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The Colonial Empire in 1937-38

Statement to accompany the
Estimates for Colonial and
Middle Eastern Services
1938

*Presented by the Secretary of State for the Colonies
to Parliament by Command of His Majesty
June 1938*

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CONTENTS.

	<i>Page</i>
Introduction	3
Note on the Estimates	4
MATTERS OF GENERAL INTEREST—	
The Coronation	5
Defence	5
The Colonial Service	8
Economics and Finance	11
Agriculture	26
Forestry	36
Public Health	36
Education	42
Communications :—	
Aviation	47
Road and Rail Transport	48
Cables and Wireless	49
Labour	49
Broadcasting	52
Films	53
Surveys	53
Penal and Prison Matters	54
Preservation of wild life	54
EAST AND CENTRAL AFRICA :—	
General	55
Somaliland	55
Kenya	56
Uganda	58
Zanzibar	58
Tanganyika	59
Northern Rhodesia	60
Nyasaland	61
Labour recruitment in Northern Rhodesia and Nyasaland	63
WEST AFRICA :—	
General	64
Nigeria	64
Gold Coast	65
Sierra Leone	65
EASTERN AND PACIFIC :—	
Hong Kong and Malaya	66
Ceylon	67
Mauritius	68
Fiji	69
Western Pacific	70
MEDITERRANEAN :—	
General	70
Cyprus	71
Malta	72
MIDDLE EASTERN TERRITORIES :—	
Palestine	73
Aden	74
WEST INDIES :—	
British Guiana and British Honduras	74
APPENDIX—I	77
APPENDIX—II	78

INTRODUCTION.

In the debate on the Estimates for the Colonial and Middle Eastern Services in the House of Commons in June, 1937, it was suggested by various Members that an annual report might usefully be presented to the House in connection with these Estimates. I undertook to comply with this suggestion, as an experiment at any rate, during the present year. The memorandum now circulated is the result.

I think that what most of us had in mind was that the report should provide a review, on broad lines, of the more important developments during the preceding year or so in and in connection with the Colonial Dependencies. It seemed that such a report would save a good deal of the time of the House as well as be of interest to Members generally. I felt that the report must be something of an experiment. The last report of the kind was presented to the House in 1928 (Cmd. 3149), but there have been many developments since then and present-day requirements seem to call for a somewhat different and more comprehensive treatment of the subject. Members will not expect this report to be in any way exhaustive; this would obviously be impossible in relation to the very diverse elements of the Colonial Empire scattered as they are throughout all the Continents, embracing rather more than 55 million inhabitants of many races and consisting of over 30 different units of Government.

The following is a list of these territories, grouped regionally, with their estimated populations in round figures:—

EAST AND CENTRAL AFRICA—	<i>Population.</i>
British Somaliland	350,000
Kenya	3,260,000
Uganda	3,690,000
Zanzibar	240,000
Tanganyika Territory	5,190,000
Nyasaland	1,620,000
Northern Rhodesia	1,380,000
WEST AFRICA—	
Nigeria	20,200,000
Gold Coast	3,610,000
Sierra Leone	1,920,000
Gambia	190,000
EASTERN AND PACIFIC—	
Ceylon	5,680,000
Malaya	4,790,000
North Borneo	770,000
Hong Kong	990,000
Fiji and Western Pacific Islands	400,000
Mauritius	400,000
Seychelles... ..	30,000

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	<i>Population.</i>
MIDDLE EAST—	
Palestine	1,300,000
Aden	650,000
MEDITERRANEAN—	
Malta	260,000
Cyprus	370,000
Gibraltar	19,000
WEST INDIES AND ATLANTIC—	
Bermuda	30,000
Bahamas	66,000
Barbados	190,000
Leeward Islands	140,000
Windward Islands	210,000
Trinidad	450,000
British Guiana	330,000
Jamaica	1,150,000
British Honduras	56,000
St. Helena and Ascension	4,500
Falkland Islands and dependencies	2,400

In each of the above 34 territories there is a Governor or High Commissioner (in Zanzibar the British Resident) through whom the responsibilities of His Majesty's Government are exercised.

A glance at the table of contents will indicate the method of treatment which I have adopted. The value of co-ordination throughout the Colonial Empire in the main fields of administration, with a view to the common utilization of the resources and experience not only of the Dependencies but also of this country; is becoming increasingly recognized. It is reflected, in the Colonial Office itself, in the development of three important co-ordinating Departments, the Colonial Service Department, the Economic Department and the General Department aided by expert Legal, Financial and Economic, Medical, Agricultural and Educational Advisers, as well as by external Advisory Committees one of which contains distinguished representatives of the House of Commons. It is in accordance with this development that a large part of the report is devoted to a general survey of the more important activities in the above fields. In the regional survey which follows I have attempted to select and deal with special events and problems of more local significance which occurred in the year under review.

NOTE ON THE ESTIMATES.

The Estimate shows a net increase of £847,078 over the previous year's total, chiefly owing to the absence of any provision for a contribution from the Government of Palestine towards the cost of defence in Palestine (see Subhead H.1 of the Estimate). £783,000 was received from Palestine on this account in 1937-8 but owing to the recent deterioration in the finances of the Government of Palestine it is not proposed to call for any contribution in 1938-9.

There is also a net increase of £97,000 in the "Colonial Services" section of the Estimate, but this is offset by a net decrease of £33,000 in the "Middle Eastern Services" section.

MATTERS OF GENERAL INTEREST.

The Coronation.

The Coronation of Their Majesties King George the Sixth and Queen Elizabeth on the 12th May, 1937, was the outstanding event of the year under review.

Their Highnesses the Amir of Trans-Jordan, the Sultan of Zanzibar, the Sultan and Sultanah of Johore, the Yang Di-pertuan Besar of Negri Sembilan, the Sultan of Pahang and the Sultan of Trengganu attended the ceremony as Royal guests, and other distinguished visitors included Her Highness the Ranee of Sarawak, Their Highnesses the Sultan of Lahej and the Sultan of Shihr and Mukalla, the Paramount Chief of Barotseland and the Alake of Abeokuta. The general community of each of the Colonial Dependencies was represented by one or more persons, and a number of serving or retired Governors and Colonial officials were also present.

A Colonial Empire military contingent was formed from detachments of the permanent forces and the volunteer defence forces of the various Dependencies. This contingent provided a mounted Colonial Escort which was in attendance upon His Majesty, the remainder of the contingent marching at the head of the Royal Procession. The contingent was inspected at Buckingham Palace on the 14th May by His Majesty, who presented the Coronation medal to all ranks.

The colonial visitors remained in this country for several weeks and received a very large measure of hospitality which was deeply appreciated.

In all Colonial Dependencies, Their Majesties' Coronation was celebrated with much ceremony and rejoicing, and the descriptions of the local celebrations which have been received from the various Governors and High Commissioners and the hundreds of loyal messages which were addressed to the King and Queen bear striking testimony to the intense regard and affection for Their Majesties and the Royal Family which is felt by millions of persons of every race, creed and class in the Colonial Empire.

Special Coronation issues of postage stamps, following a uniform design embodying portraits of Their Majesties, were on sale in the Colonies from the 12th May to the 31st December, 1937.

Defence.

NAVAL.

On the 14th February, 1938, the graving dock at His Majesty's naval base at Singapore was declared open, and named "The

King George VI Dock," by the Governor of the Straits Settlements, Sir Shenton Thomas, at the invitation of the Lords Commissioners of the Admiralty. The ceremony was attended by Their Highnesses the Rulers of the Malay States as well as by a distinguished company representative of His Majesty's Governments and the Governments of the Eastern Colonies and His Majesty's representatives in neighbouring foreign countries.

During 1937 legislation was enacted in Ceylon, Nigeria and Sierra Leone in connection with the establishment of Naval Volunteer Defence Forces, and is now being enacted in the Gold Coast also. The question of raising local Naval Volunteer Forces in Zanzibar and Tanganyika is under consideration. Royal Naval Volunteer Reserve Forces already exist in the Straits Settlements, Hong Kong, Kenya and the Gambia.

MILITARY.

A reorganization of the Royal West African Frontier Force in Nigeria, the Gold Coast, Sierra Leone and the Gambia has been in progress during the past year and is nearing completion. The objects of the reorganization are to bring the military forces maintained in these territories into line, in so far as local conditions permit, with the new organization of the British Army, and to render them a more effective weapon for the maintenance of internal security and the defence of British territories in Africa.

A similar reorganization has been taken in hand in the year under review of the King's African Rifles in Kenya, Uganda, Tanganyika and Nyasaland, and of the Northern Rhodesia Regiment and the Somaliland Camel Corps.

The local Volunteer Forces in East and West Africa, both European and African, are also in process of reorganization, with the object of enabling these Forces to take their full part in the defence of the territories in which they are located.

The Federated Malay States Government maintain at their own expense not only a well-equipped and efficient Volunteer Force but also a regular battalion of the Indian Army which is stationed at Taiping in Perak, and recently the experimental formation of a Malay Regiment was inaugurated. This scheme has met with marked success, and the experimental company of the Malay Regiment was last year expanded to full battalion strength and took its part in the defence exercises at Singapore.

A review of the Volunteer Forces of the West Indian and neighbouring Colonies has been completed, and steps have been taken to increase the strength of the Volunteers in Trinidad, Barbados and British Guiana, whilst the Force in St. Vincent has been completely reorganized. In Jamaica a Corps of Signals has been formed as a new unit in the local Forces. In Ceylon a

new anti-aircraft battery of the Ceylon Garrison Artillery has been formed. The raising of a small Volunteer Force in Seychelles is under active consideration.

AIR.

The Legislative Council of the Straits Settlements has recently made provision for increased expenditure on local volunteer forces in Malaya. This will permit of the expansion, *inter alia*, of the Straits Settlements Volunteer Air Force.

Flying clubs have been established in a number of Colonial Dependencies.

VOLUNTARY CONTRIBUTIONS TOWARDS DEFENCE.

On the 14th February, 1938, the Legislative Council of the Straits Settlements voted a sum of \$500,000 S.S. (£58,000) as a gift to His Majesty's Government towards the cost of the Imperial Defence of the Empire. This is the fifth successive year in which such a gift has been made by the Colony over and above the annual contribution which is made from local funds to the cost of the garrison in the Straits Settlements and the Colony's appropriation to meet the cost of its own Volunteer Naval, Military and Air Forces.

In the Federated Malay States, on the proposal of Their Highnesses the Rulers, the Federal Council in November, 1937, unanimously passed a resolution that the Federal Government should present to the Imperial Government two squadrons of service aeroplanes for use in Malaya of a total cost not exceeding \$2½ million S.S. (£289,000).

In the period under review other voluntary contributions towards the cost of Imperial Defence have been received from Fiji (£F.5,000), Barbados (£25,000), and the Gilbert and Ellice Islands (£750).

I wish to express my sincere appreciation of these voluntary gifts, which are, of course, over and above the contributions made by certain Colonies towards the cost of the Imperial garrisons stationed therein, viz., Bermuda, Straits Settlements, Hong Kong, Ceylon, Mauritius, Jamaica, and Cyprus.

Considerable sums have been expended by Nigeria, the Gold Coast, Sierra Leone, the Gambia, Kenya and Uganda, Tanganyika and Nyasaland, and Northern Rhodesia, on the re-organization of their local permanent military forces. Large capital expenditure has also been incurred by these Dependencies. In addition, Nigeria, the Gold Coast, Sierra Leone, Kenya and Tanganyika have made increased provision for the volunteer forces maintained in these territories. Kenya, Uganda and Zanzibar have provided additional funds for coast defence.

I desire to express also my sincere appreciation of these most valuable contributions to the defence of the Empire.

The Colonial Service.

The organization of the Colonial Service is a matter of the first importance, and much has been done during the last few years to improve and develop that organization. I will refer briefly to the main points under separate headings.

THE POLICY OF UNIFICATION.

In 1930 Lord Passfield, accepting the view of the Colonial Office Conference of that year, inaugurated a new policy by giving official recognition to the existence of a single Colonial Service. The creation of such a Service had been recommended by a committee (whose report was published as Cmd. 3554 of 1930) which had also recommended that within the larger whole of the Colonial Service unified special services should be organized with the necessary degree of assimilation of terms of service in the several Colonial Dependencies.

A unified Service may be described as one which has a definite membership, based upon a schedule of posts normally filled by members of the Service, a standard method of entry, and a recognized system of transferability throughout the Colonial Empire, entrants to a Service after its institution being liable to serve in any Dependency. The aim of unification is the maintenance and improvement of the efficiency of the Colonial Service by enabling staff of high personal and professional qualifications to be recruited and, when recruited, to be employed under conditions which admit of their qualifications being utilized to the fullest possible extent in the interests of the Colonial Empire as a whole.

By the beginning of the period now under review, substantial progress had been made with the scheme of unification. The Colonial Administrative Service was established in 1932; the branches of the Colonial Service in which members of the legal professions are employed were consolidated in 1933 into the Colonial Legal Service; and at intervals during the following four years a Colonial Medical Service, a Colonial Forest Service, a Colonial Agricultural Service, a Colonial Veterinary Service and a Colonial Police Service were constituted. During 1937-8 the Colonial Customs Service, the Colonial Geological Survey Service, the Colonial Mines Service, the Colonial Postal Service and the Colonial Survey Service have come into existence, and officers of the Colonial Audit Department have been constituted the Colonial Audit Service.

STANDARDIZATION OF CONDITIONS.

It is evident that, if full effect is to be given to the scheme of unification and if its benefits are to be properly realized, basic principles have to be formulated to govern such matters as the salaries, pensions, leave and passages of members of the unified

Services so as to secure a broad equality in the prospects, opportunities and general conditions of officers serving in the very varying circumstances of the different Dependencies.

Revised salary scales framed with that end in view have been adopted throughout West Africa and in Fiji and Cyprus; and the revision of salaries in East Africa, Hong Kong and the Western Pacific has been in progress during the year under review. Similar revisions in other groups of Dependencies are now under examination and will be undertaken as opportunity offers.

A uniform pension rate has been laid down as suitable for officers of the unified Services and has been adopted by most of the Colonial Governments concerned; progress has also been made during 1937-8 towards securing the standardization of normal retiring age, and proposals have been recommended to Colonial Governments for the establishment of a central fund for widows' and orphans' pensions to cover officers of the unified Services and grades of corresponding status. At the same time the general principles which should govern local widows' and orphans' pension funds to cover other officers have been settled and referred to Colonial Governments.

The question of formulating basic principles to regulate the grant of leave and passages to officers of the unified Services, and others of corresponding status, was considered by a committee whose report (Cmd. 4730) was published in 1934. By the end of the period under review, the leave and passage regulations of most of the Dependencies outside the West Indies had been brought into conformity with the recommendations of that committee.

RECRUITMENT AND TRAINING.

The period of general financial and economic depression led to a sharp fall in the rate of recruitment for the Colonial Service from which there has been a gradual but steady recovery over the last three years. In 1937 the number of candidates selected (excluding men engaged for such technical and other appointments as were filled by the Crown Agents for the Colonies) was approximately 75 per cent. of the number taken in 1930 and three times as large as the number selected in 1932, the year when recruitment was most seriously affected by the depression. Recovery has been particularly noticeable in regard to the Colonial Administrative Service, but is now becoming generally apparent in other branches of the Colonial Service.

The question of special training is closely bound up with that of recruitment and the policy of providing special courses of training for selected candidates before they take up their duties in the Colonial Service has been maintained and extended during the period under review. Arrangements now exist whereby the

great majority of officers selected for first appointment as members of a unified Service are required, unless their previous employment or education is thought sufficient for the purpose, to undertake special forms of training to fit them for the duties which they will be called upon to perform in the Colonial Service. Facilities for "refresher" or other courses of study, whereby officers while on leave in this country can improve their equipment or bring their knowledge up to date, have also been provided for some branches of the Service. The possibilities of extending the system of study leave are now receiving attention.

In this connection I should like to pay a tribute to the organizers of the Summer School of Colonial Administration, held at Oxford University in 1937. About 150 officers of the Colonial Service attended this course, and had the benefit not only of hearing lectures by distinguished authorities but of making valuable personal contacts and of exchanging ideas on problems of common interest.

INTERCHANGE OF PERSONNEL.

Closely bound up with the development of the unification policy is the idea, to which I attach great importance, that there should be the fullest possible interchange of personnel both between individual Colonial Governments and between the Colonial Service and the staff of the Colonial Office at home. Inter-Colonial transfers are now much more frequent than in the past, and promotions to the senior posts in the Service are made by selection from the Service as a whole, so that the collective fund of experience possessed by the Service is made as widely available as possible. The importance of filling Governorships and other "key" posts by comparatively young men who are in full vigour has been continually in my mind; and with a view to stimulating developments in this direction I recently decided to reduce the normal term of office for Governors from six years to five, thus providing for more frequent changes without sacrificing essential continuity in administration.

The interchange of staff and of experience between the Colonies and the Colonial Office is no less important, for reasons which are too obvious to require elaboration. All administrative officers entering the Colonial Office are required during their early years to serve abroad, and two or three young officers are normally seconded at a time for periods of about two years to the civil services of different Colonies. Conversely, from six to nine junior officers of the Colonial Administrative Service are regularly employed for two-year periods in the Colonial Office. At the time of writing I have serving in the Colonial Office officers seconded from Kenya, Nigeria, Malaya, Hong Kong, Nyasaland and Northern Rhodesia. The senior officers of the Colonial Office staff pay frequent visits to the Colonies for particular purposes, and I may here mention the

very successful tour undertaken by the Parliamentary Under-Secretary of State, the Marquess of Dufferin and Ava, to Aden, Somaliland, Zanzibar and Mauritius in the early part of 1938. There are also a certain number of actual transfers in the senior ranks; I may mention, for example, the recent appointment of the Governor of Sierra Leone to an Assistant Under-Secretaryship at the Colonial Office, and that of a Colonial Office Principal to the Financial Secretaryship of Hong Kong.

Economic and Financial.

GENERAL.

Full particulars regarding the economic and financial position of Colonial Dependencies will be found in the publication entitled "An Economic Survey of the Colonial Empire (1935).^{*} The 1936 edition is at present in the Press. A table is annexed as Appendix I to this Paper showing the estimated revenue and expenditure and the imports and exports of some of the principal Dependencies for 1937.

There are very few industrial enterprises in the Colonial Empire and for the most part its inhabitants are engaged in primary production, that is to say in the production either of foodstuffs for their own consumption or for consumption within the territory, or in the production of agricultural products or minerals for export. The chief producers of oil are Trinidad and (to a lesser extent) the territories in North Borneo; other mineral production is mainly concentrated in Northern Rhodesia, Malaya and certain parts of West Africa.

So far as production for use within the territory of production is concerned, the Colonial Empire is comparatively little affected by variations in world prices. On the other hand, in the case of production for export these variations in world prices are of vital importance; they affect fundamentally both the general welfare of the producers and also the revenues of the Governments. It is an unfortunate fact that world prices of primary commodities are liable to more violent fluctuations than those of manufactured products.

During the greater part of 1937 the prices of most of the important exports from colonial territories were high compared to the level of prices in recent years and, in some cases, compared with the costs of production, where these can be ascertained. The year was therefore one of considerable prosperity both for producers and for Governments. In Northern Rhodesia exports rose in value by 100 per cent. from £6 million in 1936 to £12 million in 1937. Other territories cannot show increases of quite this order in one year, but the exports of Ceylon and Malaya both increased by

^{*} Colonial No. 126. Published by H.M. Stationery Office. Price £1 5s. 0d.

over 40 per cent. as compared with 1936 and were double the 1932 figure. The Nigeria and the Gold Coast figures were some 30 per cent. above 1936 and again more than double the depression years. Figures equally striking could be given for many other Colonial Dependencies.

Colonial Governments reaped their share of this increase in prosperity. For instance, the revenue of Tanganyika, which was only £1½ millions in 1932, exceeded £2 millions by 1936 and remained at that level in 1937, while the revenue of Ceylon rose from £6·4 millions in 1931-2 to £8·7 millions in 1936 and 1937. Similar figures could be given for many other territories.

But I regret to say that towards the end of the year prices began to decline seriously and their decline has been continued during 1938. The price of rubber, for instance, which touched 1s. 1¼d. per lb. in March, 1937—admittedly higher than is necessary to yield a fair return to efficient producers—fell to between 9d. and 10d. in the first half of July and thence gradually to below 7d. in November and December, while at the end of March, 1938, it went for a few hours as low as 5d.—a price admittedly considerably below a reasonable level. Copper and tin prices followed a very similar course; copper reached a high point of £78 5s. per ton in March, 1937, and tin a high point of £311 10s. in the same month. Thence prices gradually fell, until recently they have been in the neighbourhood of £40 and £170. These three commodities are subject to regulation schemes, and the fall in consumption, to which the fall in prices is due, has necessitated a decrease in the exports permitted under the schemes.

In the case of vegetable oils and oilseeds, similar if less violent fluctuations in price have occurred. Early in 1937, for instance, the price of palm kernels reached a high point of £19 10s. per ton; by the middle of the year it was running between £12 and £13, and by the end of the year between £10 and £11. Much the same tendency occurred in the case of sisal, which is of considerable importance to Tanganyika and Kenya. The price of No. 1 grade was round about £30 at the beginning of 1937 and had fallen to £20 by the end of the year, and has since been below £17. In the case of sugar, under the influence of the International Regulation Agreement which was concluded in May, 1937, the price remained fairly steady at 6s. 6d. per cwt. until almost the end of the year since when it has fallen to below 5s.

In the case of cocoa, during the main West African season October, 1936, to May, 1937, a high point of 57s. 6d. per cwt. (in January, 1937) was reached for Accra good fermented main crop cocoa. When the 1937-8 season opened in October last the price was round about 28s. The position in the Gold Coast has been further complicated by the cocoa hold-up, in regard to which details are given elsewhere.

In the case of coffee the fundamental change of policy announced by the Brazilian Government on 3rd November, 1937, led to a rapid fall in the price of medium and low grade Empire coffees. The Brazilian change of policy has not been without its effect upon the higher grades, though since these fill rather a special market the fall has been less pronounced.

Almost the only exceptions to this general decline in prices of Colonial products are gold, which has remained relatively steady, and tea. The price of tea, it is true, rose during 1937 with a somewhat unexpected increase in consumption; but the exports permitted under the regulation scheme were increased to counterbalance the increased consumption, first to 87½ per cent. of the year ending 31st March, 1938, and subsequently to 92½ per cent. for the year beginning 1st April, 1938, and these changes prevented any very violent movement. The reason for the relative stability in the price of tea may perhaps be found in the fact that, unlike most of the other important Colonial products, the main market for the commodity is in the United Kingdom and other Empire countries where conditions have been more stable than in the United States. It is precisely those commodities of which the United States is the chief consumer that have experienced the largest fluctuations in price. In fact the recent "business recession" in the United States of America has had a most adverse influence on American demand for Colonial raw materials and consequently on the purchasing power and revenue of a large number of British Colonial Dependencies. The falling off of American demand for tropical raw materials available has had a most detrimental effect.

The effect of a fall in the price of Colonial products varies somewhat according to whether the products come from the small producer on the one hand, or on the other hand from large plantations or mining companies. In the latter case it is the shareholders (who are not normally resident in the colony itself) who receive the chief benefits of a rise in price and, conversely, are the first to feel the effects of a fall. Thus, while of course the prosperity or adversity of plantation and mining companies is a matter of great concern to the territory in which they are situated, the net receipts in cash of the territory (wages, payments for services, and so on) do not immediately vary with the price of the commodity. When prices are high the profits go to the shareholders; when prices are low, the losses are borne by them. Indeed, in the latter event the net receipts in cash of the territory are in excess of the value of the goods exported. In the case of the small producer, on the other hand, the full effects of any change in world prices are felt within the territory at once. The small producer obtains the full benefit of good prices and suffers the full impact of bad prices without any balancing element like the plantation company's reserves to help him. His tendency

is to spend at once the money he receives for his products, and his prosperity or adversity is therefore quickly reflected in an increase or decrease in imports. This in its turn has a rapid effect on Government revenues. Thus, in a year of good prices, the Government will find little difficulty in collecting direct taxation from small producers, and its revenue from import duties will also increase. Conversely in a year of bad prices the Government finds greater difficulty in collecting direct taxation and it finds its indirect revenues shrinking. At the same time the hardship to the small producer is less than would be the case in more developed communities, for in most cases his money income is used to purchase luxuries rather than necessities. In bad times he can, and does, fall back upon production of food crops for his own consumption and carries on with much reduced money transactions.

The fall in the prices of Colonial commodities referred to above will inevitably entail a considerable reduction below the high levels of 1937 in the imports of manufactured articles and a substantial falling off in the revenue receipts of Colonial Governments. At the same time it is probable that any recovery in the position in the United States would be quickly reflected in the prices of Colonial commodities and consequently in Colonial imports and revenues.

COMMODITIES SUBJECT TO REGULATION SCHEMES AND OTHER INDIVIDUAL COMMODITIES.

(A) Four of the most important Colonial commodities, namely rubber, tin, tea and sugar are subject to regulation schemes which depend for their effectiveness upon Government action. A fifth commodity, which is of paramount importance to Northern Rhodesia, namely copper, is subject to an unofficial regulation scheme.

During 1937 a committee was set up by the League of Nations to study the problem of raw materials and presented its report. In this report they discussed at some length the question of regulation schemes and summed up their conclusions as follows:—

“ The Committee while it would not wish to state that all regulation schemes in the past have been well conceived or beneficial to all the interests concerned, considers that the governmental regulation schemes relating to raw materials now in operation have, generally speaking, been an important factor in the improvement in economic conditions during the depression, as well as in the development of international trade.”

There can be no doubt that the rubber, tin and tea schemes have been of great benefit to the Colonial Empire, and there is every indication that this will also be true of the more recently instituted sugar scheme.

The Raw Materials Committee also emphasized that "it is very important that consuming countries should be given every assurance that the schemes will be operated in a reasonable manner. With this end in view it considers that every such scheme should make adequate provision for effective representation of consumers and for publicity, should be subject to the greatest degree of governmental supervision which the circumstances admit, and should be so framed that the controlling body is placed in a position to take immediate and effective action in the event of an unreasonable rise in prices or other effects prejudicial to the consumers." It is the constant concern of His Majesty's Government to ensure that the schemes for which they are in any way responsible comply so far as practicable with these suggestions.

Tea.

In the case of tea, potential production is well in excess of any probable figure of consumption and without the existence of the regulation scheme tea-producers throughout the world would undoubtedly experience very great difficulties, with consequent reactions upon their purchasing power and so upon the rest of the world. The original scheme, initiated in 1933 for a period of five years, terminated on the 31st March, 1938. It has now been renewed for a further period of five years by the three main countries, namely, Ceylon, India and the Netherlands East Indies. Other colonial territories interested in the production of tea are the East African Dependencies and Malaya, and the exact terms of their participation under the new schemes are still under consideration.

Rubber and Tin.

Rubber and tin are both commodities much exposed to fluctuations in demand; in each case something like half of the total consumption occurs in the United States. In the early spring of 1937 the consumption in that country showed a sudden and unexpected rise and the percentage of release under each scheme was rapidly increased. Towards the end of the year consumption in America equally rapidly and equally unexpectedly fell off and the percentage release had to be drastically reduced. It is exceedingly fortunate that the regulation schemes were in existence and that therefore the sudden falling off in consumption has not resulted in the piling up of surplus stocks which would overhang the market, depress prices still further and prevent the possibility of any rapid recovery.

On the other hand, it must be admitted that although in each case the controlling committee has acted with all possible rapidity, the schemes have not been able to prevent somewhat violent short-term price fluctuations. It should be emphasized, however, that these fluctuations have been due to the fact that

the demand increased very quickly and unexpectedly, and was largely due to excited buying by legitimate consumers—buying which the march of events showed to be unnecessary. It must also be remembered that any increases or decreases sanctioned by the committee cannot affect the volume of supplies available for immediate consumption since in each case the commodity comes from a part of the world distant from that in which it is consumed. There is no reason to suppose that over a longer period the controlling committees would be unable to fulfil their essential function of equating supply to demand which should prevent prices remaining for long either very much too high or very much too low.

A possible method of minimizing these short-term fluctuations might be the institution of buffer stocks. The Raw Materials Committee, to whose report reference has already been made, did not feel able to decide whether it would be possible to institute buffer stocks in actual practice, since, however desirable they may be in theory, the practical difficulties in establishing them are serious. The International Tin Committee has, however, framed a draft scheme for a buffer stock which is now under consideration.

The rubber scheme is due to expire at the end of the current year and the International Rubber Regulation Committee have recently submitted to the five contracting Governments (namely, His Majesty's Government in the United Kingdom, the Governments of India, Siam, the Netherlands (for the Netherlands East Indies) and France (for French Indo-China)) their recommendations as regards the terms on which the scheme should be renewed for a further period of five years. It is hoped that these recommendations will be unanimously accepted by the contracting Governments.

It is proposed that under the new scheme the number of members of the consumers' panel should be increased from three to four so as to enable a second representative of American interests to be appointed to it.

Sugar.

The fourth commodity to be subject to an International Regulation Scheme is sugar, which is of vital importance to a number of the West Indian Colonies, Mauritius and Fiji. In some of these Colonies sugar represents so large a proportion of the territories' production for export that the prosperity and standard of living of all classes are dependent on world sugar prices. For some years past, under the influence of the development in many countries of beet sugar, the free market for raw sugar has been contracting and the world price has been very low. The position of Colonial producers has been much assisted by the very valuable preferences granted in the United Kingdom and

Canadian markets. Nevertheless, the position remained far from satisfactory even for them.

An International Sugar Conference was held in April and May, 1937, which after long negotiations terminated in an International Sugar Agreement,* signed by representatives of all the main producing countries, for the regulation of all supplies of sugar affecting the world market. Under the influence of this Agreement and of the negotiations leading to it, prices rose considerably from the low level of round about 4s. 6d. which had obtained during 1936, and during the greater part of 1937 they remained between 6s. and a high point of 6s. 10½d. The quota allocated to the Colonial Empire under the Agreement permitted Colonial territories in every case to export a somewhat larger supply than in recent years, and as this was sold at rather higher prices the Colonies in question reaped considerable benefit from the Agreement.

The Agreement is still only provisionally in force, since all the necessary ratifications have not yet been received, but in practice all the participating countries, whether they have ratified or not, have proceeded as if they had ratified, and steps are now being taken to bring the Agreement into force.

Towards the end of 1937 the price of sugar weakened considerably, partly owing to technical market reasons of a temporary nature, and partly owing to the apprehension that the consumption of sugar in China, which is normally a large importer, might be seriously curtailed by the war in that country. The International Sugar Council at its meeting at the end of April took certain steps to curtail exports in order to remedy the situation, and is meeting again on the 5th of July to discuss the necessity for taking further steps. Under the provisions of the Agreement, such curtailment would not apply to the exports of the Colonial Empire.

During the year, His Majesty's Government in the United Kingdom announced that the special certificated preference given to Colonial sugar would be continued on certain conditions for a further period of five years.

Copper.

The unofficial copper regulation scheme remained dormant during the greater part of 1937 since production was running at such a rate that no restriction was found necessary. In December, however, it was revived and some restriction of production has since been imposed in order to equate supplies to the falling demand. The high prices obtained during the greater part of 1937 and the high rate of output brought great prosperity to the mining industry of Northern Rhodesia.

* Signed in London on 6th May, 1937, Cmd. 5461, price 6d. net.

(B) A few remarks may be desirable about one or two other commodities which have not been mentioned in detail in previous paragraphs.

Oil.

Considerable progress has been made in investigating the possibility of oil production in the Colonial Empire by various oil companies which have conducted researches in the West Indies and in East and West Africa. One company is about to start drilling operations in Nigeria. Revised oil mining legislation is about to be enacted in Palestine and Trans-Jordan. As announced in the House of Commons on the 9th July, 1936, it has been decided to modify with effect from the 1st September, 1938, the general policy laid down some 30 years ago under which oil concessions on Crown lands, in territories for the administration of which the Secretary of State is responsible, have been granted only to British subjects or companies under British control. This embargo is to be raised generally throughout the Colonial Empire, subject to certain conditions, the chief of which will secure that Government still retain the right of pre-emption in case of emergency.

Cocoa.

Shortly before the opening of the season for the West African main crop on the 1st October, 1937, all the European firms engaged in buying cocoa in the Gold Coast and Nigeria, with the exception of the Co-operative Wholesale Society, announced the conclusion of a buying agreement under which the firms undertook not to compete with one another in the purchase of cocoa. One of the objects of the agreement was stated to be the elimination of undesirable practices in the business of cocoa buying by which various fees and perquisites accrued to the buying agents. In order that the African grower might be assured of a fair price for his cocoa in the absence of effective competition, the price at which cocoa was to be bought each day by the parties to the agreement was determined by the world market price in the three main markets of New York, London and Hamburg. The parties to the agreement hold that the world market price is not affected by their agreement but is determined solely by the volume of supply and demand in the markets in consuming countries.

The institution of the agreement coincided with the marked fall in price to which reference has already been made, so that when the season opened the price was round about 28s. per cwt. compared with a high point of 57s. 6d. during the previous season. In Nigeria the introduction of the buying agreement did not lead to grave difficulties, but in the Gold Coast the growers were not satisfied that the agreement would not be

harmful to their interests. They objected strongly to the absence of competition among merchants, and they connected the fall in price with the institution of the buying agreement. As a result they almost unanimously refused to sell cocoa to the firms parties to the agreement and equally to buy European goods. The firms were unwilling to withdraw from the agreement, and the hold-up continued with most detrimental results upon the purchasing power of the African community, the revenue of the Governments, and the imports of British and other European goods. At the beginning of March a Commission was appointed to investigate the whole position and make recommendations for a solution of the deadlock.

At the instance of the Commission, a truce was arranged between the two parties, and marketing was resumed at the end of April. The Government have taken steps to regulate the export of cocoa from West Africa for the next five months so as to mitigate as far as possible the effect on the market of the sudden release of large quantities of cocoa. It has not, however, been possible to prevent a substantial fall in price to about 20s. It is hoped that the Report of the Commission will be available by about July.

Citrus Fruit.

Of the territories whose affairs are dealt with in the Colonial Office, Palestine is far and away the most important producer of citrus fruit. Other producing territories are Cyprus, Trinidad, Jamaica, and British Honduras. Almost the whole of the exports from Palestine, Cyprus, and the West Indies come to the United Kingdom market during the winter months and they compete there with one another as well as with citrus fruit from Spain. In this competition Palestine is unfortunately at the disadvantage that her goods are not entitled to entry at the preferential rates of duty. No less than 83 per cent. of the value of the total domestic exports of Palestine is represented by citrus fruit.

The supplies of both oranges and grapefruit from Palestine have been increasing steadily for several years past, and still further increases are inevitable as the considerable areas planted a few years ago come into bearing. These increasing supplies have inevitably led to a serious fall in the price. Prices during the winter season 1936-7 were at times unprofitable for Palestine and not much better for Cyprus and the West Indies. During the season which is now closing conditions have also been unsatisfactory. A portion of the Palestine crop was sold at prices substantially below the cost of production and marketing, despite the fact that fruit of the less popular sizes and grades was not exported at all. The situation would have been even more unsatisfactory had it not

been for a falling off in the supplies from Spain, and the problem of disposing of the quantities which will be coming forward in future years gives cause for considerable concern. The development of by-products, e.g., fresh fruit juice and canned oranges and grapefruit, is a matter of importance to which increased attention is now being paid.

Tobacco.

The chief Empire countries exporting tobacco are Canada, India, Southern Rhodesia and Nyasaland. There is also a smaller export from Northern Rhodesia, Cyprus, and certain other Colonial Dependencies. Canada and India have large internal markets (India a very large one indeed), but Southern Rhodesia and Nyasaland produce almost entirely for export.

Nyasaland tobacco is of a type suitable mainly for pipe mixtures and finds a ready sale for that purpose in the United Kingdom where the substantial preference of 2s. 0½d. per lb. gives manufacturers a considerable inducement to use Empire tobacco. Unfortunately since about three-quarters of the tobacco in pipe mixtures sold in the United Kingdom is now of Empire origin, no great expansion in the United Kingdom market is likely. A small market is being opened up in West Africa and a little Nyasaland tobacco is also exported to the Continent. So far, however, it has proved very difficult to find markets outside the United Kingdom, and the chief hope of expansion for Nyasaland and other colonial producers therefore seems to be in the production of cigarette tobacco. Strong efforts are now being made to stimulate this where conditions are favourable. Consumption of Empire tobacco in cigarettes in the United Kingdom increased considerably last year, with the result that the clearances of Empire tobacco of all sorts reached a new high level both in absolute quantity and in percentage of total clearances. There is still plenty of room for further expansion, but only for flue-cured tobacco of high quality suitable for consumption in cigarettes.

The system of marketing the Nyasaland crop was reorganized during the year, an auction system being introduced on the lines of that found successful in Southern Rhodesia. The prices realized at the first sales this year have been above previous levels.

In September, 1937, the Imperial Economic Committee presented a report regarding Empire tobacco which will be of great value to producing-territories in framing future policy.

Cotton.

The Colonial Empire has a relatively small share of world production. Nevertheless the crop is of first importance to Uganda and an important export in several other African territories.

The price of cotton is almost entirely dependent upon the size of the crop in the United States of America and that in its turn is dependent upon the bounty of Nature and the limitation of acreage imposed by the Administration. Despite the considerable reduction in acreage planted, last year's crop in the United States was easily a record, and it seems inevitable that large stocks should overhang the market for some time to come. The price of East and West African cotton, which was round about the 8d. level in March, 1937, subsequently fell to between 4½d. and 5d., at which approximate level it seems likely to remain for some time to come.

Sales of Sea-Island cotton, the fine quality cotton produced in the West Indies, continue satisfactory.

Cloves.

In 1936 Mr. Binder (a member of the firm of Binder, Hamlyn and Company, Chartered Accountants), who had been appointed to inquire into the clove position in Zanzibar, presented a report recommending that the Clove Growers' Association, a body established by law under the control of the Government, should be given very extensive powers of control over the marketing of the crop. This recommendation was put into force but it met with opposition from the Indian community of the Protectorate, many of whom are engaged in dealing in cloves. The local Indians were supported by the Congress Party in India itself which imposed a boycott on the importation of all Zanzibar cloves. India takes about one-third of the Zanzibar clove crop, the greater part of the other two-thirds being taken up by the United States of America and by the Dutch East Indies, and the boycott has thus gravely threatened the prosperity of Zanzibar. Stocks of cloves have mounted up and the position has been further aggravated by a very large crop in the autumn of 1937. Means of bringing the impasse to an end are under active consideration.

TARIFFS, PREFERENCES, ETC.

There have been few substantial changes in the import tariffs of the Colonial Empire during the past year. As there are very few industrial undertakings in the Colonial Empire, the import duties imposed are not normally protective in nature but serve solely for the raising of revenue.

The grant of preferences to products from the United Kingdom and other parts of the Empire has been continued over a considerable range of commodities in a number of Colonial Dependencies. In his speech at the Assembly of the League of Nations on the 20th September last, the Foreign Secretary, speaking on behalf of His Majesty's Government, referred at considerable length to the report of the Committee on Raw Materials of the League of Nations which was presented during

the summer. During the course of his speech he said that His Majesty's Government, wishing to give effect to the recommendations of the Committee, were "ready as part of the efforts now being made to effect economic and political appeasement and to increase international trade—but without prejudice to the principle of Colonial preference . . . to enter into discussion with any Powers which may approach it for an abatement of particular preferences in non-self-governing Colonial territories where these can be shown to place undue restriction on international trade." No approach has yet been made to His Majesty's Government on this matter by any foreign Power, but requests for tariff concessions to and from the Colonial Empire have been put forward in the trade negotiations now proceeding between His Majesty's Government and the United States Government.

The Colonial Empire has also continued to enjoy the benefit of preferences of great value to it in the United Kingdom and the Dominions.

Under the revised Trade Agreement between the United Kingdom and Canada which was signed in February, 1937, the Colonial Empire continues to give and to receive the same preferences as under the original Ottawa Agreement.

The Colonial Empire was represented during the trade negotiations which have taken place with India and Burma. These negotiations have not yet been concluded. It is hoped that separate negotiations with India in regard to Ceylon, which has specially intimate relations with India, will take place as soon as the United Kingdom—India negotiations are completed.

The Colonial Empire has been represented in commercial negotiations which have taken place recently between the United Kingdom and various foreign countries. It figures also in the negotiations now proceeding with the United States.

During the year the original resolution under which certain preferences were granted in Ceylon came up for further consideration. The preferences have now been continued indefinitely. Simultaneously as a result of the representations by Ceylon ministers certain modifications have been made in the quotas on cotton and artificial silk piece-goods imported into Ceylon, with a view to assisting the poorer classes of the community.

The quota system which has been in existence since the middle of 1934 in many parts of the Colonial Empire on cotton and artificial silk piece-goods has continued to work satisfactorily and to preserve the great bulk of the trade for the old-established suppliers of the market. In the case of West Africa the quotas were originally imposed on Japanese goods only. In view of the increasing menace of competition from other exceptionally

low-cost producers, the quotas in West Africa were from the 1st January, 1937, assimilated to those in force in other parts of the Colonial Empire; that is to say that they were made to apply equally to all foreign countries. In the case of the Gold Coast they were also applied, owing to the existence of treaty obligations, to Empire goods.

Owing to the existence of the quotas, coupled with the temporarily increased prosperity of West Africa during 1937, the West African Dependencies became the second most important export market for cotton piece-goods of United Kingdom manufacture. With the fall in the purchasing power which has resulted from the recent decline in commodity prices, coupled with the cocoa hold-up which is referred to elsewhere, it is inevitable that imports during the current year should be at a lower rate. The great bulk of the market should, however, remain in United Kingdom hands.

In most parts of the Colonial Empire where quotas are in force, their circumvention by the importation of cotton and artificial silk piece-goods in made-up form has not been possible owing to the existence of duties under the general tariff. In the special circumstances of Malaya, however, such duties could not be imposed. As evidence of largely increased imports of made-up goods became available, it proved necessary to extend the quotas in Malaya from the 1st of January, 1938, to cover outer garments of cotton or artificial silk, underwear of cotton, and underwear of artificial silk.

CURRENCY.

The currencies of all the territories of the Colonial Empire except Hong Kong and British Honduras are linked directly or indirectly to sterling at a fixed rate. In the case of Hong Kong, the currency is secured by sterling reserves, but there is not a fixed rate of exchange, and in British Honduras the currency is linked to the United States dollar.

During the past year further efforts have been made to apply wherever possible what has come to be regarded as the standard form of legislation for the sterling exchange system.

Similarly, steps have been taken during the past year in almost all territories with independent currencies, whether of the sterling exchange type or not, to ensure that local regulations for the custody, issue, redemption and ultimate destruction of notes should conform closely to model regulations produced by the Colonial Office in consultation with the Bank of England, the large Currency Boards, and the Treasury.

There is nothing of note to report from the currency areas controlled by the East African Currency Board, West African Currency Board, and the Palestine Currency Board. In

Malaya, notes issued by the Straits Settlements Board of Currency Commissioners are legal tender in the Colony and throughout the Malay States, but the system is at present being converted to a joint system on the usual sterling exchange lines regulated by identical legislation in all the Malayan territories. Ceylon notes are at present convertible into Indian silver rupees, but the question of legislating for a rupee exchange system similar to the sterling exchange system described above is at present being actively considered.

Annual reports for 1937 show that there has been a fairly general increase in the volume of currency circulating in the Colonial Empire, an indication of better economic conditions. The reserves held against the various note issues remain more than adequate to cover notes in circulation.

Events in the Far East have caused less disturbance in the currency of Hong Kong than might have been expected. There has been a very considerable increase in the note issue of the Hong Kong and Shanghai Banking Corporation which is the chief form of currency in the Colony. The exchange value of the Hong Kong dollar, however, has remained very steady in terms of sterling; it is maintained by an Exchange Fund which is in a strong position. Similarly the effect of the Spanish disturbances on Gibraltar currency has been almost to double the volume of currency in circulation; Spanish peseta notes, which used to circulate freely, have disappeared. On the other hand, disturbed conditions in Palestine have led to a decrease in activity and in the amount of currency in circulation.

COLONIAL DEVELOPMENT FUND.

The total estimated cost of schemes which have been submitted during the year 1937-8 to the Colonial Development Advisory Committee for assistance under the provisions of the Colonial Development Act, 1929, and the Palestine and East Africa Loans Act, 1926, amounted to just over £1,000,000 of which some £180,000 was expected to be expended in the United Kingdom. Applications for assistance to the extent of £917,000 in respect of these schemes were made to the Committee, which recommended assistance amounting to £782,000. Some £700,000 was issued from the Fund during the year, of which much the greater part was of course in respect of schemes initiated in previous years. The total assistance recommended by the Committee from its inception in 1929 to the 31st March, 1938, is £7,291,435, and the amount actually issued is £5,099,238.

The assistance recommended by the Committee during 1937-8 included scholarship schemes for Agricultural, Veterinary and Forestry candidates, water irrigation and drainage schemes, construction of roads and bridges and scientific investigations, the most important of which was a scheme for tsetse research.

The Ninth Annual Report on the work of the Colonial Development Advisory Committee, including statistics of the schemes recommended and assistance given from the Fund from its inception to the 31st March, 1938, will be issued shortly.

COLONIAL EMPIRE MARKETING BOARD.

His Majesty's Government announced its intention in May, 1937, to set up an organization to promote the marketing of Colonial produce in the United Kingdom and overseas by means of (i) a service of marketing officers, (ii) an organized system of publicity, including participation in exhibitions, and (iii) research. This organization, which is to be supervised by the Colonial Empire Marketing Board, was constituted in October, 1937, and consists of the Secretary of State as Chairman, the Parliamentary Under-Secretary of State for the Colonies (Vice-Chairman), four Members of Parliament from the Government and Opposition parties in the House of Commons, six members of the business world, and three official representatives.

Steps are being taken to secure the co-operation of the various territories in the Colonial Empire and also of various official and unofficial bodies.

A good deal of preliminary work has been necessary and it is too early as yet to see any results.

LOANS.

No public cash issues of Colonial Government stocks have been made during the past year, but the following issues were made by the Crown Agents for the Colonies of stock which is quoted on the London market, viz.:—

	<i>Colony.</i>	<i>Amount.</i>	<i>Rate.</i> <i>per</i> <i>cent.</i>	<i>Redemption</i> <i>date.</i>
16th August, 1937 ...	Mauritius	£ 301,800	3½	15th August, 1957/1962.
15th November, 1937 ...	Jamaica	470,000 (a)	3	15th April, 1956/1961.
15th December, 1937 ...	Sierra Leone	570,000 (b)	3½	15th June, 1958/1963.
15th February, 1938 ...	Mauritius	177,000 (a)	3½	15th August, 1957/1962.
17th February, 1938 ...	Fiji	144,740 (a)	3	1st December, 1960/1970.

(a) Added to the existing issue.

(b) Issued for the redemption of Sierra Leone 4 per cent. Stock 1938/1963.

The total amount of Colonial Government Marketable Stocks domiciled with the Crown Agents for the Colonies on 31st March, 1938, was £86,611,102 18s. 9d.

Agriculture.

INTRODUCTION.

The resources of the Colonial Dependencies are predominantly agricultural and on the development of agricultural industry along efficient and soundly conceived lines their prosperity is dependent.

In devising policies of expansion it is necessary to encourage on the one hand the expansion and improvement of native agriculture and on the other, in appropriate cases, the development of their productive possibilities by large-scale capitalist enterprise.

To assist in this development, Agricultural and Veterinary Departments have been established in all Dependencies in which agriculture has attained, or is capable of attaining, any degree of importance, while with the object of co-ordinating and advising upon agricultural policy a Colonial Advisory Council of Agriculture and Animal Health has been set up and the offices of Agricultural Adviser and Assistant Agricultural Adviser to the Secretary of State created.

Much attention has also been devoted to the recruitment and training of Agricultural and Veterinary staff for the Colonial establishments, the Colonial Agricultural and Veterinary Scholarship Schemes having been inaugurated for this purpose in 1925 and 1930 respectively. They have resulted in great improvements in the efficiency of both services.

OUTSTANDING POINTS IN GENERAL AGRICULTURAL DEVELOPMENT IN THE COLONIAL DEPENDENCIES IN 1937-8.

It is impossible in a brief review to do more than indicate certain of the more important lines of progress. It may, however, safely be said that at no previous period has so much attention been devoted to the improvement of agriculture in the Colonial Dependencies, and while progress may not be spectacular, the sum total of the achievements during the past few years is considerable.

At the commencement of the year, market prices for the majority of agricultural commodities stood at favourable levels, but during the latter months a serious decline set in. There is no doubt that the enhanced efficiency which agricultural industry in the Colonial Dependencies has of late years achieved places it in a better position than formerly to withstand some of the difficulties resulting from this fall in world prices.

There has been a marked increase in the attention paid to the important question of soil erosion. The conservation of the most valuable resource which the Dependencies possess, viz., the

natural fertility of the soil, should be a cardinal point in agricultural policy, and it is satisfactory to be able to record the extending appreciation of the necessity for steps to counteract wasteful practices leading to soil loss.

The position in relation to soil erosion in the Dependencies was reviewed in a memorandum compiled by my Agricultural Adviser, Sir Frank Stockdale, which was subsequently published with my permission in the *Empire Journal of Experimental Agriculture*. The position which was shown to exist caused me in January, 1938, to address a circular despatch to the Officers Administering the Governments of all Dependencies, transmitting a copy of this memorandum, calling attention to the necessity for active measures for counteracting the menace of erosion, and requesting that I might be supplied annually with a report of the position in respect of erosion in each Dependency and a summary of progress in relation to anti-erosion measures.

It is satisfactory that in a number of Dependencies large-scale operations for the control of erosion are already in progress. In East Africa, in particular, appreciable developments have occurred in the application of anti-erosion measures; in Tanganyika the scheme of erosion-control operated in association with the Native Administrations has made considerable progress, while in Kenya and Uganda programmes of anti-erosion measures have been undertaken; in the former Dependency a soil conservation service has been set up as part of the Department of Agriculture and a grant from the Colonial Development Fund made in aid of the work.

Emphasis has also been given throughout the Colonial Empire to the necessity for the encouragement of the increased production of local foodstuffs. I regard this production of foodstuffs as a matter of the utmost importance, and it is gratifying to me to be able to report that nutritional problems in the Colonial Dependencies are receiving increased attention year by year, and that this stimulation of effort is being assisted by the work of the Colonial Nutrition Committee, to which reference is made in the section on Public Health. It appears clear that many native dietaries are deficient in a number of respects and their improvement calls for collaboration between agricultural and medical authorities. A major feature seems likely to be attempts to modify systems of agriculture so as to secure improvement in native diets combined with changes of local agricultural practice.

In the latter connection the evolution of a system of mixed farming in the Northern Provinces of Nigeria has now advanced beyond the experimental stage, and it is possible to look forward to the gradual replacement of methods of shifting cultivation by a more intensive system in which the use of livestock and the rotation of crops have their place. In March, 1937, there were 1,600 mixed farmers in Northern Nigeria, and further additions to their numbers are anticipated.

Such developments must be preceded by careful survey work designed to ascertain the most suitable lines for developments. Surveys of this type are in progress in Uganda, while a similar survey has recently been completed in the north-west districts of the Gold Coast. They will, it is hoped, form the basis in due course for developments of mixed farming similar to those which have occurred in Nigeria. Economic surveys are also in progress in British Guiana, while plans are under consideration for their inauguration in the Windward and Leeward Islands.

Further progress has occurred in connection with the organization of the marketing of native produce; the system of controlled markets established in Tanganyika in 1933 was further extended and at the commencement of 1937 a similar scheme was successfully introduced into Kenya. An improved system for the marketing of tobacco in Nyasaland has also been put into operation.

The various schemes for the inspection of native produce in West and East Africa continued to function satisfactorily. Considerable modifications were introduced in the scheme for the inspection of cocoa on the Gold Coast whereby up-country inspection was substituted for inspection at the port of shipment.

Land settlement with the object of increasing the number of small-holders has attracted much attention in the West Indian Colonies. A number of new schemes in Jamaica, the Leeward and the Windward Islands received consideration and several new purchases of estates for sub-division have been approved. Close consideration has been given to certain principles essential to successful land settlement.

DEVELOPMENTS IN PARTICULAR INDUSTRIES.

Panama disease has continued to be a threat to the banana industry in the West Indies. A further danger has appeared in the shape of a disease recorded there for the first time at the end of 1936, viz., *Cercospora Musae*. Efforts to produce commercially satisfactory varieties of banana resistant to Panama disease have been continued; these have not yet achieved complete success but there seems ground for hoping that they may ultimately do so. There is also evidence that when a resistant variety has been evolved, it may also show resistance to *Cercospora*. Regarding the latter disease, while the situation is a subject for concern, it is satisfactory that so far it has not occasioned any very serious losses in Colonial Dependencies.

Reference may be made to the useful work accomplished by the Low Temperature Research Stations in Trinidad and Jamaica on the transport and storage of the fruit.

The situation of the cocoa industry in Trinidad resulting from the spread of Witchbroom disease has caused difficulty. It

seems probable that unless some remedy can be found, considerable areas may go out of cultivation. Two expeditions have been despatched to certain countries in South America where wild forms of cocoa occur, in the hope of finding strains resistant to the disease which can be substituted for cultivated varieties in Trinidad or used as parents in breeding disease-resistant material.

In the Gold Coast attention has been called to conditions arising from the excessive removal of protection and shade in cocoa cultivations, and steps are being taken to remedy the defects in this respect.

In Malaya and Ceylon and also in British Guiana attention has continued to be given to the extension and improvement of rice cultivation. In Malaya further progress has been made in the development of large-scale irrigation and drainage works to improve rice cultivation and with the production and distribution of improved varieties of rice. In British Guiana particular attention has been paid to the improvement of rice-milling with a view to enabling local rice to compete more effectively with Indian rice on West Indian markets. Efforts also continue to be made with success to develop the production of rice in Sierra Leone.

The improvements of methods of copra-production has also received attention; in Malaya appreciable enhancement in the quality of estate copra has occurred, while in this Dependency and also in Zanzibar and Fiji the devising and popularizing of forms of copra-drying kiln suitable for use by small-holders has achieved a noteworthy degree of success.

Efforts to improve local methods of producing palm oil in West Africa have been continued; they comprise the distribution of improved forms of planting material combined with demonstration and propaganda with the object of improving conditions in existing wild groves and establishing new plantations with improved selected planting material. The adoption of suitable forms of small presses for expressing the oil in replacement of the existing crude methods is also taking place. In the Far East the Malayan plantation oil-palm industry continued to develop satisfactorily and the exports of palm oil reached the record figure of 45,000 tons for the year 1937.

In the rubber industry attention has continued to be devoted to the replacement of older rubber by new high-yielding strains. Opinion remains to an extent divided as to the relative merits of plantations established with budded high-yielding material and with high-yielding clonal seed of known parentage. The trade in concentrated latex continued to expand; on the consumption side much attention was paid to possible new uses for rubber; in particular marked additions to knowledge were made in relation to the possibilities of employing

rubber in road-making, flooring and pavements. In Malaya considerable efforts were made to improve conditions on small rubber-holdings, both in relation to cultivation and to manufacture, with an appreciable degree of success.

Cotton production, which is of importance to Nigeria and to many of the East African Dependencies, continued to increase, but prices have, as the result of the large crop in the United States, been disappointing. Scientific work designed to secure improved strains of cotton has been continued and some useful progress was made during 1937 in the investigation and control of pests and diseases. Valuable assistance has been rendered to Colonial Dependencies by the Empire Cotton Growing Corporation and its staff of scientific workers, and the conference of cotton specialists which was held in Uganda towards the end of 1937 was a great success.

Record sugar crops were reaped in Mauritius, in all of the West Indian Dependencies and in Fiji; it is noteworthy that although this is in part attributable to favourable seasons, it is not the result of an increase in the area cultivated, and also must in part be credited to the improvements in cultural methods brought about by research work performed in recent years. It is noteworthy also that there are in both the West Indies and Mauritius a number of new cane varieties under trial which give promise of outstripping in performance any of those at present cultivated. Notwithstanding the restriction on output imposed by the International Agreement, it is not proposed to curtail existing research activities in relation to sugar in any of the Dependencies.

In so far as concerns animal industry, an important development has been the establishment of a factory by Messrs. Liebig's and Company in Kenya for the preparation of beef products whereby it is hoped it may be possible to reduce to some extent the overstocking which is an important contributory factor to soil erosion. In certain African territories attention has been paid, with encouraging results, to the improvement of hides and skins, while the production of ghee for export has also been further extended. In the work on the improvement of hides and skins valuable assistance has been received from the Imperial Institute.

The question of livestock improvement has received attention in a number of other Dependencies; in Jamaica, schemes for the improvement of both beef and dairy cattle have been formulated, while in West Africa the general question of livestock improvement has been prominent.

Outbreaks of rinderpest have given cause for concern in Uganda, Kenya and Tanganyika; in February of this year a conference was called at my suggestion in Nairobi to consider

the position and to devise measures to eliminate the danger of the spread of the disease southwards from Tanganyika. This conference was attended by veterinary representatives from the East African Dependencies, from Portuguese East Africa, Southern Rhodesia and the Union of South Africa. Steps are now being taken to give effect to their recommendations. I am glad to be able to record that in Nigeria and the Gold Coast rinderpest, which was formerly widely prevalent, has been brought under control.

The investigations preliminary to the campaign for the eradication of bovine pleuro-pneumonia in Barotseland have been proceeding throughout the year and the campaign itself is to be begun in 1938. It will be financed by a grant from the Colonial Development Fund. The campaign is expected to take six years, and if it successful in wiping out the disease, which has been endemic in Barotseland since 1915, it will be possible to open the market on the Copperbelt to Barotse cattle, to the very great benefit of the people of this part of the territory.

Progress was also recorded in the reclamation of tsetse fly infested areas both in East and West Africa; I hope as a result that large areas will ultimately be rendered fit for occupation and for agricultural development.

Pasture improvement and the encouragement of suitable types of herbage thereon is all important in livestock industry; in Kenya, Tanganyika and Uganda, considerable advances have been made in pasture management, while in the Falklands investigations into the possibility of improving pasturage have been inaugurated with the assistance of a grant from the Colonial Development Fund and with the collaboration of a member of the staff of the Welsh Plant Breeding Station.

PROGRESS IN AGRICULTURAL ADMINISTRATION.

During the year 1937-8 the Colonial Advisory Council of Agriculture and Animal Health held four meetings, while its committees on Agriculture and on Animal Health held four meetings and five meetings respectively in addition.

The more important subjects considered by the Council comprised the following:—

The establishment of a Cocoa Research Station in the Colony of the Gold Coast.

The occurrence of diseased conditions among cocoa plantations in the Gold Coast.

The work of the plant breeding specialists in Jamaica and Trinidad in connection with efforts to raise varieties of banana resistant to Panama disease.

The occurrence of a new disease of bananas caused by *Cercospora Musae* in the West Indies.

The search for parasites for the control of the banana borer in Jamaica.

The programmes of work and the finances of the East African Agricultural Research Institute at Amani, Tanganyika.

The work of the Sugar Cane Breeding Station in the West Indies.

The possibilities of beef production in Mauritius.

The extension of research work on insecticides of vegetable origin in this country in collaboration with similar work in Malaya and East Africa.

The working of the Colonial Agricultural and Veterinary Scholarship schemes.

Sugar-cane experiments in Antigua and St. Kitts.

Soil erosion in the Colonial Empire.

Form of reports of Colonial Veterinary Departments.

Proposals for the encouragement of the livestock industry in Jamaica.

The sudden death disease of cloves in Zanzibar.

Agricultural industry and organization in Fiji.

The position in relation to rinderpest in East Africa.

My Agricultural Adviser, Sir Frank Stockdale, paid official visits to Zanzibar, Tanganyika, Kenya, Nyasaland, Fiji, Malta and Malaya, in the course of which agricultural policy was discussed with the various Administrations, the work of the Agricultural and Veterinary Departments was examined in detail and discussed with officers thereof, while meetings and discussions were held with unofficial representatives of agricultural interests. Reports on the visits were presented to me and to the Advisory Council. I have good reason to believe that these visits have been the means of materially facilitating agricultural development and of co-ordinating agricultural policy in the various Dependencies visited.

The scheme for Colonial Agricultural and Veterinary Scholarships was examined by a special committee of the Advisory Council whose report was presented to and adopted by the Council and subsequently accepted by me; in consequence, funds for the continuation of the scheme for a further period of five years ending in 1943 have been secured.

In the provision of trained officers for the Colonial Agricultural Service the Imperial College of Tropical Agriculture at Trinidad plays an all-important part. The College is supported partly by grants from the Imperial Exchequer and from various Colonies and partly by revenue from other sources.

The College continued to perform its functions in a most satisfactory manner and gave proof of its utility both as a teaching institution and as a centre for research.

The East African Agricultural Research Institute at Amani continued to perform useful work; it was visited by my Agricultural Adviser; subsequently the programmes of research and finances of the Institute were reviewed by the Colonial Advisory Council.

The Imperial Agricultural Bureaux with the Imperial Institute of Entomology and the Imperial Mycological Institute continued to render valuable services to the Dependencies. The recommendations of the Commonwealth Scientific Conference of 1936 were implemented during the year, and I am glad to record that in consequence the continuation and extension of these activities have been assured for a further period of five years.

Research branches continued to be maintained as a part of the agricultural organizations in all the more important territories. In addition to these, Research Institutions in connection with particular crops, financed either by direct contributions from the industry concerned or from Governments funds, were maintained in a number of Dependencies. The largest is the Rubber Research Institute in Malaya which employs a staff of some thirty scientists; the others comprise the Tea, Rubber and Coconut Research Schemes in Ceylon, the Sugar Experiment Stations in Barbados, British Guiana and Mauritius, the Cotton Research Stations of the Empire Cotton Growing Corporation in Trinidad, St. Vincent, Nyasaland and Northern Rhodesia, the Coffee and Sisal Research Stations in Tanganyika and the Cacao Research Station in Trinidad. All these organizations continued to render valuable services both in investigation and also in the provision of advice to growers. Proposals were approved during the year for the establishment of a cocoa Research Station in the Gold Coast and a start was made with its organization.

Certain industries maintain advisory bodies in connection with research in this country and carry out research work designed to link the primary producers with the consumers. The London Advisory Committee for Rubber Research and the Board of Trustees for Sisal Research may be mentioned. The West Indian Sea Island Cotton Association is also assisted by an Advisory Committee in England, and as the result of the combined efforts of the Association and its Committee here an increased demand for this fine cotton has resulted. In fact at present demand exceeds supply. An important development was the establishment of the British Board for Rubber Research which forms a part of the international scheme for consumption research in relation to rubber which has been evolved as one of the results of the operation of the International Rubber Regulation Scheme.

A further important advance was the decision to enlarge the scope and functions of the Veterinary Research Laboratory at

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Kabete in Kenya so as to embrace all the East African territories within its activities.

Research alone cannot effect improvement in agricultural conditions; if the full benefits are to be derived, means must be provided to convey its results to the people whom it is intended to benefit. For this purpose trained staffs of European agricultural and veterinary officers and locally recruited agricultural and veterinary assistants have been maintained in the Dependencies.

Much attention has been devoted to the recruitment of agricultural and veterinary assistants, as it is realized that, adequately supervised, they constitute the most effective means of directly influencing the small producers. Considerable additions have been made to both types of staff and further improvements introduced into the methods of recruiting and training them. In particular I may refer to the recommendations of the Commission on Higher Education in the East African Dependencies which should, when they have been implemented, provide more adequately for requirements in this direction in East Africa.

In the dissemination of agricultural information, publications play an important part in those territories where the populations are sufficiently literate to be able to profit thereby. Agricultural journals and bulletins both in English and in the vernacular languages are published by the Departments of Agriculture in a large number of Dependencies and have served a useful purpose in bringing information to the notice of planters and cultivators.

Vocational training in agriculture has also received much attention, and agricultural schools and colleges have been established in a number of Dependencies; the position in the Colonial Empire in this respect was reviewed in a summary presented to the Colonial Advisory Council of Agriculture and Animal Health and subsequently published by H.M. Stationery Office as Colonial No. 124.

Particular attention has been paid to the vocational training in agriculture of cultivators in African territories, and in both East and West Africa systems of model small-holdings have been evolved whereon selected growers are received for training for a period, after which they return to their own homesteads; the system has been found to give good results provided the necessary "follow up" facilities exist.

The need for introducing a greater measure of uniformity in the legislation regulating the introduction of plants and plant materials into the various Dependencies, in order to minimize the risk of introduction of plant disease, has been prominently in view of recent years. In 1936 a uniform system of legislation in this respect was adopted throughout the West African

Dependencies; in the same year and in 1937 Northern Rhodesia and Nyasaland entered into a convention with the Union of South Africa and Southern Rhodesia with the same object in view. In 1937 a somewhat similar unification of legislation was undertaken in the East African territories, while proposals of a like description have been under consideration in the West Indies. A survey of such legislation throughout the Colonial Dependencies was compiled and presented to the Colonial Advisory Council of Agriculture and Animal Health and was subsequently published as Colonial No. 141.

Possibly, however, the most important general advance has been the marked increase in the appreciation of the need for greater coordination in all attempts at rural development. It has become realized that if progress is to be maintained and is to secure results fully commensurate with the efforts involved, there must be close collaboration both between the departments of government concerned therewith in individual territories and also between the territories themselves.

Agricultural progress in its broadest aspect impinges on the lives of the population from so many different angles that unless full collaboration between the various organizations is secured there is bound to be overlap and consequent waste of effort. It is necessary to ensure, for example, that the operations of the Agricultural, Veterinary, Cooperative, Irrigation and Forest organizations should be correlated one to another and coordinated with those of the Medical and Educational Departments in so far as they affect agricultural progress and with the Administration of the territory as a whole. Further, all these activities must be linked to activities on the economic and especially on the marketing side. In this connection the establishment of the Colonial Empire Marketing Board must be regarded as an important step in advance.

It is moreover apparent that efficient progress demands that schemes for improvement should be preceded by detailed surveys and studies designed to ascertain accurately the nature of existing conditions and to provide a basis of ascertained facts upon which schemes for development can be devised subsequently on a sound foundation.

The task of bringing about co-ordination is by no means simple, but in such a policy the setting up of committees and boards with definite coordinating functions is an obvious step, while with this can be coupled the holding of periodical interdepartmental and interterritorial conferences of which the scope and objects are closely defined. Progress has been achieved along these lines during the year in a number of territories and in this country, while I may also mention that it is proposed to hold in London in July next a Colonial Agricultural Conference which will be attended by those Directors and senior officers of

Colonial Departments of Agriculture, Forestry or Veterinary Services who are on leave in this country.

Forestry.

The forests of the Colonial Empire cover very large areas and their products represent an important element in its economic life. The annual value of timber and wood exported is about £1,000,000. This, however, in no way represents the importance of its forests to the Colonial Empire, as in addition there is a large production of timber and other products for local consumption; for instance, it is estimated that the annual value of the internal trade of Nigeria is not less than £2,800,000.

The most important areas in the Colonial Empire producing timber for export are Sarawak, the State of North Borneo, West Africa and British Honduras. In the domestic exports of British Honduras and North Borneo timber is the largest and second largest item respectively. British Guiana is the only source of greenheart in the world.

There is every prospect of developing the production of timber in a number of Dependencies, both in order to increase exports and also in order to supply from local sources timber requirements at present met by imports. A progressive policy is being followed, a policy on the one hand of conservation to maintain timber supplies, and on the other hand of utilization to the full extent compatible with conservation. Legislation has been enacted recently in many territories to establish forest reserves and to provide for reforestation and grading and for marketing organizations.

The Colonial Forest Resources Development Department, an organization set up by my predecessor in 1935, has continued the work initiated in the days of the Empire Marketing Board with the assistance of the Forest Products Research Laboratory, Princes Risborough. The Forest Economist, Major F. N. Oliphant, recently visited the West Indies to advise on timber production and marketing. Commercial tests and investigations of Colonial timbers have been carried out and marketing promotion actively pursued by the Department. Much has been done to introduce colonial timbers to the United Kingdom market. Some of the African timber, such as African walnut and pearwood, sapele and Benin mahogany, are of great beauty and are being increasingly used for the best quality of furniture and decoration. The Royal Suite at the Empire Exhibition at Glasgow is panelled entirely with Nigerian timbers, and many other colonial timbers are being shown at the Exhibition.

Public Health.

In this field I propose to deal principally with some of the more general aspects of the work which has been done and

especially with subjects, such as investigation of nutritional problems and maternal and infant welfare, that have received special attention.

Apart from the occurrence of epidemics of cholera and small-pox in Hong Kong, which were dealt with admirably by the local authorities in spite of the hindrance and complication of a disastrous typhoon and the influx of refugees from China, I do not think that I need specially refer to epidemiological diseases over a period that was not abnormal in this respect. It will be of greater interest if I proceed to review some of the research work carried out which is intended to reduce unnecessary sickness and diminish wastage through unfitness.

NUTRITION.

The subject of nutrition is one to which great prominence has been given in recent years. Nearly two years ago my predecessor addressed a long circular despatch to all Colonial Dependencies, requesting that an investigation of the position of nutrition in each Dependency should be made with a view to the furtherance of any studies and research which might appear desirable.

The replies to the despatch show that much interest on the subject is being taken or has been aroused in the Colonial Empire. In many Dependencies special committees have been appointed to investigate this problem and to advise upon and coordinate such efforts as can be made towards improving local conditions in this respect. From some Dependencies suggestions have been forwarded that further research should be made into conditions affecting nutrition and into the values of indigenous foodstuffs; it being considered inadvisable or difficult to take action until additional information is available; while others have gone straight ahead with the immediate application of practical measures to improve a situation where the obvious defects scarcely require confirmation.

The replies also reveal the widespread and very varied nature of the problem. Diseases resulting from malnutrition are not confined to one or two Colonies but occur almost everywhere amongst indigenous populations. In general, it may be said that the food problem in the Dependencies is not so much one of the amount of foodstuffs available but often of ignorance as to how to make the best use of what is at hand, or what could be produced locally if better organization were adopted. Diets in the tropics are rightly different from those which are customary and needed in colder climates, and the traditional habits and religious beliefs of different races have to be respected.

The solution is a complex one involving public health, education, agriculture, economics and trade. To Medical Departments belongs the duty of determining the nature and precise

extent of malnutrition if such exists and of estimating the values of the foodstuffs that are at hand. On the Agricultural and Veterinary departments lies the onus of designing a policy to increase the supply of those foodstuffs most required, and it is the task of Education departments conjointly with the Medical department to devise the best means of instructing the people on matters pertaining to their food. In many instances this is the main problem. It is ignorance and lack of knowledge alone that prevents the best use being made of material available.

To consider these replies in detail, the Prime Minister has appointed a Committee of the Economic Advisory Council on Nutrition in the Colonial Empire, of which Lord De La Warr is the Chairman. This Committee is now busy preparing its report and has already drawn my attention to the need for field survey work in the Colonies, including studies of the diet of both rural and urban peoples. The first and principal object of these surveys would be to provide as complete a knowledge as possible of the elementary facts in regard to diet, health and physique of the peoples studied. The Medical Research Council at my request has agreed to appoint a small staff of three persons for a period of five years in the first instance whose duty will be to undertake the scientific coordination of a series of field surveys to investigate the question of diet in relation to health and physique in Colonial territories.

CONFERENCE OF FAR-EASTERN COUNTRIES ON RURAL HYGIENE.

A proposal to hold a Rural Hygiene Conference for the Far East was originally made at the Thirteenth Session of the Assembly of the League of Nations in 1932. It was not, however, until last year that it was held at Bandoeng (Java) on the invitation of the Netherlands Government. The chief problems on the agenda drawn up by the Preparatory Committee were:—

- (i) Health and Medical Services.
- (ii) Rural reconstruction and collaboration of the population.
- (iii) Sanitation and Sanitary Engineering.
- (iv) Nutrition.
- (v) Measures for combating certain diseases in rural districts.

Strong delegations representing the Governments of Ceylon, Fiji and the Western Pacific, Hong Kong and Malaya attended the Conference. The problems discussed were those that affect the health and well-being of rural populations in tropical countries generally, and the Conference dealt, in a most useful manner, with many fundamental aspects of a subject which is rightly coming to be regarded as of first importance in relation to the administration of rural communities. I have circulated this

report to all Colonial Governments and requested them to make a close study of it and its various recommendations.

EAST AFRICAN RESEARCH.

Proposals for the centralization of East African research, which have been discussed at intervals in the last ten years, have now been crystallised in recommendations placed before the various Governments, and a meeting of the East African Medical Research Committee, held in Uganda, proposed that a team of research workers, under a Director, should be based on the Nairobi laboratories.

This is one of the most important proposals in the realm of public health made for East Africa since the system which the Governors' Conference, set up in 1926 to co-ordinate public services in the East African group, came into operation. No doubt this central research institution will in time develop usefulness and win a reputation in African fields of research which will place it in the front rank.

WELFARE OF WOMEN AND CHILDREN.

Although in the wealthier Dependencies great progress has been made in the provision of hospital accommodation for maternity cases and in the establishment of ante-natal and child welfare clinics, progress has often lagged in this direction in the poorer Dependencies, and in a considerable number the welfare of women, looked at both from the medical and educational standpoint, has made less progress than that of men. Dr. Mary Blacklock, at one time a Member of the Woman Medical Service of India and later of the Colonial Medical Service in Africa and now a Member of the Colonial Advisory Medical Committee, after visiting some of the Colonies, wrote a pamphlet on "Certain Aspects of the Welfare of Women and Children in the Colonies". The article was considered by the Colonial Advisory Medical Committee and the opinion expressed that Dr. Blacklock's report contained valuable information and suggestions. The following resolution, which was subsequently endorsed by the Advisory Committee on Education in the Colonies, was passed:—

"The Committee thinks that the desirability of increasing the number of local women as nurses, midwives, health visitors and doctors should be carefully considered in each Dependency. The technical training of such personnel and the arrangements for supervision of their work are matters of great importance which should be considered in the light of the special circumstances of each territory.

The Committee points out that a sound general education is advisable as a foundation for the training of women for these technical posts, and, realizing that in many Dependencies the number of women having such training is still very small, considers that adequate facilities should be available in each territory for the general education of women.

The Committee suggests that the Secretary of State should invite Colonial Governments to consider whether, having regard to the financial resources available, the number of European nurses, health visitors and women medical officers at present employed is adequate.

The Committee hopes that the Secretary of State will draw the attention of Colonial Governments to the importance of co-operation between the medical, educational, agricultural and other departments to ensure that the best use is made of the money available for social services."

In January last copies of the pamphlet were transmitted to the various Colonial Governments, pointing out that the greater employment of women in health work may be dependent on an increased supply of women of sufficient education and that for the attainment of social progress the education of women is at least as important as that of men. As the amounts spent on the education of women are still small compared with those spent on men's education, I requested that ways and means of remedying this defect should be considered.

TUBERCULOSIS.

This disease is becoming apparent as a serious problem in many Dependencies. In 1935 certain information with regard to the incidence of tuberculosis in Cyprus was placed before the National Association for the Prevention of Tuberculosis. Tuberculosis was said to be rife and increasing rapidly. The Council of the Association decided, after consultation with the Governor, to carry out an epidemiological survey. The Council was fortunate in obtaining the services of Dr. Noel D. Bardswell, whose familiarity with the scientific and administrative aspects of tuberculosis was felt to be a guarantee of the success of the survey. The survey began in November, 1936, and a preliminary account of its operations for the first year has just been published.

It is satisfactory to note that, in Dr. Bardswell's opinion, the tuberculosis problem in Cyprus is by no means so menacing as was feared. He says "the disease presents itself in much the same character, intensity and distribution as in similar countries, perhaps even in a less degree. This means that the problem is one of manageable proportion, and that the disease can be brought under effective control by those measures which proved successful elsewhere". Dr. Bardswell has made some important recommendations. The appointment of a Tuberculosis Officer able to devote his whole time to tuberculosis work would in his view be of greater value than any other immediate measure. The Government have accepted this recommendation and have appointed such an officer. Dr. Bardswell's work has been found so valuable that, with the concurrence of the Cyprus Government, the National Association for Prevention of Tuberculosis has resolved to continue the mission for a second year.

With the help of a free grant from the Colonial Development Committee, the Tanganyika Government have since 1931 carried out a scientific investigation into the incidence of tuberculosis amongst the African population, the effects of the disease on the people infected, and the best methods of treating and preventing the disease.

The investigation, which was under the charge of Dr. C. Wilcocks, has now been concluded and the final report covering the whole period of investigation published. The survey has demonstrated the high incidence of infection throughout the areas examined and particularly, and as would be expected, in urban areas and those more densely populated. In his investigations he recovered live tubercle bacilli in the dry dust of houses accommodating active cases. The report is a valuable contribution to our knowledge of tuberculosis as it affects the African.

YELLOW FEVER.

This disease, which is endemic in West Africa, is constantly occupying the attention of the Health authorities in those areas. Unfortunately during 1937 there was a widespread outbreak of the disease in the Eastern Province of the Gold Coast and minor outbreaks in Nigeria. In the Gold Coast 74 African cases, 65 of whom died, came to the notice of the Health authorities, while of four Syrian and two European cases all died. In Nigeria fourteen Europeans contracted the disease, eight of whom died.

Intensive measures against the disease in urban areas have for many years been effective in the prevention of the spread of the disease, and the Governments concerned are now taking steps, which will be costly, to introduce control measures in rural areas.

Usually the disease is mild in Africans but the mortality rate in Europeans who contract the disease is high. Research has for some time been proceeding on methods of immunizing persons against the disease, and over 4,000 persons proceeding to West Africa have now been inoculated in London against yellow fever. Unfortunately about 3 per cent. of those immunized against the disease have developed, from three to six months after inoculation, a severe attack of jaundice which lasts for some weeks. Improved material has been in use since October last and it is hoped that this difficulty has now been overcome although it is not possible at the moment to be definite.

The Rockefeller Foundation, which provided the personnel for an investigation into the epidemiology of yellow fever in East Africa and the Southern Sudan, based on a laboratory put at their disposal by the Government of Uganda for a period of three years, have agreed to continue their valuable investigation for an indefinite period.

MEDICAL PERSONNEL.

It is not possible always to provide adequate medical and health services staffed with fully-qualified European personnel for the populations of the Colonial Empire, and for many years now the policy has been to train the members of the indigenous population to play their rightful part in promoting the welfare of their fellow countrymen.

Medical schools have for some time been established in the different groups of Dependencies, the Far East, West Africa, East Africa and the Western Pacific, and during the year considerable advances have been made in providing increased facilities for teaching and the training of students. Towards the end of the year Professor W. W. Jameson, Dean of the London School of Hygiene and Tropical Medicine, visited Nigeria and Uganda on behalf of the School and was able to give the local authorities valuable assistance on the organization of the Lagos and Mulago Medical Schools, respectively.

In nearly every Dependency considerable improvements have been made also in the provision for the training of indigenous population as medical assistants, sanitary inspectors, nurses and midwives. On completion of training many of these subordinates are sent to work in the villages and it is being realized more and more how valuable such personnel are in assisting to improve the health conditions of the indigenous peoples.

The Central Medical School at Suva in the Colony of Fiji has been specially successful. The syllabus of instruction has been extended and now covers a period of four years. After graduating, the medical students receive diplomas as medical practitioners and they are then given appointments in country districts or are attached to a hospital. A subordinate medical service in Fiji has thus been created consisting of 62 Fijian medical practitioners and seven Indian medical practitioners. In addition the school has turned out thirty similarly qualified medical practitioners who are in actual practice in other island groups, including Samoa, Tonga, Cook Islands, Gilbert and Ellice Islands, New Hebrides, and the British Solomon Islands.

SURVEYS.

During 1937 a commissioner (Sir Walter Johnson, late D.M.S. Nigeria) made a survey of the medical services of Malta. He advised a complete reorganization of the medical services of Malta and it is satisfactory to report that this has already been carried out.

Education.

TROPICAL AFRICA.

Post-Secondary Education in East Africa.—The Commission under the chairmanship of Earl de la Warr which I appointed

to consider existing facilities for post-secondary education in East Africa and their development, submitted during the year far-reaching proposals for a higher education centre in Uganda. This centre should be designed to offer courses, equivalent in standard to English University courses but adapted to local conditions, in agriculture and veterinary science, medicine, engineering and education. In addition to the cultural and ethical education usually associated with Universities, Africans would receive training for responsible posts in the technical and social service departments and in the Native Administrations of the East African Dependencies. In accordance with the advice tendered by the Advisory Committee, I have signified my general approval of these proposals, which are shortly to be discussed in detail by the Governors of the East African Dependencies.

The Commission investigated also the provision for lower grades of general and vocational education in Uganda. Their proposals for substantial and early progress are now being considered locally, in the light of comments by the Advisory Committee—which endorsed the stress laid by the Commission on the need for a firm basis for higher education and for more adequate measures to ensure general improvement in the health and agriculture of the people of Uganda.

Post-Secondary Education in West Africa.—The recently established College at Yaba in Nigeria is attracting to its professional courses in agriculture, engineering and preliminary medical studies, scholarship holders from other parts of West Africa, where such courses are not yet available, as well as a steady supply of Nigerian students. From this College, as also from Achimota in the Gold Coast, students were sent during the year to this country for educational courses not locally obtainable. The British Council, by its offer of scholarships, has enabled local teachers of English to come to England for courses of special preparation for this work. Arrangements have been made for consideration by the coming conference of West African Governors of ways of co-ordinating the various higher education courses in West Africa so as to cover satisfactorily, and without overlapping, the needs of the four Dependencies.

Vocational education has been advanced by an approved scheme for the further development of the technical school in the Gold Coast, for the better supply of skilled artisans for commerce, transport and mining industries. In Nigeria, special posts have been provided for men with agricultural training, who will develop school garden and farm work. An exhibition of paintings and sculpture by art teachers and students of Nigeria, which was held in London last summer, gave proof of the remarkable advance that is being made in arts and crafts on the basis of indigenous tradition.

The Education of Rural Communities.—Work on the lines of my Advisory Committee's recent memorandum* on this subject has been carried forward. The success of the Jeanes centres, established in Kenya, Nyasaland, and Northern Rhodesia, for the training of rural teachers, not only in methods of teaching but in all aspects of rural community welfare work, have been marked. Such centres involve cooperation between the Education, Agriculture, and Health departments, the need for which is now clearly recognized in all aspects of social service work. In Nyasaland a joint committee of representatives of these departments examines all schemes relating to the social services.

General.—Proposals for the development of secondary education in Nyasaland have been approved in principle by the Advisory Committee and are now being elaborated locally. The Sierra Leone Government has formulated plans for the advancement of education in the Protectorate which have received my approval. Education departments have been formed, and experienced officers placed in charge, in Aden (as a result of its inclusion in 1937 among the Crown Colonies) and Somaliland. The Education Department in the Gambia has been strengthened with a view to re-organization of the education system. In the Gold Coast the inspectorate has been strengthened by an increase in the number of African Inspectors, and the financial problems of education have been considered by a local committee. In Kenya there has been re-organization of the institutions for the training of African teachers, to ensure greater economy and wider extension. In Northern Rhodesia a survey of African education facilities has been conducted, special attention being paid to the education needs of the mining area, where already the combined efforts of the Protestant missions, encouraged by the mining companies, have initiated a useful welfare movement for African workers.

Reports received from West Africa indicate a growing interest in education by Chiefs and Administrations, and an increasing desire to cooperate in educational work, as they are already doing in East Africa.

MEDITERRANEAN AND NEAR EAST.

In Cyprus the established policy is to extend and improve the teaching of English, to develop a type of secondary education on English lines, but with reference to vocational needs, and to provide teachers for village schools trained for constructive work under rural conditions. Substantial progress was made in all these directions. A training institute for teachers has been established in connection with the Government experimental farm, and an officer has been placed in charge of rural community welfare work after a year's special preparation for

* *The Education of Rural Communities in Africa.* H.M. Stationery Office, 1936.

this work in other countries. Local teachers have been undergoing courses of study in England, in preparation for the teaching of English, the training of teachers, and the institution of primary schools for boys and girls.

In Malta, also, the study of English continues to receive special attention, and teachers have been brought to England for special courses in preparation for this work. Several teachers have been recruited from England for service in the local secondary schools. A party of schoolteachers again visited England last summer and were much gratified by the arrangements made for their tour. They were joined last year for the first time by a party of teachers and students from Malta University.

Progress in Palestine has been impeded by local conditions during the year, but the Advisory Committee has been most favourably impressed by the progress that has been found possible during recent years, despite so many other claims on the funds and energy of the Government, and also by the continuance of educational activity and school instruction during the disorders. The recently-established Government Technical School at Haifa began work during the year.

FAR EAST.

Hong Kong.—A local committee reported during the year on the financial and general policy of the University, and its report is still under consideration by the University. The Education Department has been strengthened and the re-organization of the school courses is proceeding in the light of a survey made by Mr. E. Burney, an officer of the Board of Education, who was deputed for that purpose.

Malaya.—A request was received during the year from the Governor of the Straits Settlements for a Commission to inspect Raffles College, Singapore, and to make proposals for the development of higher education in Malaya. In accordance with this request I have agreed to appoint a Commission which will include experts on University administration and policy in this country, and the Commission will proceed to Malaya in the latter part of this year. Steps were taken during the year for the more effective training of women teachers for Malay girls' schools. The revision of secondary school courses, with reference to local industrial needs, has been under consideration.

WEST INDIES.

Proposals for the improvement of education in the Windward and Leeward Islands have been received from the Education Commissioners who were appointed to assist in the carrying out of the general recommendations of the West Indies Education Commission. Some advance has been made in plans for a

central training institute for teachers in Trinidad and for a school library service in connection with that scheme. In British Guiana the training institute for teachers has been strengthened. In British Honduras a re-organization of primary schools has been carried forward in accordance with a recent survey by an outside educational expert. In Jamaica and Bermuda there has been a development of vocational training centres. In Trinidad compulsory school attendance has been systematically enforced with beneficial results in selected areas, and a new type of secondary school, with a vocational bias, is being developed.

WESTERN PACIFIC.

Action has been taken in Fiji in the light of an educational survey conducted by Mr. A. I. Mayhew, one of the Joint Secretaries of the Advisory Committee, special attention being drawn to the education of girls of all communities and the extension of facilities for the East Indian community. A new scheme for educational advance by the administration in the Solomon Islands has received approval.

ATLANTIC AND INDIAN OCEANS.

Dr. Philippa Esdaile, a member of the Advisory Committee, visited St. Helena during the year at the invitation of the Governor and has made valuable recommendations for the development of education, with special reference to domestic science and vocational training of other kinds. Educational administration in the Seychelles has been strengthened by the appointment of a Director of Education with outside experience, for the re-organization of the school system. The Superintendent of Education of Mauritius has been studying educational developments in this country, with a view to the contemplated re-organization of the local schools.

GENERAL.

In all regions of the Colonial Empire there is evidence of an increasing demand for educational facilities of all types and for more extensive instruction in the English language. This demand raises everywhere financial questions of some difficulty, and necessitates careful survey of ways and means and investigation of the most economical measures compatible with efficiency that can be devised for steady extension of the right types of school. This problem has been engaging the attention of the Advisory Committee during the year and it is hoped that, in accordance with its advice, educational planning on a sound statistical basis, and with due reference to the financial possibilities of each Dependency, will be possible. The coordination of educational activities with other social services, such as the advancement of health and agriculture, has also been under examination.

Women's education came under special review during the year. As a result, memoranda on the relation of women's education to health and on provisions for effective teaching of domestic science and house-craft were circulated to all territories.

Nutrition problems, in special reference to school life, have been receiving attention, and experiments in the feeding of schoolchildren and the diffusion of information regarding suitable diet in tropical conditions and the growing of necessary food crops have been begun in several territories.

Among other subjects that have been engaging special attention during the year were measures for the more effective teaching of English as a language, adaptation of examinations conducted by Home examining bodies to colonial needs, and the provision of guidance and help for colonial students taking courses in this country.

Much assistance was received during the year from the British Council, particularly in regard to educational work in the Mediterranean and Near East. With the Council's help it has been possible to bring to this country teachers employed, or to be employed, for the teaching of English, for the advancement of their knowledge of English and for a study of English life. In several other ways the Council have helped to strengthen the cultural bond between the Mother Country and the Colonies. Valuable assistances has also been rendered by the Colonial Department of the London University Institute of Education in its course for probationers and officers on leave, and in various kinds of research work. The Board of Education, by its supply of information and participation in the recruitment of education officers, has contributed much. The Carnegie Corporation in New York has continued to assist, from its British Empire Fund, experimental educational work which might otherwise have been found financially impossible. Several of the schemes which have been mentioned above, particularly those in the West Indies, are largely dependent on the valuable support from this Corporation, to whose generosity, not only in the field of Education but in many branches of social service and development, the Colonial Empire owes a deep debt of gratitude.

Communications.

AVIATION.

During the period under review there has been considerable improvement and extension of the air services operating throughout the Colonial Empire.

The Empire Air Mail scheme, under which all first-class mail exchanged between participating countries is carried by air without surcharge, was inaugurated on the East African route

on the 29th June, 1937, and was extended to the England-India-Malaya route on the 23rd February, 1938. It is hoped that it will be possible to arrange for its extension to Hong Kong before the end of the current year.

In the meantime, arrangements have been made for the air service to Hong Kong to operate twice weekly via Bangkok. An air service to Ceylon from India has been inaugurated. The air service operating between Khartoum and West Africa has been extended from Lagos to Accra and will, I hope, be extended to Takoradi later in the year. An air service has been established between Bermuda and New York and consideration is being given to the establishment of a British air service in the West Indies. A local air service has been established in Malaya.

ROAD AND RAIL TRANSPORT.

The development of internal communications and the particular problem of coordination between road and rail transport have recently been receiving special attention from Colonial Governments.

The report of a Special Commission which was appointed in 1936, under the Chairmanship of Brigadier-General F. D. Hammond, to report upon the transport system of Ceylon was issued in 1937, and the recommendations are now under consideration by the Ceylon Government.

In the Federated Malay States a Road Traffic Enactment was passed which made further and more effective provision for the regulation of traffic on roads and of motor and other vehicles using the roads, and for the compulsory insurance of users of motor vehicles against third-party risks. A Transport Board has been set up with statutory powers of licensing and regulating road traffic in pursuance of the provisions of the enactment.

In East Africa a report on the problems of coordinating transport in Kenya, Uganda and the Tanganyika Territory with a view to obtaining the maximum degree of coordination and co-operation between the transport services was prepared by Brigadier-General Sir H. Osborne Mance, and his recommendations have been considered by the East African Transport Policy Board. Legislation to give effect to certain of Sir Osborne Mance's recommendations has been introduced in the three Dependencies.

The problem also arises in various parts of the West Indies, but the only one of these Colonies to which special reference need be made in this place is Barbados where, after expert investigation, it has been decided to abolish the railway altogether. The proposed conversion of the Stann Creek Railway in British Honduras to a road is referred to in the West Indies section of this Paper.

Coordination of road and rail transport has also been under consideration during the year 1937 in Nigeria, Nyasaland, and Cyprus.

CABLES AND WIRELESS.

It was recently announced that, as a result of negotiations which had been in progress since July, 1936, agreement had been reached with Cable and Wireless Limited and its associated Companies oversea which enabled a far-reaching scheme of reductions in telegraph rates between the different countries of the Empire to be introduced on 25th April. The central feature of the scheme is an all-Empire flat rate which will be applied to plain language, code, deferred and letter telegrams on the basis of 1s. 3d. a word for full-rate plain-language telegrams with proportionately lower rates for other classes of traffic and subject to the proviso that existing rates when less than the above shall not be increased. Some idea of the benefits which should accrue to the Colonial Dependencies from this scheme may be gathered from the fact that in the case of Hong Kong it involves a reduction of the full rate from 4s. 7d. a word to 1s. 3d., and in the case of certain West African Colonies from 3s. to 1s. 3d.

Labour.

After the long period of depression between 1930 and 1935, when profits were small or non-existent, the recovery of raw material prices, accompanied as was inevitable by rising cost of living, was followed—particularly in the sugar-producing Colonies—by labour unrest. The natural desire of wage-earners to participate fully in the greater rewards being earned by estates and sugar factories resulted, partly owing to the absence of effective machinery for collective bargaining, in serious disputes in several territories. In Trinidad the situation was complicated by the presence of industrial labour problems in the oil-fields. It is clear that labour organization in some Colonies is behind the standards reached in industrial countries, and that where large bodies of wage-labour are employed by mining companies or on plantations it is incumbent on government to ensure, in the interests of both capital and labour, that machinery is in existence for the constitutional settlements of disputes regarding rates of wages and conditions of labour.

The increasing importance assumed by labour questions of all kinds will render it necessary for many Colonial legislatures to review their existing enactments in order to bring their labour codes up to the levels now held to be consonant with modern conditions and outlook.

During the year under review, considerable progress has been made in many of the Colonial Dependencies in regard to matters concerning the supervision and welfare of labour.

Supervision of Labour Conditions.—Labour Departments or Inspectorates have been established for some years in Malaya, Hong Kong, Ceylon, North Borneo, Sarawak, Kenya, Uganda, Malta and the British Solomon Islands Protectorate.

On the 24th August, 1937*, a circular despatch was sent to all Colonial Governors, asking them to review the position of labour generally, and, in cases where no special organization for the supervision of labour conditions existed, to consider the advisability of setting up Labour Departments or Inspectorates.

In the course of the last few months, Labour Departments or Inspectorates have been set up, or are in process of being established, in British Guiana, the Gold Coast, Grenada, Mauritius, Nyasaland, St. Lucia, St. Vincent, Tanganyika Territory and Trinidad. Other Colonial Governments are considering the desirability of creating organizations for the supervision of labour, and in some of the territories which already have such organizations consideration is being given to increasing the existing staff.

Colonial Labour Adviser.—The post of Labour Adviser to the Secretary of State for the Colonies was recently created and Major G. St. J. Orde Browne, has been selected for this appointment. Major Orde Browne served as an Administrative Officer in East Africa from 1909 to 1931 and for several years was Labour Commissioner in Tanganyika Territory. During the last few years he has been a substitute member of the International Labour Office Committee of Experts on Native Labour. It is proposed that he shall spend a substantial part of each year in visiting the various groups of Colonial Dependencies, in the same manner as they have been visited by my Agricultural Adviser, and that he shall prepare reports dealing with the different problems into which he has enquired. In addition to advising the Colonial Office generally upon labour matters, he will attend when necessary the International Labour Conferences at Geneva as one of the advisers to the United Kingdom Government delegation.

Major Orde Browne has recently carried out an investigation into native labour conditions in Northern Rhodesia at the request of the Governor. His report should be of the greatest value in formulating future policy with regard to labour questions in Central Africa.

Trade Union Legislation.—At the date of this report legislation providing for the registration of trade unions exists in Aden, British Guiana, Ceylon, Cyprus, the Gambia, Grenada, Jamaica, Kenya, the Leeward Islands, Malta, Northern Rhodesia, Nyasaland, St. Lucia, St. Vincent, Seychelles,

* Copies of this despatch have been placed in the Library of the House and the text is given in Appendix II to this Report.

Tanganyika Territory, Trinidad, Uganda and Zanzibar, and in other territories such as Malaya and Hong Kong there is " Societies " legislation under which trade unions can be registered. The desirability of enacting legislation to provide for the registration of trade unions is under consideration in certain other territories.

Workmen's Compensation Legislation.—At the present time legislation providing for the payment of compensation to workmen injured in the course of their employment exists in Aden, Barbados, British Guiana, Ceylon, Cyprus, the Falkland Islands, Fiji, Gibraltar, Gold Coast (Northern Territories), Grenada, Jamaica, Kenya, the Leeward Islands, Malaya, Malta, Mauritius, Nigeria, North Borneo, Northern Rhodesia, Palestine, St. Helena, Seychelles, Sierra Leone, Somaliland, Tanganyika Territory, Trinidad and Uganda. In the majority of these cases, the legislation is of a comprehensive character; in a few cases the legislation is " employers' liability " legislation, i.e., the compensation payable is limited to injuries arising out of defects in machinery or plant, etc., or negligence on the part of the employer or his agents; while in others the provisions are of a limited scope and apply only to injuries in mines or to injuries arising out of boiler explosions. The question of the enactment of comprehensive legislation is under consideration in a number of other territories, including some of those in which the existing legislation is of the present limited scope indicated above.

A model Workmen's Compensation Ordinance designed to apply to conditions obtaining in the East and West African Dependencies has been under consideration for some time. A revised version of the model Ordinance was prepared by the Colonial Labour Committee last summer and has been sent to the East and West African Governments for consideration and with a view to the enactment of legislation on the lines of the model at the earliest possible date.

Legislation for the protection of persons working in Factories.—Legislation providing for the inspection of factories, boilers and machinery, and dealing with ventilation, sanitation, lighting, overcrowding, etc., exists in practically all Colonial Dependencies.

Minimum Wage Legislation.—At the date of this report minimum wage legislation exists in the Bahamas, the British Solomon Islands Protectorate, Ceylon, the Falkland Islands, Fiji, the Gambia, Gibraltar, the Gold Coast, Grenada, Hong Kong, the Leeward Islands, Kenya, Malaya, Malta, Mauritius, Nigeria, Northern Rhodesia, St. Helena, St. Lucia, St. Vincent, Seychelles, Sierra Leone, Trinidad and Uganda, and its enactment is under consideration in a number of other territories.

In the majority of cases, this legislation is of a simple character empowering the Governor-in-Council to fix a minimum wage for any occupation in any area in which he is satisfied that wages are unreasonably low, and to appoint advisory boards when he considers this desirable.

Masters and Servants Legislation.—During the past year the question of the abolition of penal sanctions from masters and servants legislation has been taken up with the Governments of a number of Colonial Dependencies. The position at the present time is that such sanctions have been abolished entirely or almost entirely from the legislation of the four West African Dependencies, Malaya, North Borneo, Sarawak, Hong Kong, Ceylon, Mauritius, Barbados, Grenada and St. Vincent. They still exist in the legislation of all the East African Dependencies and in the legislation of Bahamas, Bermuda, British Guiana, British Honduras, the British Solomon Islands Protectorate, Fiji, the Gilbert and Ellice Islands Colony, Jamaica, the Leeward Islands, St. Lucia, Seychelles and Trinidad; but in some of these territories the repeal or modification of the provisions is under consideration.

International Labour Conventions.—A considerable number of the International Labour Conventions which have been ratified by His Majesty's Government envisage conditions obtaining in highly-developed communities, and are consequently not applicable to the Colonial Empire as a whole. Considerable progress has, however, been made in the enactment of Colonial legislation giving effect to the provisions of the Conventions dealing with the employment of women, young persons and children, the protection of seamen and dock-workers and, as indicated above, minimum wages. I hope that it will be possible for the provisions of the recent Convention concerning the regulation of certain special systems of recruiting workers to be applied without any substantial modification to all Colonial Dependencies in which recruiting as defined by the Convention exists or is likely to obtain. Two of the Colonial Dependencies primarily affected by the provisions of the Convention are Northern Rhodesia and Nyasaland, and an account of certain recent negotiations between the two Governments and the Transvaal Chamber of Mines in regard to the recruitment of native labourers for work on the Rand is given later in this report under the heading "Labour Recruitment in Northern Rhodesia and Nyasaland".

Broadcasting.

The general policy which has been commended to Colonial Governments for the development of broadcasting within their territories will be found in the Report of a Committee on Broadcasting Services in the Colonies which was published by H.M. Stationery Office in September, 1937 (Colonial No. 139). The

following territories now have available to them, in addition to the facilities offered by the Empire Service of the British Broadcasting Corporation, some form of local broadcasting:—Fiji, Hong Kong, Malaya, Ceylon, Palestine, Malta, Gibraltar, Kenya, Nigeria, the Gold Coast, Sierra Leone, the Bahamas, Barbados, Trinidad, British Guiana, British Honduras and the Falkland Islands.

Films.

The development of the use of the educational or instructional film is a matter which is increasingly receiving the attention of Colonial Governments. Educational films are now exempt from import duty in practically all Dependencies, and the Colonial Office cooperates closely with such bodies as the Imperial Institute, the British Film Institute and the Travel and Industrial Development Association with a view to keeping Colonial Governments in touch with experience and information on the subject in this country and elsewhere. The results of an experiment, conducted in East Africa from 1935-7 under the auspices of the International Missionary Council with the financial assistance of the Carnegie Corporation and the East African Governments, on the production of and display to the Bantu of films in the vernacular were published in November, 1937 (*The African and the Cinema* published by the Edinburgh House Press), and are at present under consideration by the Colonial Governments concerned.

Surveys.

The Colonial Survey and Geophysical Committee, which was formed with the object of ensuring that accurate and systematic surveys should be undertaken throughout the Colonial Empire, has recently done much valuable work in advising on survey and allied questions arising in regard to the Colonial Dependencies, and particularly in connection with the completion of the survey of the arc of the 30th meridian in Africa, so as to provide a means of linking the isolated triangulations undertaken in the individual Dependencies. Work is now in progress which when completed, will leave the way open for the adjustment of the arc from the Northern Transvaal to Uganda. Consideration is being given to the possibility of obtaining funds for the extension of primary triangulations based upon the adjusted arc throughout the adjacent British Dependencies.

A central pool of survey instruments has been established in the United Kingdom from which or through the medium of which other Empire Governments may borrow on reasonable terms survey and geophysical instruments which those Governments may require from time to time for use in their territories.

Penal and Prison Matters.

In order to assist the Secretary of State in dealing with the many and varied questions which arise from time to time in regard to penal and prison administration in the Colonial Dependencies and to afford me advice on general questions relating to the administration of justice and the treatment of offenders in those Dependencies, a Standing Advisory Committee has been established under the Chairmanship of the Parliamentary Under-Secretary of State for the Colonies. The other members of the Committee are: the Legal Adviser to the Colonial Office, a member nominated by the Howard League for Penal Reform, one of His Majesty's Prison Commissioners, and two retired Colonial officials, one of whom was formerly a senior member of the Colonial Legal Service, whilst the other was a senior member of the Colonial Administrative Service.

I fully realize the importance of a progressive and enlightened prison administration and steps are taken to keep Colonial Governments informed of developments in this country and elsewhere in the matter. In addition, every opportunity is taken to arrange for Colonial prison officers and other officials who are concerned with prison administration to attend courses of instruction whilst on leave in this country and to study recent practice and developments here; and proposals are at present under consideration for establishing a regular system of training for new entrants to the Colonial Prison Service.

Preservation of Wild Life.

In common with the Colonial Governments, I attach considerable importance to the pursuit of an enlightened policy in this matter. An International Convention for the Protection of Fauna and Flora (Cmd. 5280) was concluded by the African countries in 1933 and has been ratified (with a few reservations) by His Majesty's Government in the United Kingdom in respect of all Colonies, Protectorates and Mandated Territories in Africa for which they are responsible. An international conference to review the working of this Convention is being held in London on the 24th May. I am satisfied also that non-African Dependencies, although outside the scope of the Convention, are pursuing a progressive policy in line with its principles.

EAST AND CENTRAL AFRICA.

General.

In pursuance of a recommendation of the Parliamentary Commission which visited East Africa in 1924, a first Conference of Governors of the British East African Dependencies was held in Nairobi in January and February, 1926, for the discussion of matters of mutual concern. It was then decided that a permanent Secretariat for the Conference should be established at Nairobi and that conferences should be held when necessary. Subsequently the Joint Select Committee on Closer Union in East Africa recommended that the machinery of the Governors' Conference should be increasingly utilized for the purpose of ensuring continuous and effective cooperation in all matters of common interest to East Africa. As a result of this, it was decided that the Conference should be deemed to be in permanent session with a view to its being convened at any time that should be found necessary, and that there should in any case be an annual meeting of the Governors of Kenya, Uganda and Tanganyika, attended, if desired, by the Governors of Nyasaland and Northern Rhodesia and by the British Resident, Zanzibar.

In June, 1937, the Conference, attended by the Governors of Kenya, Uganda and Tanganyika Territory and by the Acting British Resident, Zanzibar, met at Nairobi. Among the subjects discussed were proposals for the more efficient conduct of medical and veterinary research, the risks of conveying the infection of yellow fever through Africa by air, the efforts then being made to control export of sugar from East Africa, various administrative questions touching the terms of service particularly of the Medical Officers and Nursing Sisters, the improvement of forestry education for Africans, and proposals (which were accepted) for the re-organization of the Eastern African Dependencies Trade and Information Office in London.

Since 1935 questions of transport policy in East Africa have been considered by the Air Transport Policy Board which meets concurrently with the Governors' Conference. At the meeting in June, 1937, the Board was occupied predominantly in considering Sir Osborne Mance's report on the Coordination of Transport in Kenya, Uganda and Tanganyika.

Since the 1937 meeting a number of inter-territorial conferences between the Heads of the technical Departments have also been held.

Somaliland.

The year since 1st April, 1937, has been marked by excellent climatic conditions, plentiful rains having been followed by

ample grazing for the pastoral tribes of the Protectorate; and the Protectorate has also enjoyed unusual prosperity owing to the continuance of fairly active trade in the Harar and Jigjiga areas of Abyssinia. These factors have been encouraged by the peaceful conditions which were maintained on the frontiers.

An *ad hoc* arrangement was made with the Italian authorities early in 1937 under which British Somali tribes were accorded facilities for the exercise of their traditional grazing rights across the southern frontier. This arrangement has worked well and there has been a complete absence of frontier incidents of the types which were not uncommon in the old days when there was no effective administration of the country on the other side of the international boundary.

An arrangement was also made to provide for the trade passing to and from Abyssinia via Berbera. In consequence of this arrangement, considerable work has been carried out on road construction between Berbera and the British Somaliland frontier, but the traffic did not reach the tonnage which was at one time contemplated, largely owing to the restriction of purchases by Italians in Abyssinia.

Kenya.

The picture presented by Kenya during the period under review is in marked contrast to the customary scene. The composite racial structure of the Colony is inevitably subject to strains and stresses. In the past, attention has been focused more upon the political difficulties which disturb the surface than upon the steady underlying effort which is consolidating the foundations of a new civilization in this wide area of the African Continent. Fortunately, during the past year there has been a fall in the political temperature and it has been possible for Government and the Colony generally to concentrate in a cooler atmosphere upon the execution of plans for improving the administration and developing the country. This *détente* is due partly to accommodations which have been reached upon issues which have in past years provoked acute divergencies of view between the local communities. It can also be ascribed in no small measure to the appeasing effect of increased prosperity. Production increased, imports and exports expanded, and better trade was reflected in the more buoyant revenues of the Government.

One of the complex problems on which progress has been made during the year is the land question. The arrangements for carrying through the recommendations of the Kenya Land Commission are approaching the final stage. The main objective of the Commission was to define the areas to be specially set aside for the natives. The Commission recommended that 1,474 square miles of territory should be set apart in satisfaction of

African claims to lands which are not already included in the reserves. They also recommended that further additions should be made amounting to 1,155 square miles to meet the present and future requirements of the tribes. The assignment of yet another 939 square miles was recommended for the use of Africans but without allocation to any particular tribes. The Commission advised that native lands should cease to be Crown lands and that their administration should be placed under the supervision of a Trust Board, and that their boundaries should be prescribed by an Order in Council. They advised that an Order in Council should also be issued defining the boundaries of the Kenya Highlands.

These recommendations, which were all accepted, have involved a detailed survey of the boundaries of the various areas. The preparation of complex legislative measures including two Orders in Council has also been necessary: and there has been much discussion with representatives of the African and other interests affected about the administrative arrangements required to bring these measures into operation. This work is now practically completed: and it is hoped to issue the necessary local legislation and Orders in Council in the near future.

A report* was presented by Sir Alan Pim in 1936 on the financial position and the system of taxation in the Colony: and work upon his recommendations has been going on throughout the year. Effect has been given in a large measure to his proposals for the reduction of Government establishments.

A start has been made with the introduction of a more balanced system of taxation. Income Tax has been substituted for an assortment of other taxes. The taxable age of Africans has been raised from 16 to 18. A review is also being made of the financial and functional relationship between the Local Native Councils and the Central Government which it is hoped will assist in the carrying through of Sir Alan Pim's other proposals on African taxation.

Sir Alan Pim also reviewed the secretariat machinery and put forward proposals designed to increase the efficient and expeditious discharge of the heavy burden which modern colonial government imposes upon the central executive.

Close cooperation with unofficial opinion in the day-to-day work of Government is essential to the healthy working of the central organism in a colony like Kenya. Recognition of this has been afforded during the year by the decision to reorganize the Governor's Executive Council so as to provide a more even balance between the weight of the official and unofficial advice available for consultation. The position of the Executive Council under this decision is to be changed from eight official and four

* Colonial No. 116. H.M. Stationery Office.

unofficial members to an equal number—four members—for each.

During the summer and autumn of last year some 6,000 Abyssinian refugees crossed the frontier into Kenya. The majority travelled long distances under conditions of severe hardship. Smallpox and other diseases were prevalent amongst them. The sudden advent of these refugees into a remote and inhospitable region of the Colony presented a grave problem to the local authorities: and I cannot speak too highly of the splendid work which they performed under conditions of strain in providing the Abyssinians with medical attention and supervising their removal to a camp which was placed at their disposal at Isiolo. As a result of the measures taken at the camp, the health of the refugees, and particularly of the children, has remarkably improved.

Uganda.

In 1936 the Uganda Government adopted a development programme of public works for the rehabilitation of the roads and buildings which had suffered from the contraction of Government spending during the slump years. The programme, to be spread over five years, included the improvement and construction of roads, water supplies, hospitals, prisons, public buildings, and staff quarters for both European and African personnel.

Efforts are being continued to simplify the Protectorate's tax system and, where possible, to reduce the rates of tax. An important step towards the abolition of *luwalo* labour (a customary tribal labour service of a compulsory character) has been taken with the inclusion in the 1938 Estimates of a grant of £44,000 to meet that part of the cost of road construction and maintenance which has hitherto been undertaken by the Native Administrations with the aid of *luwalo* labour.

Zanzibar.

Early in 1938 the Land Protection (Debts Settlement) Decree was enacted. This legislation represents the Government's attempt to deal with the problem created by the serious indebtedness prevailing in the agricultural classes of the local community. The debts which the cultivators owe are secured in large part on their clove plantations. No reliable statistics are available, but in 1935 it was decided that Government intervention was necessary if the bankruptcy of the clove industry, which is the Protectorate's main asset, was to be avoided.

The scheme for which the Decree makes provision is that Government shall take over the debts by buying out the creditors and recovering the expenditure thus incurred in instalments over a period of years from the debtors. Before taking over any

debt, Government will in each case satisfy itself that the debt has adequate security. It is intended to raise by loan the money required to finance this scheme. The amount required is as yet uncertain.

Efforts to solve the debt problem on the above lines are, however, dependent on a settlement of the clove controversy to which reference is made elsewhere. Until that is assured, Government cannot contemplate assuming the considerable financial liability involved in the debt scheme as at present proposed.

Tanganyika.

The past year has been comparatively uneventful and has been marked by a continuance of the prosperity which has attended the Territory since it recovered from the slump of 1931-2. Climatic conditions in 1937 were less favourable than in previous years and the prices of the primary products of the Territory fell during the latter months of the year. Trade continued, however, to expand and the total value exceeded that of any year since the establishment of British rule. Revenue proved buoyant, with the result that the Governor was able not only to add to the special Reserve Fund but to provide more adequately for urgent services, especially public works which had necessarily suffered during the years of financial stringency. A special allocation of £100,000 was approved from surplus balances, in the autumn of 1937, for additional public works.

The problems arising from an uneven incidence of population owing to the inadequacy of water supplies in certain areas, and the increasing menace of soil erosion were emphasized in a series of reports submitted to the Government of the Mandated Territory. Among these reports were one upon a population map of the Territory by Mr. C. Gillman, formerly Chief Engineer of the Tanganyika Railways, a report by Mr. Gillman and Sir Edmund Teale upon an investigation into the control of water and re-organization of water boards in the Northern Provinces, a report by Professor R. S. Troup on forestry in the Territory, and a report by Mr. F. E. Kanthack, a Consulting Engineer, on the control of natural waters in the Territory. As a result of careful study of the various recommendations in these reports, the Government of Tanganyika drew up proposals for a coordinated programme of work involving (1) a topo-hydrographical survey of the Mount Kilimanjaro area, (2) the establishment of a water executive, (3) a general reconnaissance of water supplies in the Territory, and (4) the development of forest conservation, silviculture and afforestation. To assist in the undertaking of this programme a large measure of financial assistance has been obtained from the Colonial Development Fund.

Very considerable financial assistance amounting to £207,000 over a period of seven years from the 1st April, 1938, has also been promised from the Colonial Development Fund to enable the Tsetse Research Department of Tanganyika to continue its work. The programme to be followed during the next seven years is based on the results obtained and the conclusions formed from the experience of previous years, and has been drawn up with the advice of the Tsetse Fly Research Committee of the Economic Advisory Council. The adoption of this programme of long-range investigation has enabled the Tsetse Research Department of Tanganyika to be incorporated as a permanent department in the machinery of Government.

Disturbances broke out in September, 1937, amongst certain sections of the Chagga tribe inhabiting the slopes of Mount Kilimanjaro. The cause of the disturbances was dissatisfaction on the part of a minority of the coffee-growers with the operation of a law requiring all native-grown coffee to be sold through the Kilimanjaro Native Cooperative Union. Some property was destroyed during the outbreak and additional police had to be moved into the area, but no lives were lost and it was not necessary to call in the assistance of the military forces. Order was restored after the persons concerned had had an opportunity of bringing their grievances to the notice of the Administration. The Tanganyika Government has since enacted legislation with the object of instituting a more satisfactory control of the marketing of coffee.

At the end of 1937 the Committee which had been appointed locally to consider labour questions in the Territory produced its report, and legislation is being drafted to give effect to their recommendations. Labour conditions, especially on the Lupa goldfield, continue to occupy the close attention of the Government, and it has been decided to set up a special Labour Inspectorate, under a Labour Commissioner, to deal with labour problems, particularly the conditions of employment of native labourers and the relations between employers and employed.

Northern Rhodesia.

Constitutional Changes.—Important constitutional changes have been announced during the year. The representation of Official and Unofficial Members on the Legislative Council is to be equalized by the addition of one Nominated Unofficial Member representing Native interests and the reduction of the Official Members by one. A standing Finance Committee of the Council, including Elected Members, has been set up. The right of Elected Members to be consulted on major questions of policy has been recognized and the inclusion of Elected Members on Advisory Boards, Provincial Councils, Conferences, etc., has also been recognized as a permanent feature of Government machinery.

A Royal Commission under the Chairmanship of Viscount Bledisloe, is considering the question whether any, and if so what, form of closer cooperation or association between Southern Rhodesia, Northern Rhodesia and Nyasaland is desirable and feasible, with due regard to the interests of all the inhabitants, irrespective of race, of the territories concerned, and to the special responsibility of His Majesty's Government in the United Kingdom for the interests of the native inhabitants.

General Financial Position.—The year 1937 was notable for the great production activity of the copper-mining industry. Production of copper, the principal export of the territory, reached a value of £11,600,000 during the year as compared with £5,700,000 in 1936 and £3,400,000 in 1933. It is anticipated that income tax payable to the Government of Northern Rhodesia in 1938, mainly by the copper-mining companies, will amount to £750,000, an increase of £490,000 over the latest estimate for 1937. For the first time in its history the Protectorate Government has been able to budget for a substantial surplus of revenue, estimated at £500,000. Of this surplus £270,000 is to be paid into the Reserve Fund, bringing it up to £300,000; £120,000 is being assigned for capital expenditure on buildings and roads; increases in recurrent expenditure are absorbing about £63,000; while £30,000 will be paid into the Native Treasuries Central Fund which has been set up in connection with the establishment of Native Treasuries during the year 1937. The duty of 6d. a gallon on motor spirit has been abolished.

Outside Investigations.—During the year a general financial and economic enquiry was conducted in the Territory by a Commission consisting of Sir Alan Pim and Mr. S. Milligan, who had undertaken a similar enquiry in Kenya in 1936. The Commission left this country in June, 1937, and returned in December; and its report* was published on 25th April and has been referred for consideration in the first instance by the Acting Governor.

The territory was also visited in 1937 by Sir Herbert Dowbiggin, late Inspector-General of Police in Ceylon, who presented an exhaustive report on the organization of the Police Force.

Nyasaland.

In July, 1937, Sir Robert Bell was appointed Financial Commissioner to enquire into the whole field of Government expenditure, to examine the revenue and to advise as to whether any modifications in the existing system should be effected; and also to consider the question of further

* Colonial No. 145. H.M. Stationery Office.

development for the improvement of social and economic conditions. The terms of reference of the Commission also include an examination of the public debt and the incidence of debt charges on the railways, the Nyasaland taxpayer, and United Kingdom funds. Sir Robert Bell left England for Nyasaland in September, 1937. He has not yet completed his report.

The year 1937 was on the whole a satisfactory one from the point of view of Nyasaland's finance. The small estimated surplus of ordinary revenue over ordinary expenditure was achieved. The season was moderately good economically. The dark-fired tobacco crop on native trust lands was large and good, although there was a drop in price from previous years which naturally re-acted on the purchasing power of the native growers. In August, 1937, the Acting Governor convened a meeting of the various interests concerned in the growing and marketing of tobacco in Nyasaland, at which it was unanimously agreed that the introduction of the auction system was desirable for all types of tobacco produced in the Protectorate. At a further meeting it was agreed that the conduct of auctions of tobacco grown on native trust land should be entrusted to the Native Tobacco Board until an approved organization was formed to deal with all tobacco auctions; and that the Board should purchase all tobacco from African growers for cash, and arrange to place all such tobacco upon the auction floor for re-sale. An Ordinance was enacted on the 21st December, 1937, to give effect to these arrangements. It provides for the establishment of a Tobacco Control Board, the registration of growers and buyers, and the licensing of auction floors; and prohibits the sale of tobacco, except for scrap tobacco, otherwise than by auction on a licensed auction floor, or through a pool which the Control Board is authorized to establish for surplus tobacco.

The cotton crop was disappointing owing to unfavourable climatic conditions and the ravages of insect pests, particularly the red bollworm. An endeavour was made to combat this increasing menace, but a great deal of intensive education is still necessary to get the Africans heartily to cooperate in measures necessary to control the bollworm. The poor crop was also afflicted with poor prices, with the result that the prosperity and spending power of the African growers has been sadly reduced.

The small tea industry had a busy season and a continuance of good prices.

Within the last few years the level of water in Lake Nyasa, which since the early days of the British occupation of Nyasaland had shown a tendency to fall, has been steadily rising, with the result that the River Shire, a tributary of the Zambesi which forms the outlet to the Lake, has been carrying a much greater flow of water than for many years past. In the course

of the last thirty years this river, which was formerly navigable for the greater part of its length, had almost dried up and little but a series of swamps was left in its upper reaches. The greater volume of water now flowing down the river has carried with it large masses of accumulated sudd which has occasioned considerable damage to railway bridges at various points; and has also submerged the road crossing at Liwonde on the main route between Blantyre and the northern part of Nyasaland. To replace this crossing the Protectorate Government is erecting a high-level road bridge at Matope, funds available from the proceeds of the Nyasaland Guaranteed Loan being devoted to this purpose.

Nyasaland and Northern Rhodesia.

Labour.—Negotiations have been proceeding throughout the year between the Governments of Southern Rhodesia, Northern Rhodesia, and Nyasaland on the one hand and the Transvaal Chamber of Mines on the other with a view to reaching an agreement for the recruitment of African labourers in Northern Rhodesia and Nyasaland for work on the Rand Mines, to which there is already a considerable unregulated drift of labour from these territories. During 1937 1,000 Barotse from Northern Rhodesia and 4,000 Africans from Nyasaland were recruited as an experiment for the Witwatersrand Native Labour Association, and it was contemplated that a more permanent arrangement might be concluded if the results of the experiment were regarded as satisfactory from the medical and other points of view. In view of the many factors involved and in the light of observations carried out on the Rand by Nyasaland and Northern Rhodesia officers, the three Governments reached the conclusion that a further experimental period would be desirable. After prolonged discussions a second agreement has accordingly been reached by the three Governments and the Chamber of Mines under which the recruitment of 1,500 Barotse and 8,500 Africans from Nyasaland will be permitted for a further experimental period of a year. In the case of the Africans from Nyasaland a special arrangement has been made. The Chamber of Mines has agreed to meet the cost of transporting the labourers from Nyasaland to the Rand and a work pass fee of 6d. per month per labourer will be paid to the Nyasaland Government by the Witwatersrand Native Labour Association and used for the benefit of the Africans. Arrangements will also be made for compulsory deferred pay of 7d. per shift after a labourer has been in employment for four months.

Steps have been taken during the year with a view to implementing the Salisbury Agreement of 1936 between the Governments of Southern Rhodesia, Northern Rhodesia and Nyasaland for the regulations of migrant labour between the three territories.

WEST AFRICA.

General.

With a view to securing closer and more continuous co-operation in matters of mutual interest and concern, arrangements are to be made for occasional conferences of the West African Governors. The first is to be held in Lagos, probably in May, 1939.

In order to minimize delays in the hearing of appeals, arrangements are to be made for more frequent sittings of the West African Court of Appeal. Two full sessions of the Court are to be held in Nigeria each year at six-monthly intervals, and between them two other sessions at which criminal and urgent civil appeals and interlocutory matters will be taken.

Nigeria.

During the year 1937 the development of the several Native Administrations in Nigeria has made steady progress and the extension of the system to include the Colony area outside the limits of Lagos and its suburbs has been approved with effect from the 1st April, 1938. Fifty-nine reorganization schemes were approved in the Southern Provinces and eleven in the Northern Provinces with a view to bringing the administrative organization into closer alignment with indigenous institutions. With the object of securing greater speed and efficiency in administration it has been decided to divide the Southern Provinces into two units, to be called the Western and Eastern Provinces respectively, and financial provision has been made for this change in the Nigeria Estimates for 1938-9.

In the latter part of 1937 the Government of Nigeria decided to give Native Administrations a greater share in the measure of prosperity which had returned to Nigeria by allotting to them a larger portion of the Indirect Tax with the object of enabling them to provide to a greater extent their own educational, medical and other services. Provision has been made in the Estimates for 1938-9 for the development of this policy.

The system of conferences of chiefs in the Northern Provinces of Nigeria has been continued, and in addition a successful conference of the Obas of the Southern Provinces was held at Oyo during 1937. This conference was of particular interest since it was the first occasion on which many of the Obas had met their neighbouring chiefs in friendly conclave, a procedure to which tribal tradition had in the past in many cases been rigidly opposed. A conference of chiefs was held at Ife in March, 1938.

In July, 1937, following completion of the work of the Anglo-French Forestry Commission, a Forestry conference was held as a result of which a clearly-defined forestry policy has been approved. An important point of this policy is that it aims at securing the practical interest and cooperation of the Native Authorities, and with this object in view local committees are being formed under the chairmanship of the Resident Commissioner of each Province, on which the Native Authorities as well as other Government Departments interested will be fully represented. Native Authorities will also be given a greater proportion of forest revenue in future, and it is desired to encourage a local saw-milling industry. Owing, however, to the uncertainty of the financial outlook, it will not be possible for the full programme approved to be made immediately effective.

Approval has been given in principle for merging the High Court of Nigeria in the Supreme Court with the personnel of Chief Justice, four Puisne Judges and eight Judges, and for the merging of all the inferior Courts (other than Native Courts) of the Colony and Protectorate which in future will be known as Magistrates' Courts. This step has been taken with a view to simplifying the administration of justice and avoiding confusion due to duplication of Courts. The necessary legislation to give effect to these proposals is under consideration locally.

Gold Coast.

Events in the Gold Coast were overshadowed in the latter part of the year by the cocoa dispute, of which some account is given in the section dealing with economics and finance.

In the Northern Territories Protectorate of the Gold Coast the steady advance of stable local government has continued, and the position has been consolidated. Properly organized Native Administration Treasuries, working on approved estimates of revenue and expenditure, are functioning in all the Native Authority areas in which the Protectorate is divided, and this progress of the principles of indirect rule is encouraging.

An extensive programme of road development has been entered upon. Proposals for extending harbour facilities at Takoradi and for improvements at the port of Accra have been referred for expert examination.

Sierra Leone.

The administrative arrangements under which the Colony peninsula is governed have been revised. An elected Rural Areas Council has been provided for, and Rural Commissioners have been appointed.

In the Protectorate, steady progress is being made with the institution of Native Administration authorities. Eighteen are now in operation.

EASTERN AND PACIFIC

Hong Kong and Malaya.

The Far Eastern Colonies of Hong Kong and the Straits Settlements have during the last few months found themselves under the cloud of the Sino-Japanese conflict and, particularly in Hong Kong, some dislocation has resulted in social and economic conditions. Hong Kong has received waves of European and Chinese refugees from Shanghai and other areas of hostilities in China, and both the Colonial Government and private charitable organizations have made efforts to provide within the limits of the Colony's capacity the necessary accommodation and subsistence. The influx of numbers of Chinese refugees of the poorest classes has brought special risks to public health, an instance of which is the recent epidemic of smallpox in Hong Kong. Intensive precautions have been taken by the Colonial Government against such risks, but unremitting vigilance will be necessary for a prolonged period. Trading communications with China by rail and water have suffered by the direct naval and military action of the Japanese forces and by the closing of the Canton River on occasions when the Cantonese authorities apprehended hostile naval action. Serious interference has been most marked in the case of Chinese fishing junks and coastal vessels, many owners and their families having suffered the loss of their property and in some cases their lives.

In spite of the high feelings which the present conflict has naturally excited amongst the Chinese, it is to their credit and that of the local Governments that there have been no serious instances of disturbance of peace and good order in Hong Kong or Malaya.

In both Dependencies trade with Japan has very considerably fallen off in the last few months mainly under the impetus of the boycott of Japanese goods by the Chinese community. But the financial results of 1937, both as regards public revenues and the trade and commerce of the territories, showed a marked improvement on those of the preceding year and a further step forward from the great depression of 1931-4. In Hong Kong there has been no serious check to commercial activity. Local industries are prospering and shipping and financial circles have assumed much business which would normally have gone to Shanghai. In Malaya the rising prosperity has latterly been checked by the lower world prices of tin and rubber and the increased restriction of output of those commodities which has had to be enforced under the International Regulation schemes in which Malaya participates.

Mui-tsai in Hong Kong and Malaya.—A problem of importance in itself, and possessing a general significance in the social ordering of British territories in the East, is that of the measures taken to abolish the mui-tsai system. The recommendations of the Commission which visited the two territories in 1936 and presented its report* early in 1937 have been under the careful consideration of the Colonial Governments and the Governments of the Malay States during the past year, with the result that it has been publicly announced by the Government of the Straits Settlements that the general policy advocated in the Minority Recommendations in that Report has been accepted and will be put into effect subject to certain necessary local modifications. A Bill for this purpose has now been prepared for consideration by the Colonial Legislature. The Governor of the Straits Settlements, in his capacity as High Commissioner for the Malay States, has also recommended the Federated Malay States to adopt a similar policy.

In Hong Kong, the Governor has secured general consent amongst the leaders of the Chinese community to a considerable extension of the policy of registration and control, so that with the assistance of an increased inspectorate staff such measures of protection may be made available on a wider scale for young girls in Hong Kong who are not in the care of their parents. A Bill to give effect to this policy is now before the Legislative Council.

Ceylon.

The Order in Council of 1931, which was based on the recommendations of the Special Commission of 1928, gave to elected Ministers and the State Council very extensive powers of self-government in domestic affairs.

The constitution has, on the whole, worked smoothly, but, with experience of its working, demands have been made, not only by Ministers but by many political bodies and persons of influence in Ceylon, for amendments in certain directions, particularly in regard to the method of election of Ministers, the relations between Ministers, Executive Committees and the State Council, and the representation of minorities.

The new Governor, Sir Andrew Caldecott, has accordingly been instructed to examine the whole question, and, after consideration of the views expressed to him by representative and responsible persons in the Island, to frame in due course his recommendations for submission to me.

I found it necessary, however, to effect one amendment to the Order in Council without waiting for Sir Andrew Caldecott's report; the decision was, in fact, taken before he assumed the government.

* Colonial No. 125. H.M. Stationery Office.

The Order in Council of 1931 reserved to the Governor certain important powers, particularly in connection with the appointment and control of public officers. There has, however, been a tendency on the part of certain elements in the State Council to encroach on these powers, and to act in a manner calculated to impair the Governor's freedom of action in appointing and promoting such officers as, in the interests of the administration, he deems necessary.

The procedure for the exercise of the Governor's reserve powers was, under the original Order, somewhat cumbrous, and lent itself to obstructive tactics and to the initiation of acrimonious debates in the State Council on the merits of individual officers and on the conditions of service of particular classes of officers. Such discussions undermined the confidence of the public service as a whole, and led to the premature retirement of valuable public officers who could find other employment, and to undeserved hardship to others to whom this mode of escape was not open.

I therefore decided to amend the Order in Council by the incorporation of provisions similar to those contained in the Government of India Act, under which the Governor is empowered, in specified circumstances, to enact legislation by Governor's Ordinance, without the formality of debate in the State Council.

As I fully explained in the despatch covering the amending Order, there is no intention of extending the powers given to the Governor by the Order of 1931, but only of preventing an encroachment on the powers which the Governor was clearly meant to possess.

Mauritius.

The main factor in the life of Mauritius is the sugar crop, and sugar constitutes over 95 per cent. of the exports of the Colony. During the year under review the total crop amounted to over 300,000 tons and constituted a record, and the majority was sold at the higher price ruling towards the end of 1937.

Unfortunately, the year was marred by labour troubles in August, which led to rioting with some loss of life. A local Commission was immediately appointed to enquire into the causes of the disturbances and to make recommendations. The immediate cause of the disorders appears to have been a reduction by 15 per cent. in the price offered by the mill-owners for "Uba" cane. But it is clear that this was only one symptom of a widespread dissatisfaction on the part both of the small planters and of the labourers on the sugar estates at the general conditions in the industry and the return which they received for their labour. Rates of wages, prices, the system of recruitment of labour, and restrictions on marketing were among the most important of the grievances which have been ventilated.

While the investigation into these grievances (involving as it does a comprehensive review of the conditions in the sugar industry) and the introduction of permanent reforms will occupy a considerable period, energetic measures have already been taken by the Government to deal with the situation. An experienced officer has been obtained from Malaya to inaugurate machinery for the discussion of grievances and matters of common interest between estate-owners and the labouring and peasant classes; the formation of Trade Unions, and the inauguration of conciliation boards and boards to deal with the fixing of wages are receiving active consideration. A committee has been set up to enquire into the possibility of instituting a system of payment for sugar-cane on the basis of sucrose content. And schemes for the assistance of small growers by issuing seedlings of the better types of sugar-cane and by the grant of advances against the proceeds of the crops are being examined. It is hoped by these and other means, to place the relations between employers and employed and the general conditions within the industry which admittedly stand in considerable need of reform upon a sound and satisfactory basis.

Fiji.

During the year under review a constitutional reform of major importance was put into effect. The 1929 Constitution provided for a Legislative Council constituted as follows:—

The Governor	...	...	...	(President).
13 Official Members	...	...	...	(nominated).
6 European	„	...	...	(elected).
3 Fijian	„	...	...	(nominated).
3 Indian	„	...	...	(elected).

By Letters Patent dated the 2nd April, 1937, the Council was re-constituted as follows:—

The Governor	...	...	(President).
16 Official Members	...	...	(3 ex-officio and 13 nominated).
5 European	„	...	(3 elected and 2 nominated).
5 Fijian	„	...	(nominated).
5 Indian	„	...	(3 elected and 2 nominated).

The principal object of this reform was to effect a more equitable distribution of the Unofficial seats and to secure, by a combination of the principles of election and nomination, a wider and more elastic system of representation.

A comprehensive review of the whole administrative machine has been carried out by a Committee under the Chairmanship of the Colonial Secretary. The Committee recommended reforms in various directions and the Government has been largely occupied in considering the recommendations and putting them into effect. Probably the most important reform is in the sphere of local administration. The changes which have been made

are directed towards the reconstitution of the system of administration through Districts Officers, with a view to avoiding over-centralization on the one hand, and on the other hand to providing the machinery for the formulation of an active and progressive policy in the interests of the local inhabitants.

Western Pacific.

The High Commissioner for the Western Pacific made an extensive tour of the High Commission territories during the year, visiting in turn the New Hebrides, the Gilbert and Ellice Islands and the Solomon Islands. The problem of the administration of these territories is much enhanced by the difficulties of communication. The system of administration generally is being overhauled on the lines which have been adopted in Fiji.

One of the most important problems in the Gilbert and Ellice Islands is that of over-population. During the year, an examination was conducted of the possibilities of relieving the situation in this respect to some extent by colonization from the Gilbert Islands of some of the Phoenix Islands. The investigation indicated that the Phoenix Islands offered good prospects for colonization, and it is hoped that steps may be taken to this end during the coming year.

The lonely community on Pitcairn Island was visited by the Consul at Tonga, accompanied by a Medical Officer from New Zealand. Full reports regarding the conditions of the islanders were prepared, and, as a result, various administrative measures for their benefit have been taken, the most important of which is the despatch to the island of the school-teacher, a step which has been arranged in cooperation with the Seventh Day Adventist Mission. The reports will in due course be published.

MEDITERRANEAN.

General.

Apart from defence, and in the case of Gibraltar the complications resulting from the Spanish conflict, the Governments of the three Mediterranean Colonies have been principally occupied during the year with the prosecution of schemes of social and economic development.

In *Cyprus*, where the bulk of the population is agricultural, measures of rural improvement have had a prominent place. With the aid of assistance from the Colonial Development Fund an expert investigation has been proceeding into the possibility of increasing the water supplies, upon which agriculture in that country is vitally dependent: and the Agricultural Bank,

which provides long-term credit for farmers, has been re-organized. In addition, measures for improvement of public health have been pressed forward.

In *Malta* also, the encouragement of agriculture has occupied attention, but in addition the Government has largely concerned itself with measures of social improvement affecting the working population. A new Ordinance was enacted fixing minimum wages and maximum hours for workers in shops and industries, and plans are being worked out for a scheme of slum clearance. The problem of overcrowding is also a serious one in *Gibraltar*, where a comparatively large population is restricted to the very small area available at the foot of the Rock. To meet the situation caused by the existence of this overcrowding, the Government have taken action along two lines. In the first place a re-housing scheme is being undertaken with a loan of £100,000, and in the second place a tuberculosis sanatorium is being built so that persons afflicted with the disease may be taken away from the danger of infecting their families and given proper treatment.

The preservation of the splendid monuments of the past existing in both *Malta* and *Cyprus* has engaged the attention of those Governments. In each case we have, I am afraid, to make up some leeway caused by past neglect, but the problem is now being tackled energetically. In *Cyprus* there is an efficient Department of Antiquities with more money at its disposal than before. *Cyprus* is rich both in buried remains of the early past and in medieval buildings. It was felt that the most urgent task was to consolidate the latter and prevent their falling further into decay, and the work of the Department has been principally concentrated on this object. I should like here to acknowledge the valuable assistance that has been given from private sources both in this country and in America towards the work of preserving *Cyprus* antiquities, work which I consider of the greatest importance. In *Malta* the Government has been able to enhance the appearance of many of the magnificent buildings surviving from the time of the Knights by careful reconstruction and by the removal of unsightly later buildings from their vicinity. They have also been able, without recourse to legal proceedings, to control the display of unsightly advertisements near places of beauty and historic importance.

Further details about the activities of the *Cyprus* and *Malta* Governments are given below.

Cyprus.

A feature of the year has been the improvement in the financial position of the Government, the accumulated surplus balances at the end of 1937 being estimated at £466,049 as against

£339,979 at the beginning of the year. This improvement follows upon a considerable increase in the trade of the Island.

There have been no constitutional changes and none is contemplated, but occasion has been taken to entrust additional responsibilities in various directions to the Municipal Corporations whose powers and functions it is the policy of the Government gradually to extend. The Municipal Corporations (Amendment) Law 1938, for example, confers upon the Corporations various powers in relation to the grant of licences, the acquisition of land for public services, etc.

The development of tourist facilities has occupied the attention of the Government. Efforts are being made to raise the standard of hotel accommodation, and reports have been made upon the waters of a number of medicinal springs which are found in the Island. Cyprus has great natural attractions for the tourist, but the development of the industry is hampered by the restricted shipping communications of the Island.

Malta.

The problem of social reform is important in Malta. The Colony is in many ways behind the standards of this country in that matter, but the Government is tackling the problem with energy. As indicated above, new legislation has been enacted for fixing hours and wages, and progress has been made in the sphere of elementary education. Although their efforts have been restricted by financial considerations, the Government have been able to raise the salaries of some of the lower-paid teachers, and to make some increase in the number of teachers. It has continued to be a feature of Government policy to encourage the use of English, which, apart from other considerations, is the language most useful to the working population from an economic point of view.

In the sphere of public health good progress has been made. One of the principal problems in the Island has been the existence of undulant fever, a disease conveyed by goat's milk, which causes much loss of health. With the aid of a grant from the Colonial Development Fund, research is being undertaken into the immunization of goats from this disease, and of even more immediate importance the Government have started a big scheme for the pasteurization of all goat's milk sold in the town of Valletta and other neighbouring urban districts. In the early part of last year there was a threat of a serious outbreak of plague, but this was happily arrested by the energetic steps taken by the medical authorities. To guard against a recurrence of an outbreak of this dreaded disease, the Government have started a refuse collection service in the urban areas.

MIDDLE-EASTERN TERRITORIES.

Palestine.

POLITICAL DEVELOPMENTS.

The report of the Palestine Royal Commission was presented to Parliament in July, 1937, and in the same month a Statement of Policy was issued (Cmd. 5513). In the Statement of Policy His Majesty's Government declared that they found themselves in general agreement with the arguments and conclusions of the Royal Commission and that in their opinion a scheme of partition on the general lines recommended by the Commission represented the best and most hopeful solution of the deadlock. With the approval of Parliament and of the Council of the League of Nations, steps are now being taken to investigate the practical possibilities of a scheme of partition, and for this purpose a Commission of four members has been appointed under the Chairmanship of Sir John Woodhead, and left for Palestine towards the end of April. The terms of reference of the Commission are set out in a despatch to the High Commissioner for Palestine dated 23rd December, 1937, which was published (Cmd. 5634) in January, 1938.

In the Statement of Policy of July, 1937, it was laid down that for the eight months period August, 1937, to March, 1938, Jewish immigration in all categories should be limited to 8,000 persons, provided that the economic absorptive capacity of the country was not exceeded. In a despatch dated 10th March, 1938, the High Commissioner for Palestine was informed in detail of the arrangements which had been decided upon for the control of immigration after the 31st March, 1938. This despatch, which was quoted in full in a written reply to a Parliamentary Question on the 14th March, 1938, was published in the Official Report of that date.

PUBLIC SECURITY.

The publication of the report of the Royal Commission and of the Statement of Policy (Cmd. 5513) was ill-received by the Arabs of Palestine and surrounding Arab countries, who expressed vehement opposition to the policy of partition. In September, 1937, there was a renewal of the Arab campaign of sabotage and terrorism leading, after the murder of one of the District Commissioners, Mr. Andrews, to the suppression of the Arab Higher Committee and the deportation of five leading Arab politicians to the Seychelles. Shortly afterwards the Mufti of Jerusalem, who had taken refuge in Haram es Sherif, fled to the Lebanon, where he still remains.

In consequence of the large number of murders by the use of firearms, bombs, etc., in November, 1937, military courts were established for the trial of certain specified offences against the defence regulations and the offence of carrying arms without lawful authority was made punishable with death or with imprisonment for life or for such less a term as the court might impose. Despite the stringent measures adopted, the state of public security still leaves much to be desired.

In December, 1937, Sir Charles Tegart, accompanied by Sir David Petrie, visited Palestine for the purpose of advising on the reorganization of the police force, and steps are now being taken to give effect to various measures of reform which they have recommended.

Aden and the Aden Protectorate.

Under the provisions of the Government of India Act, 1935, the Chief Commissioner's Province of Aden (that is, the Aden Settlement) passed on the 1st April, 1937, from the control of the Government of India and became a Colony. The arrangements for the change-over worked smoothly, and the Colony is settling down satisfactorily under its new régime.

A treaty has been concluded between His Majesty's Government and the Sultan of Mukalla whereby His Majesty's Government agrees to appoint a Resident Adviser to the Sultan, and the Sultan agrees to accept the Adviser's advice in all matters except those concerning Mohammedan religion and custom. The Kathiri Sultan has also invited His Majesty's Government to appoint an Adviser at Seiyun.

Additions have been made to the staff of political officers in the Aden Protectorate, and as a result an active policy for the pacification of the Protectorate is being adopted. A force of internal security police is being organized, and measures taken for the improvement of conditions and the protection of trade routes in the Protectorate. Arrangements are being made for a survey as a preliminary to a wide development of road transport.

WEST INDIES, BRITISH GUIANA, AND BRITISH HONDURAS.

Constitutional progress has been made during 1937 in the Leeward Islands and the Windward Islands with the coming into operation during the early part of the year of the new Constitutions. These provide for an unofficial majority in the Legislative Councils in the Presidencies and Colonies and for the election of a proportion of the unofficial members, both of which represent progressive changes, except as regards the latter change in the case of Dominica where the elective principle had

already been adopted. The elections passed off quietly, and so far as it is possible to judge at this early state, the new Legislative Councils will justify the further step which has been taken in the direction of associating the people more closely with the conduct of their affairs.

An Act of Parliament was passed during the year to enable Dominica to be transferred from the Leeward Islands to the Windward Islands. The House will be aware of the reasons for this measure from the debates on the Bill.

In the West Indies the year was marred by labour troubles involving disorder in Trinidad and Barbados. The report of the Commission which I subsequently appointed to investigate the disturbances in Trinidad has been presented to Parliament (Cmd. 5641) and copies of the report of the similar Commission appointed by the Governor of Barbados have been placed in the libraries of both Houses of Parliament. General conditions in the West Indies were debated in the House of Lords on the 23rd February and a special debate on Trinidad took place in the House of Commons on the 28th February, 1938. In these circumstances it is not necessary to say more in this Report about these unfortunate occurrences. The recommendations of the Commissions were being actively considered at the end of the year (31st March).

There was an outbreak of disorder in Inagua, Bahamas, in August, 1937, but unlike the disturbances elsewhere, this was not traceable to economic causes.

There were small strikes during 1937 in British Guiana, Jamaica, the Windward Islands and the Leeward Islands. These were settled satisfactorily and did not lead to public disorder.

A question which caused some concern during 1937 was the position of British West Indians who had in years past migrated to Cuba. There were rumours of large-scale repatriation of non-Cuban labour, particularly of Jamaicans and Barbadians; and such a step would have caused considerable difficulty from the point of view of unemployment in the Colonies of origin. The situation did not, in the event, prove as serious as had been feared, but the position is being closely watched in case there should be extensive repatriations in 1938-9.

Further progress was made during the year with the demarcation of the boundary between British Guiana and Brazil. The inaccessibility of the boundary, the difficult nature of the terrain and the climate together have rendered the work on the boundary especially difficult, but there is every prospect of the field work being finished during 1938.

Provision is included in the Estimates for a further issue of a loan to the Government of British Honduras for improving

communications in Stann Creek Valley by substituting a motor-road for the existing railway, which is not an economic proposition. Transport in this valley is of particular importance as this is the area where the best of the famous British Honduras grapefruit are grown. There has also been recently established a factory for making starch from cassava. Considerable assistance has also been given from the Colonial Development Fund for the improvement of transport by road and water in other parts of this Colony which is now slowly beginning to recover from a long period of difficulty following the world depression and the disastrous hurricane which struck Belize in 1931.

A five-year programme is being carried out in Antigua, Leeward Islands, with the aid of a free grant of £12,000 from the Colonial Development Fund, for the development of peasant agriculture in that Presidency. The grant was made in the summer of 1937 and the scheme is designed to cover every aspect of agricultural enterprise on the part of the small holder, including the cultivation of alternative crops to sugar, such as Sea-Island cotton, fruits and vegetables, and also of the improvement of the livestock of the peasants. A similar programme, though on a much more modest scale, is being carried out in the Virgin Islands, also with the aid of a grant from the Colonial Development Fund.

Progress has been made with land settlement in Jamaica. During the year, 6,390 acres have been purchased by the Government at a cost of £22,988. The Jamaica Land Department now administers 27 properties with a total area of 30,379 acres, providing for 3,423 families or approximately 17,000 persons.

In St. Lucia a scheme is under consideration for the establishment in the Vieuxfort district of the island of a settlement of approximately 5,000 acres on which Barbadian agriculturists would be settled.

(Signed) W. ORMSBY GORE.

COLONIAL OFFICE,

6th May, 1938.

APPENDIX I

Statement showing estimated Revenue and Expenditure, Imports and Exports for certain Colonies, etc., during 1937

Colony, etc.	Estimated Revenue.	Estimated Expenditure.	Total Imports.	Total Exports.
	£	£	£	£
Kenya (a) (b)	2,209,552	2,204,539	10,833,334*	3,954,054
Northern Rhodesia (b)... ..	912,700	910,700	4,086,429	12,030,599
Nyasaland (b)	792,818	777,591	863,467	916,665
Tanganyika Territory	2,050,680	2,031,826	4,201,025	6,169,888
Uganda (b)	1,857,873	1,871,092	See Kenya	5,702,708
Zanzibar (b)	476,625	474,894	1,229,831	873,828
Gold Coast (c)	3,772,891	3,611,603	18,600,278	16,070,709
Nigeria (a) (c)	7,102,484	6,801,286	14,622,777	19,249,124
Sierra Leone (b)	996,112	925,943	1,839,582	2,965,050
Aden (c)	154,500	131,775	6,003,248	3,199,937
Ceylon (d)	8,699,535	8,861,042	18,195,023	24,870,531
Hong Kong (b) (e)	1,928,094	1,981,295	38,084,417	28,842,574
Straits Settlements (b)... ..	4,192,894	4,319,310	} 81,486,088	105,595,683
Federated Malay States(b)	8,684,315	8,418,936		
Unfederated Malay States (b)	3,871,190	3,721,095		
Sarawak... ..	Not Available		1,721,505	2,453,870
Cyprus (b)	918,150	802,080	2,219,463	2,181,657
Malta (f)	1,219,651	1,248,530	4,019,537	698,891
Palestine (c)	4,908,828	5,077,167	15,904,608	6,455,516
Bahamas (b)	514,331	411,670	1,219,353	295,076
Barbados (f)	461,085	458,461	2,220,650	1,646,709
British Guiana (b)	1,250,858	1,227,731	2,395,103	2,735,161
British Honduras (b)	232,036	241,045	819,187	535,514
Jamaica (f)	2,279,799	2,222,884	6,138,379	4,994,281
Trinidad & Tobago(a) (b)	2,456,847	2,087,809	7,465,732	6,568,890
Fiji (b)	834,280	803,958	1,586,256	1,994,286

(a) Exports are " Domestic Exports " only.

(b) Revised Estimates of Revenue and Expenditure for the year 1937.

(c) Revised Estimates of Revenue and Expenditure for the year ending 31st March, 1938.

(d) Revised Estimates of Revenue and Expenditure for the year ending 30th September, 1937.

(e) Imports and Exports exclude " Treasure."

(f) Estimates of Revenue and Expenditure for the year ending 31st March, 1938.

* Includes Imports for Uganda.

APPENDIX II

DOWNING STREET,

24th August, 1937.

SIR,

I have the honour to refer to Mr. MacDonald's circular despatch of the 9th of November, 1935, in which he requested the Governments of Colonial Dependencies to review their arrangements for the supervision of conditions governing the employment of labour in the territories under their administration.

2. In the opening paragraph of his despatch, Mr. MacDonald referred to the interest which is taken by Parliament in this question, and, as will be seen from the Official Report of the debate in the House of Commons on the 2nd of June, 1937, on the Colonial Office Vote (a copy of which was sent to you under cover of my circular note of the 21st June), some anxiety was expressed by a number of speakers as to whether the position in the Colonial Empire was generally satisfactory at the present time.

3. I have given careful consideration to the replies which have been received from Colonial Governments to Mr. MacDonald's despatch. (In the case of a few Colonies a reply is still awaited.) While I feel that the establishment or re-establishment of separate labour departments should be the ultimate aim in the larger and more important Dependencies, and while I note with satisfaction that certain Governments contemplate recommending this, I nevertheless appreciate the representations which have been made by other Governments that the time has not yet arrived for this step to be taken; and I have no desire to insist on the application of a uniform system to varying conditions, or to press the establishment of a separate department of labour on Colonial Governments against their will. What I do however feel strongly is that, now that there has been, generally speaking, a definite improvement in the financial position of the Colonies and that Colonial enterprises, whether concerned with mineral or agricultural production are to a large extent reaping the benefit of enhanced prices, it is only right that Colonial Governments should take all steps in their power to ensure that a fair share of this benefit is passed on to the workers in their territories.

4. I am of the opinion that relations between employers and employees, which constitute the main function of any Government labour organization, can hardly be dealt with efficiently if they are merely left to the Secretariat or the Native Affairs Department in a large Colony. Nor do I think that they can be effectively covered in district administration by an administrative staff which is primarily occupied with other interests and duties. I observe from the replies received to Mr. MacDonald's despatch that a certain number of Dependencies appear to be under the impression that this question is only to be regarded as of importance in what are generally termed industrial areas, that is to say areas in which there are to be found developed industries with modern power-driven machinery such as manufactories or mines. I desire to emphasize the point that the relations between master and servant are equally important in a purely agricultural Colony and only sink into insignificance where the prevalent state of society is one of small peasant holders working on their own account. I am therefore anxious that in all territories where there is a substantial wage-earning community Colonial Governments should forthwith consider the desirability of setting up a labour organization consisting of officers whose sole duty shall be to inspect and examine labour conditions generally and make suggestions for their improvement, and whose services can be called upon when necessary by the district administrations. I consider that it would generally be advisable that these officers should be under the control of a chief labour inspector who would act as an adviser to Government. Whether he should form part of the staff

of a Secretariat or of a Native Affairs Department where such a Department has been established is a matter for consideration in the light of particular conditions in each Dependency.

5. The duties which these officers should perform have been briefly outlined in Mr. MacDonald's despatch and I have little to add to those recommendations. I desire however to mention the following matters.

6. I would remind Colonial Governments that the question of the regulation of written contracts of employment, to which reference was made in Mr. MacDonald's circular despatch of the 1st of November, 1935, will come up for examination by the International Labour Conference next year; and I would invite special attention to the concluding section of the recommendations of the Committee of Experts on Native Labour enclosed in that despatch, which deals with the desirability of eliminating penal sanctions from masters and servants legislation. I have already addressed despatches on this subject to certain Colonial Governments. Another important matter which it should be the principal duty of any Colonial labour organization to survey is the legislation relating to workmen's compensation. Here again I find that there is a tendency on the part of certain Colonial Governments to assume that such legislation is only necessary where industrial communities exist. I am also anxious that the question of the recognition of trades unions to which attention was drawn by Lord Passfield in September, 1930, should be reviewed by those Colonial Governments which have not yet dealt with this question. It should be realized that the prohibition of trades unions or the subjection of them to disabilities which used to be imposed by the Common Law in England, but which are now altogether obsolete, is almost certain to encourage the formation of illegal organizations which may easily develop into "secret societies" and extend their operations into the political field. A policy of restriction in this respect may therefore give direct encouragement to the formation of extremist associations. One of the functions of any Colonial labour organization should be to report to Government on the developments which may have taken place in the direction of the formation of trades unions, their general conduct and tendencies and their relations with employers.

7. The position in any Colonial Dependency in regard to very lowly paid workers calls for urgent examination. In a considerable number of Dependencies power already exists for the setting up of courts or commissions to investigate cases of such labour. It seems probable that cases of the kind are to be found in almost every Colonial territory and I am anxious that, where it does not already exist, legislation should be enacted enabling inquiries to be held and that effective use should be made of such legislation.

8. Other matters which should be the concern of Colonial labour organizations, in co-operation with the medical and health services, would be questions relating to housing conditions especially of plantations, transport of workers who come from a distance, and the provision of facilities for the education of children of workers employed on estates. As you are aware, there are a number of international conventions dealing with the employment of women and children, minimum age for employment in industry, etc., which have been ratified by His Majesty's Government, and I am anxious that all Colonial Governments should consider whether any of these conventions which have not already been applied to their territories can now be so applied, and that the necessary steps should be taken to introduce legislation to give effect to the conventions in question.

9. I should be obliged if you would furnish me with a report not later than the 30th of June, 1938, stating the action which it has been found possible to take to give effect to the suggestions made in this despatch.

I have, etc.,

(Signed) W. ORMSBY GORE.

(6/38) (10920r—1) Wt. 490—2140 500 6/38 P. St. G. 373

