherto been untaxed. Such extension is desirable, not merely on grounds of uniformity and equity but primarily in the interest of the people themselves. The introduction of direct taxation in any area of the Nigeria Protectorate is invariably accompanied by the creation of native treasuries, into which half the proceeds of the tax is paid. The creation of native treasuries enables the native administrations to carry out the functions of local government in a manner most appropriate to local needs and conditions. Experience has proved that the native administrations and treasuries are the most potent instruments for the stimulation of local patriotism and local development, and for inculcating in the chiefs and local authorities a sense of their responsibilities to the communities entrusted to their charge.

Gold Coast.—In the Gold Coast the financial position shows a further improvement, revenue in 1926-27 being approximately £4,360,000 and expenditure £4,310,000, with a surplus balance of just under £2,000,000 and reserve funds amounting to £981,000.

(b) ECONOMIC DEVELOPMENT.

Nigeria.—The year 1926-27 was one of considerable difficulty largely owing to the low prices offering for most of Nigeria's staple products, to a partial failure of the palm oil and cocoa crops due to deficient rainfall, and to the general trade dislocation consequent on the coal strike in Great Britain. Despite these drawbacks the value of the import and export trade in 1926 was £30,500,000, only £3,000,000 less than in 1925 and in excess of any previous year except 1920. Shipments of cotton lint amounted to 179,315 cwt., or 46,591 cwt. more than the quantity exported in the record year of 1925. The cocoa shipments were greater than any previous year except 1925, being no less than 39,096 tons. Exports of groundnuts amounted to 115,434 tons, almost double the quantity exported in the best year prior to 1925. The quantity of tin ore exported reached the record figure of 10,558 tons, more than 1,000 tons in excess of the best previous record.

Much attention has been devoted to the subject of the palm products industry in view of the extended cultivation of the oil palm in the East. A scheme has been prepared to assist merchants to erect a certain number of central factories, which would to some extent be protected by Government against loss. A produce inspection scheme was started in April, in co-operation with the merchants, and has been most successful in raising the quality of Nigerian exports. The Veterinary Department conducted an active immunisation campaign against rinderpest. The native cattle-owners appreciated the benefits and travelled great distances to have their cattle inoculated. The area of the forest reserves was slightly increased, and further extensions are in prospect.

Gold Coast.—The export of cocoa for 1926 constitutes the record of 231,000 tons, as against 223,000 tons in 1924. Steps are being taken to safeguard this, the staple, industry, and foundations for new export industries are being laid. As regards forestry, the wooded areas essential to the safety of the cocoa industry are being preserved from destruction by the policy of establishing forest reserves by legislation.

Sierra Leone.—In Sierra Leone an interesting feature during the last year has been the discovery that the country possesses mineral resources. Extensive deposits of high-grade hæmatite ore have been found in the Protectorate and are likely to be worked, in a short time, by a long-established West African firm. The products of the oil palm form from 70 to 80 per cent. of the exports of Sierra Leone, and the country ranks third among the world's producers of palm kernels. Efforts are being made to develop this industry on more scientific lines. With this end in view the Colonial Government is laying out a model plantation

of 2,000 acres, and endeavours are also being made, by the introduction of hand nut-cracking machines, to increase the yield of kernels from the wild palms scattered over the Protectorate.

(c) COMMUNICATIONS AND TRANSPORT.

Nigeria.—The Eastern Railway from Port Harcourt to Kaduna, with its branch to the tin mines at Bukuru, was completed. The first deliveries of coal from the Government colliery at Enugu to the tin mines, over the new line, were made in October. Nigeria has now two main arterial railways, and it is considered that the best policy is to push on with branch lines which are likely to be rapidly remunerative. Of late years the annual rate of new railway construction in Nigeria has been 100 miles, but in the construction of the new branch lines it is hoped to reach an average of 150 miles per annum. The cost of a five-years' programme of construction at 150 miles per annum may be roughly estimated at £6,000,000.

Great attention is also being paid to the construction of new roads. The Government aims at a programme of 400 miles of new roads per annum, and a special Roads Section of the Public Works Department has been constituted to supervise the work.

Gold Coast.—The Central Province Railway was by October last opened to traffic up to the 81st mile, and the remaining 18 miles may be similarly completed during the present summer. Excellent progress has been achieved in the construction of the Takoradi Harbour, and it may confidently be anticipated that the work will have sufficiently neared completion to permit of the opening of the harbour in time for the 1928-29 cocoa season. Further considerable progress has also been made in the railway feeder roads of the Colony.

Sierra Leone.—Sierra Leone's greatest need to-day is roads. At present an area of 27,000 square miles possesses less than 400 miles of motor roads. The Colonial Government is devoting what money it can to improving this position. £67,000 has already been set aside for five trunk roads, and the appropriation of another £50,000 for road-making is under consideration.

(d) MEDICAL, RESEARCH, AND EDUCATION.

Nigeria.—With the exception of Lagos and its hinterland, where plague is present in epidemic form, the general health of the population has been good. A plague expert, lent by the Government of the Union of South Africa, visited Nigeria during the year, and all his recommendations have been adopted. A special plague staff has been organised, and it is hoped to eliminate plague in its epidemic form. The problems of sanitation and town planning in Lagos are receiving attention, and experts on each subject have visited the city. The special staff which is investigating the tsetse-fly problem in the Northern Provinces was increased, and carried on researches and experiments on a large scale throughout the year.

Eleven new Government schools were opened in the Northern Provinces during the year, and the interest of the Native Administrations in education was well maintained. A new Education Ordinance was passed in the Southern Provinces. A Board of Education has been constituted, the co-operation of merchants, missionaries, and educated Africans has been secured, the staff of the Departments has been increased, and much useful and promising work has been accomplished.

Important experiments have been continued with a view to evolving an improved strain of "native" cotton suited to the Southern Provinces. Medical and veterinary laboratories have been enlarged, and the geological survey of the tin fields was completed.

Gold Coast.—The Research Institute has done some valuable investigation work in regard to plague and the bacilli of dysentery. A report has been produced on the white ant problem.

The formal opening of Achimota College and School took place in January of this year, when sufficient buildings were completed to allow of the opening of the Kindergarten Section. The full opening of both College and School may be anticipated in January next.

The West Indies, Bermuda, British Guiana, and British Honduras.

Bermuda.—The policy of increasing the port facilities for ocean-going vessels has been continued, and £20,000 from loan funds has been voted for the further dredging of the narrows. Active negotiations have also been continuing for the construction of a light railway.

British Honduras.—Attempts are being made to establish a grape fruit export industry, and some £2,000 worth of fruit was exported last year. The increase in the trade of the Colony is worthy of mention. This has risen from 6,100,000 dollars in 1922 to 8,900,000 dollars in 1926, an increase of 46 per cent.

Jamaica.—A Producers' Association has been established to assist in the development of the fruit export trade, and is receiving a grant from the Empire Marketing Board of £1,200 per annum. Various proposals have been made to the Government of the Colony for the establishment of a direct line of fruit steamers between Jamaica and the United Kingdom, and this question continues to receive close attention.

Leewards.—Dominica.—A policy of assisting agricultural enterprise on lines recommended in Sir Francis Watts' report is being followed, but has not yet been able to produce its full effect. The deficit in the Colony's finances is, however, decreasing.

Windwards.—An export trade in bananas has been set up in St. Lucia and Grenada, but the failure of the company principally concerned in it has been a serious set-back. St. Lucia in particular has been severely hit. It had already been in difficulties for some years, having found it impossible to make revenue meet expenditure, and on the 15th May a disastrous fire destroyed practically all the central and business section of Castries, its chief town. Food and clothing have been distributed to those rendered completely destitute, and small loans and gifts of money have been made by the Relief Committee which was immediately appointed by the Governor. Generous grants of money were made by neighbouring Colonies, and a gift of £5,000 from the Imperial funds, to be met from savings on the Colonial Services Estimate, 1927, was tentatively approved by the Treasury pending Parliamentary authority being obtained, as a contribution towards the immediate needs of the Colony. Measures for the rebuilding of Castries and for assisting the sufferers to re-establish their businesses are under consideration.

Trinidad.—A proposal has been made for a levy of 3d. per 100lb. on exports of cocoa beans from Trinidad if certain West African Colonies will adopt a similar policy, the proceeds to be devoted to an advertisement campaign, etc., of cocoa, organized by a central Committee in London. This proposal is under consideration. The exports of oil from the Colony continue to expand.

British Guiana.—At the end of 1926 a Parliamentary Commission was appointed to visit British Guiana to report upon the economic condition and development of the Colony and their report was laid before Parliament and published in April, 1927 (Cmd. 2841). The Conservator of Forests has made an interesting report upon his survey of the forests in the triangle between Bartica and the Mazaruni and Essequibo rivers. He has reported that an area of 335 square miles contains 67,000,000 cubic feet of greenheart, besides another 240,000,000 cubic feet of other timber. An engineer lent by the Malay States Government has also made a preliminary railway survey in this area and is now extending his investigations to the possibility of alternative routes to some parts of the interior.

Imperial College of Tropical Agriculture, Trinidad.

The College has made solid progress during the past year. The number of the students and of the staff has increased, and the College has extended the scope of its services to the Colonies generally, and in particular by the appointment of Professor Ballou as Commissioner of Agriculture to supervise agricultural development in the Windward and Leeward Islands. The College has secured invaluable aid from His Majesty's Government, the Empire Marketing Board, the Lancashire Cotton

interests, Nigeria, the Gold Coast, Sierra Leone, the Sudan, and Southern Rhodesia, which has strengthened its standing and financial position.

The outstanding event of the year has been the grant of a Royal Charter and the gracious consent of His Majesty the King to become the Patron of the College. Another matter of importance has been the building, at the cost of His Majesty's Government, of a hostel for students, to be called the Milner Hostel. The work is approaching completion, and will be particularly valuable, not only in facilitating the work of the students but also in promoting a corporate spirit among them.

In short, this institution, due to the enterprise of Sir Francis Watts and the sympathy and foresight of Lord Milner, is making steady progress, and has already proved itself of great value to the tropical parts of the Empire.

Eastern Dependencies.

(a) ECONOMIC DEVELOPMENT.

Ceylon.—The principal agricultural industries continued to flourish. The total shipments of tea during 1926 amounted, in round figures, to 216,000,000lb., as compared with 209,000,000lb. in 1925, and exports of rubber to 58,000 tons, as against 45,687 tons in the previous year.

Mauritius.—The sugar industry remained depressed, owing to the present low prices, the over-stocked condition of the market, and to a cyclone which destroyed a portion of the crop early in 1926. 118,795 metric tons were exported from the 1926-27 crop, as compared with 195,682 metric tons from the previous crop.

Seychelles.—A good year was experienced in 1926, the production and exports of vanilla, essential oils, and copra showing increases over the previous year.

A whaling concession was granted, but work has not yet been begun.

(b) TRAINING AND RESEARCH.

Ceylon.—The usual work on medical research and preventive measures, designed principally to combat malaria, continued throughout the year. Similarly, the programme of agricultural research and experimental work proceeded on the usual lines.

Mauritius.—Anti-malarial and anti-ankylostomiasis campaigns continued to be conducted. Work was commenced on the construction of a central rat-proof granary at Port Louis, intended to mitigate the danger of the introduction and spread of plague.

Increased activity was displayed in experimental work connected with the development of alternative agricultural industries, notably the production of tobacco and aloes-fibre.

The services of an expert on the fisheries of the Indian Ocean (Mr. J. Hornell) were enlisted to examine and report on the marine resources of the Colony.

Seychelles.—Mr. Hornell proceeded to Seychelles also, and conducted similar investigations into the marine resources of the waters of Seychelles and its outlying dependencies.

(c) FINANCE.

Ceylon.—The financial position continued to be highly satisfactory.

Mauritius.—Owing to the depression of the sugar industry, revenue failed to equal expenditure, the deficit being met from the surplus balances of the Colony.

Seychelles.—The financial position continued to be highly satisfactory.

Malaya.

In spite of the severe floods which overwhelmed parts of Malaya at the end of 1926, the rubber and tin industries, on which prosperity is dependent, have continued to flourish. A company has been formed to exploit the hydro-electric power resources of the Perak River to the advantage of the tin mines in the Kinta area and, at the request of the Federated Malay States Government, an expert investigation has been conducted into the geology of the Kinta Valley. The important part played by research in economic development has been recognised by the establishment of a Rubber Research Institute. Steps are being taken to bring the Agricultural Department up to full strength, and a new Veterinary Service has been created. A programme for the expansion of the Forest Service has been approved, and a Logging Engineer has been engaged to investigate and report on a scheme for the economic exploitation of timber.

An exhaustive enquiry into the working of the Federated Malay States Railways has revealed certain weaknesses which are engaging attention. Among the objects to be aimed at is the maintenance of closer co-ordination between road and railway development. Progress is being made with the East Coast Railway providing an alternative route connecting Singapore with Siam. Completion is expected in 1929.

The Medical Department of the Straits Settlements and Federated Malay States has lately been re-organised and expanded to meet the increased pressure of the problems of public health, and the staff of the Research Institute has been strengthened. In the Federated Malay States new legislation has been enacted with the object of facilitating anti-malarial measures and of improving the medical and sanitary arrangements on estates and plantations. In the field of education progress has been made in the building and equipment of a new College at Singapore, in memory of Sir Stamford Raffles.

In the Federated Malay States a notable political development has been the delegation to the State Councils of responsibility for questions of local interest, while the Federal Council has been enlarged to deal more effectively with matters of common concern. The Federated Malay States Government has taken advantage of the present tide of prosperity to contribute the sum of £2,000,000, in five instalments, towards the Singapore Naval Base. This generous and statesmanlike action reflects at once the loyalty of the Rulers and people, and the general prosperity of the country.

Hong Kong.

Progress in Hong Kong has been hampered by the disturbed conditions in China. The Colony has come safely through the prolonged trade depression resulting from the boycott of British goods in Kwangtung, and, while the situation is still full of anxiety, there is reason to hope that normal conditions will be restored in the near future. A distinguishing feature in trying circumstances has been the loyalty of the great majority of the Chinese inhabitants.

Other Dependencies.

Falklands.—During the year the Discovery Committee continued their investigations into whales and whaling. Their new ship the "William Scoresby" was completed, and sailed in June, 1926. She is intended especially for whale marking and experimental trawling. Both the "Discovery" and the "William Scoresby" are now actively employed at sea, but the "Discovery" will return to England about October, 1927, for refitting and the working up of her results. The Marine Station at South Georgia operated during the whole of 1926, but has since been closed for the southern winter of 1927. It will reopen in October next.

Valuable results have been obtained, but much work remains to be done before the main problems in view can be solved.

Fiji.—Exports exceeded imports by some £290,000, the principal exports being sugar, copra, and bananas. Attempts to establish new industries are being made, particular attention being given to the cultivation of cotton and pine-apples. The initial consignments of Fiji canned pine-apples are said to have had a satisfactory reception in Canada.

An expert report on the forest lands of the Colony is being obtained and is expected to be available shortly.

Arrangements for a new Inter-insular Steamer Service have recently been completed.

The educational arrangements in Fiji were reviewed generally by a Commission whose Report has been presented and is receiving consideration.

A Fijian Infant Welfare campaign is to be instituted in 1927. A scheme for the establishment in Suva of a Central School for the training of Pacific Island Native Medical Practitioners is also well advanced.

A campaign against the spread of the coconut moth (*Levuana iridiscens*) has met with considerable success. It is hoped that this campaign will result not only in safeguarding the existing plantations, but will also open up the island of Viti Levu for coconut plantations. Other problems affecting the quality of Fiji copra are also being investigated, including that of producing better strains of coconuts by artificial pollination and pure line breeding. Banana pests and diseases are also being studied, a cotton experimental station has been opened, and special experimental work is also being undertaken in connection with pine-apples, rice, and tropical grasses and fodder plants.

Since 1922, when there was an excess of Liabilities over Assets of some £243,000, the Colony of Fiji has been faced with a financial problem of considerable difficulty, and the Colony is to be congratulated on the manner in which the problem has been faced. By the end of 1926 this adverse balance had been reduced to £35,000, the amount of the reduction in 1926 being £48,400.

Cyprus.—Expert opinion has been obtained in regard to the improvement of the harbours of the Island, and it is believed that means have at last been found of increasing the water supply from underground sources. Considerable attention is being devoted to the development of the agricultural resources of the Colony, and to the expansion of its export trade and communications.

Cyprus is the second most important silk-producing country in the Empire. Until recently, however, the cocoons, which are of a high standard of quality, were exported abroad to be reeled. A filature has now been established in the Island, by a British company, and it is thought that there are possibilities of developing a considerable industry in Cyprus silk. These are enhanced by the preference which the material receives over foreign silks in the British markets.

Cyprus is rapidly assuming importance as a producer of asbestos. The large deposits of asbestos at Amiandos are now being successfully worked and the output is annually increasing.

The Island has not been without its political troubles. In November last the Elected Members, who are in a majority in the local Legislature, threw out the budget as a protest against the continued payment by the Island of its contribution towards the Ottoman Debt charge; and it became necessary to assure supply by the passage of an Imperial Order in Council.

Middle Eastern Territories.

Palestine.—Steps are being taken to improve the methods of preparing and marketing local citrus and other fruits.

State forests aggregating over half a million dunums (some 120,000 acres) have been reserved, and there are now fourteen Government forest nurseries with over a million trees in stock.

A central stud farm has been established at Acre, with five branches in the districts.

Under the Palestine and East Africa Loans Act, 1926, the Treasury are authorised to guarantee a loan of £4,500,000 to be raised by the Palestine Government, partly for the repayment of advances and for the purchase of railway and other capital assets acquired from His Majesty's Government, and partly for the construction of a harbour at Haifa and other works of development.

Municipal Council elections were held for the first time in April, 1927.

It has been found necessary to revise the register of land titles, which was in an unsatisfactory condition under the Turkish administration. For this purpose a systematic cadastral survey and investigation of title has been started.

The forces for the maintenance of security and the defence of Palestine and Trans-Jordan have been re-organised. In addition to the civilian police establishments in both territories, a local force, known as the Trans-Jordan Frontier Force, has been formed and will be available for service in either area as required. Under the new arrangements Palestine pays the whole cost of its police services, besides bearing five-sixths of the cost of the Trans-Jordan Frontier Force and making a contribution towards the cost of the British forces stationed in Palestine.

Trans-Jordan.—Steady progress has been made within the limited financial resources of the Trans-Jordan Government, and public security in the interior has been well maintained.

Negotiations are in progress for the conclusion of an agreement between the Amir of Trans-Jordan and His Majesty's Government and for the enactment of an Organic Law for Trans-Jordan which will provide, *inter alia*, for the establishment of a representative assembly.

Iraq.—The question of the northern frontier having been satisfactorily settled, the 'Iraq Government have during the past year been able to devote more attention to economic problems. Steady progress has been made throughout the year.

The development by the Anglo-Persian Oil Company of the oil-fields in the so-called "Transferred Territories," in the neighbourhood of the Perso-'Iraq frontier, is proceeding. It is anticipated that sufficient quantities of oil to meet the local requirements of 'Iraq will shortly be obtained from this source.

The Turkish Petroleum Company, which holds a concession in the Baghdad and Mosul vilayets, exclusive of the "Transferred Territories," started boring operations in April, 1927.

Conferences have taken place between representatives of the Turkish Government and the 'Iraq Government for the settlement of local frontier questions, and between representatives of the 'Iraq Government, the Turkish Government, and of the Governments of other neighbouring territories with a view to the joint action in various economic matters such as cattle plague, locusts, etc.

Aden.—Control over the political and military administration of Aden has, under a recent decision, been transferred to the British Government. The Government of India remain responsible only for the internal administration of the Settlement. From the 1st of April, 1927, the Government of India will contribute a fixed sum of £250,000 a year for three years towards the cost of the military and political administration. Thenceforward their contribution will be fixed at one-third of the cost, subject to a maximum of £150,000 a year.