

agriculture, and it has suffered from the general trade depression, besides having much leeway to make up owing to the wreckage caused by the war. Progress is, however, being made, though revival is necessarily slow. Revenue is steadily increasing, and the relations between the Native population and the Government are excellent. It has been found possible to make a considerable reduction in the military garrison. The system of administration which has been adopted is to support and supervise, with the least possible interference, the established Native authority. It is recognized that, except to a very limited extent, the country is not suitable for European settlement, and this has been recently affirmed by the adoption of a land law modelled closely on one which has stood the test of time in the Northern Provinces of Nigeria. "Compulsory servitude," which is the same thing as slavery, has been abolished without any of the social disturbance that was dreaded in some quarters, and, I may add, without expense. This was a step which our German predecessors had never ventured to take. We are now able to spend more money on Native education—though not so much as I would wish—and also on agriculture, thanks to the liberal assistance afforded by the Empire Cotton-growing Corporation, who regard the Territory as a promising field for development.

#### **Rhodesia.**

In Rhodesia important constitutional changes are now taking place.

As explained by Mr. Churchill, the position when the last Conference was held in 1921 was that a delegation from Southern Rhodesia was due to arrive shortly in this country to discuss the terms of the future constitution. As the result of this visit, draft letters patent providing for the constitution of responsible Government were prepared with a view to submission to the electors in Southern Rhodesia. Subsequently discussions were also held in South Africa between the Union Government and representatives from Southern Rhodesia regarding the alternative policy of entry into the Union.

Following on these discussions, a referendum was held in October of last year on the question whether the Territory favoured entry into the Union or the grant of responsible government. The referendum having resulted in a vote in favour of the latter alternative, the new Constitution has accordingly now been completed, and came into force this week, on the 1st October. Difficult questions which had arisen with regard to the unalienated lands, and the rights of the British South Africa Company on the termination of their administration, have now been satisfactorily settled by means of agreements which have been arrived at with the company and the elected members of the present Legislative Council of Southern Rhodesia. The settlement with the company involves a substantial contribution from Imperial funds in addition to the amount for which the new Administration will make itself responsible. The settlement should be of material assistance to the new Government in the discharge of its responsible task. Under the new Constitution certain powers with regard to Native administration are reserved to the High Commissioner for South Africa, but in other respects the people of Southern Rhodesia will have a full control of their Government and administration. In Northern Rhodesia, under the agreement made with the British South Africa Company, the British Government will relieve the company of the administration on the 31st March, 1924, so that on that date the whole of the administrative side of the company's great work in Rhodesia will come to an end.

I turn now to the East.

#### **Ceylon.**

In Ceylon the new Constitution granted in 1920, under which the unofficial element in the Legislature is given a majority, has justified the hopes of its advocates, and has worked successfully for three years, although some further modifications of the Constitution are now under consideration. Ceylon's tea and copra trade is flourishing, and there has recently been a substantial improvement in the position of the rubber industry as the result of the measures for the restriction of output undertaken jointly by the rubber-growing colonies.

#### **Malaya.**

I am glad to report that the economic depression in Malaya, especially in the two main exports of tin and rubber, would seem to be passing. The revenue has improved, and the financial stringency, which was especially severe in the case of the Federated Malay States, is to some extent relieved. A large loan of £10,000,000, of which £9,000,000 have already been issued on the London market, has enabled the administration to be carried on and important public works to be proceeded with. The loan has been entirely applied to Federated Malay States purposes, but in order that it might be a trustee security it was found necessary that it should be issued by the colony of the Straits Settlements, which has lent it to the Federated Malay States. The colony itself has come through a severe period of adversity without having to borrow for its own purposes.

#### **Hong Kong.**

The disturbed condition of the neighbouring Chinese province of Kwang Tung and of China generally has naturally had a bad effect on the trade of Hong Kong as a distributing centre for South China, but in spite of this the trade returns for last year would have shown a considerable increase on those of the previous year had it not been for a very serious strike of Chinese labourers, which paralysed the port for several weeks in the spring of 1922. A large scheme is under contemplation at present for an extensive reclamation undertaking, designed to increase the facilities of what is already, from the point of view of tonnage entered and cleared, the biggest port in the world.

Of all parts of the Empire, Hong Kong has probably come through the recent acute period of trade depression with the least loss and suffering. This is due to the fact that, as the entrepot of South China, she profits from every branch of the huge and varied export trade of China, as well as from