

its European imports. It is also true that political unrest in China has diverted much wealth and capital to the neighbouring British colony, in which the merchants and well-to-do classes of Chinese have implicit confidence.

#### **Fiji.**

Fiji has suffered from the loss of the Australian market for its principal export products—namely, sugar and fruit. But, thanks to New Zealand, which now takes the bulk of the sugar crop, these islands, which are of great importance to our Imperial position in the Pacific, have passed the worst. I have recently learned with interest that there is an expectation of important new developments in trade and shipping communications between Canada and Fiji which cannot but be of mutual benefit to both. The demand for labour in Fiji exceeds the present supply, but the impetus of the new Canadian trade may attract both capital and labour to the South Pacific group.

#### **Falkland Islands and Antarctic.**

It may interest the Conference to know that the late Captain Scott's Antarctic ship, the "Discovery," has been purchased on behalf of the Government of the Falkland Islands for employment mainly in research into whaling in the dependencies of the colony, which include South Georgia, the South Shetlands and Graham Land, the South Orkneys, and the South Sandwich Islands. In these dependencies the Empire possesses a whaling-field which in recent years has been more productive than all the rest of the world combined.

Existing scientific knowledge of the numbers and habits of the whale is inadequate; and we are anxious to devise a system of control of the industry which will prevent the practical extermination which has taken place in other whaling-areas. The expedition will also afford opportunities for adding to scientific knowledge in many other directions.

Evidence that the investigations are also of interest to the Dominions is afforded by the opinion expressed by the Government of the Union of South Africa that the efforts which are contemplated in regard to the study of whaling off South Africa will gain immensely from the operations of the "Discovery."

#### **Middle East.**

This concludes what I have to say to-day about the colonies and protectorates, but my survey would be incomplete without some special reference to developments in the Middle East. The supervision of this area, which includes Iraq and Palestine, was assumed by the Colonial Office in the spring of 1921.

In the statement made to the Conference by Mr. Churchill in 1921 a general outline was given of the Middle Eastern policy of the late Government, which was directed towards reducing expenditure both in Iraq and Palestine. This policy has been steadily pursued both by the late Government and the present Government, and the result is that the total expenditure this year on these two countries falling on the British Exchequer is estimated at £8,548,000, as against the actual expenditure of £26,695,364 for the year 1921-22.

#### **Iraq.**

To take Iraq first: On the 23rd June, 1921, the day after Mr. Churchill made his statement, the Emir Feisal, third son of the King of the Hejaz, arrived at Basrah as a candidate for the throne of Iraq. He was well received by the people, and on the 11th July the Council of State passed a unanimous resolution declaring him King of the country, provided that his Government should be a constitutional, representative, and democratic Government, limited by law. Sir Percy Cox, who was then High Commissioner, took steps to obtain a confirmation of this resolution by means of a referendum, of which the results were known on the 19th August. In an electorate of about one million the votes for King Feisal represented a proportion of 96 per cent., and he was accordingly recognized as King of Iraq by His Majesty's Government. The next step was to place our relations with him on a proper footing. Our position as mandatory was regulated by the terms of the draft mandate (though that document had not then, and has not yet, been formally approved by the League of Nations); but it was felt that a stage had been reached, with the establishment of constitutional monarchy in Iraq, when some more appropriate instrument was required as between ourselves and the mandated State. Accordingly a communication was made in November, 1921, to the Council of the League of Nations, informing them that the British Government had been led by political developments in Iraq to the conclusion that their obligations *vis-à-vis* the League could be most effectively discharged if the principles on which they rested were embodied in a treaty to be concluded between His Britannic Majesty and the King of Iraq. This treaty would serve merely to regulate the relations between the mandatory and the Iraq Government, and was not intended as a substitute for the mandate, which would remain the operative document defining the obligations incurred by His Majesty's Government towards the League of Nations. Negotiations with King Feisal were opened at the same time. After somewhat lengthy discussions a treaty of alliance was eventually signed on the 10th October, 1922. You will note the date, which was just before Mr. Lloyd George's Government went out of office. The treaty provided for the conclusion of a number of subsidiary agreements in which the precise degree of obligation undertaken by His Majesty's Government was to be defined. It was originally to remain in force for twenty years, but the present Government, after a most careful review of the whole question of policy in Iraq, arrived at the conclusion that this period was too long. On the 30th April, 1923, a protocol was signed at Baghdad, providing that the treaty should terminate upon Iraq becoming a member of the League of Nations, and in any case not later than four years from the